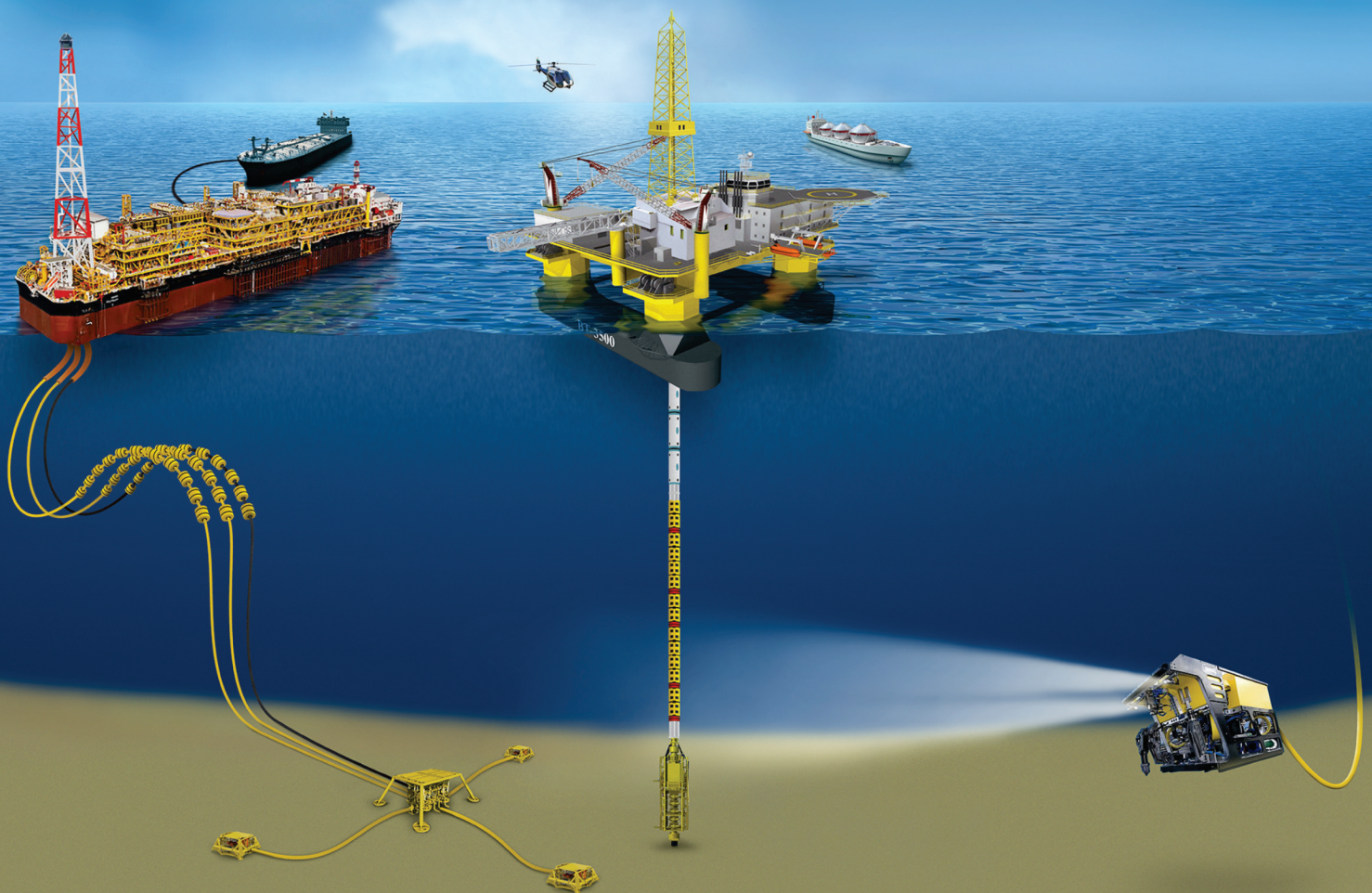
ओएनजीसी
ONGC

Celebrating ONGC 60 Years of glory

Forays into New Hydrocarbon Frontiers

Annual Report 2015-16



Oil and Natural Gas Corporation Limited

Annual Report 2015-16



Shri Narendra Modi
Hon'ble Prime Minister of India

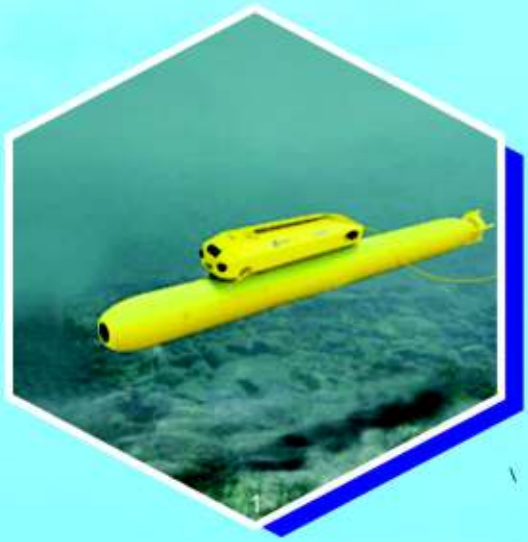
"Congratulations
ONGCians!

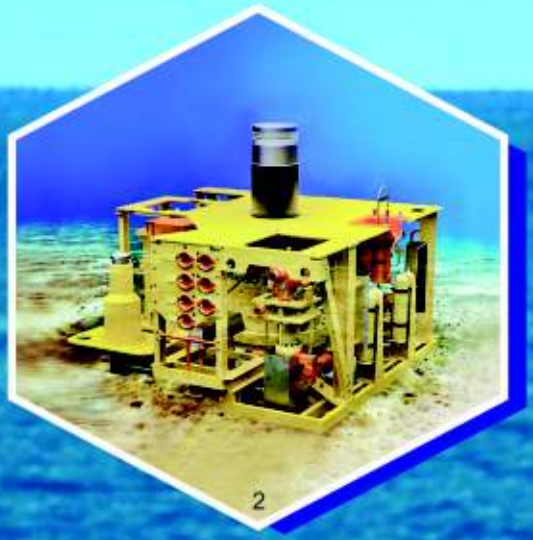
For your six decades of phenomenal contributions.
You are our energy soldiers.
Strive hard to script more successes.

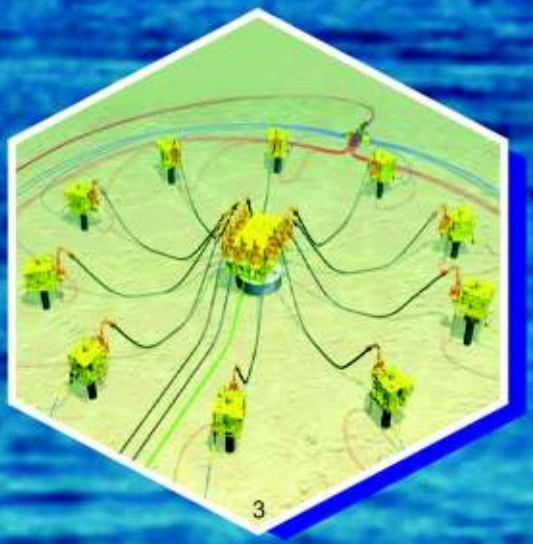
Wish you all the best for your future endeavours."











As we celebrate sixty years of ONGC's commitment to India's Energy Security, we pledge to make tomorrow brighter through optimum utilization of resources and cutting edge technology.

Extensive exploration in known basins as well as frontier plays, sustained production from existing fields and exploitation of deep water fields in East Cost remain the focus area.

ONGC has already approved an investment of ₹34,000/- Crore over next four years for development of deep water fields in East Coast, envisaging production of first gas by June, 2019 and oil by March, 2020.

Photo 1: Carrier & Robot going under water at deep sea
Photo 2: Close up of will head at deep sea
Photo 3: Cluster of wells at deep sea

Chairman's Message



Dear Shareholder,

At the outset, I thank you for your continued support.

The year witnessed continued slump in global crude oil and commodity prices, compounded by the sluggish global economic growth and geopolitical instability. Your trust in your Company irrespective of the prevalent mood of the markets has provided us a lot of encouragement and reassurance. We have been committed and shall remain so for managing the risks of the business and planning future growth of your Company to ensure maximum value creation for all our stakeholders.

I, on behalf of the Board of Directors of Oil and Natural Gas Corporation Limited and over 33,000 dedicated energy soldiers, present to you ONGC's Annual Report for the financial year 2015-16. Despite the upstream oil and gas sector had been under tremendous economic stress in the last one year on account of the low crude oil and natural gas prices, ONGC and its group companies, have done well in FY'16 in terms of their operational and financial performance.

Our performance during such difficult times testifies the strength of our core domestic oil and gas portfolio as well as the efficacy of our investments towards asset creation.

In FY'16, we made 17 hydrocarbon discoveries with an overall 2P Reserve Replacement Ratio (RRR) of 1.51, making it the tenth consecutive year that the Company has recorded an RRR in excess of 'One'. This reflects our strong exploratory record over the years. With a total reserve accretion of 65.58 Million Tonnes Oil equivalent in FY'16, our reserve accretion profile has been creditable. At the same time, there has been a strong drive towards converting the booked resources in the reservoir into barrels on the surface.

Our efforts on the production front also has been satisfying in FY'16. Standalone domestic output from ONGC-operated fields in the year stood at 22.36 MMT, compared to 22.26 MMT in the preceding fiscal. The increment, though marginal, is meaningful as it defies the trend of falling productions for 7 years until FY'14. This is the second consecutive year that our domestic portfolio has registered a rise in output inspite of the fact that ONGC's major producing fields are in maturity stage which necessitates continuous investment to manage reservoir health and arrest the natural decline.

The prolific Western Offshore continues to be the mainstay of our base production portfolio, and our major capital commitments in the past few years have been towards offshore projects. Incremental

oil from production enhancement projects in our legacy assets accounted for close to 30 percent of the company's crude output in FY'16. We have been successful in recovering over 100 MMT of oil from such IOR initiatives and close to another 100 MMT is further envisaged. However, the costs incurred on every incremental barrel continues to challenge their long-term commercial viability, especially when prices are low. Though domestic crude production has been satisfying, our natural gas production recorded another year of decline in FY'16 at 21.18 BCM relative to 22.02 BCM in FY'15.

As you are aware, ONGC's oil & gas production accounts for 70 percent of country's hydrocarbon output. However, keeping in view India's substantial domestic demand, we understand the urgent imperative to boost domestic supplies. Over the last couple of years, we have stepped up our efforts in this area and new fields which have been put on production in recent past have contributed around 12 percent of the company's O+OEG production. As many as five development projects valuing about ₹24,800 Crore were completed during FY'16, which through their lifecycles will contribute over 60 MMtoe of new oil and gas supplies. As many as seven projects valuing about ₹48,000 Crore were approved during the year. Cumulatively, these will translate to additional oil and gas of over 97 MMtoe.

Most significant among these approved projects is the development of fields under Cluster 2 of our deepwater block KG-DWN-98/2 in Eastern offshore which was approved by the Board with a budget of over ₹34,000 Crore. This is the highest-ever investment in a single project till date in ONGC's history. Once operational, this project will not only significantly bolster the country's energy security but also have a compounding effect in terms of Indian Exchequer, employment generation, technological breakthrough and opening a new avenue to Deep water production in Indian waters. Gas production from this project is expected to commence in 2019, whereas the first oil production is expected a year later. The project envisages total production of 23.526 MMT of crude oil and 50.706 BCM of natural gas during the project life from 35 wells in the water depth of 400-1300 metres. The peak daily production from the project in expected to be 16.30 million cubic meters of gas and 77,300 barrels of oil.

Investment decisions have also been taken by ONGC Board for development of Bokaro CBM Block (BK-CBM–2001/I) at a total Project cost of ₹823 Crore. ONGC's share in this project would be ₹658.62 Crore (80% PI with operatorship). This project envisages Coal Bed Methane gas production of 4.098 BCM in 20 years with a peak of 0.9 MMSCMD and a plateau production of 0.75 MMSCMD. The project includes drilling of 141 wells with multilayer Hydro-Fracturing and installation of three production facilities. Production from this project is expected to commence during 2017- '18.

Gas Hydrates is described by many as potentially next 'game-changer' in the sector. ONGC has taken a lead role in the National Gas Hydrates Program (NGHP). 42 gas hydrate wells have been drilled as part of NGHP 02 which has been completed on 28 July 2015. This expedition has been quite successful. Two areas in KG deep offshore (Block 98/5 and D6/D9) have proved to be world class gas hydrate accumulation for further production testing. NGHP-03 is being planned further.

The fall in crude prices has not largely impacted our realization on our domestic barrels but it has affected our earnings from JV operations and Value Added Products (VAP) sale. Our gross revenues in FY'16 was ₹78,569 Crore, compared to ₹83,094 Crore in FY'15. Our combined group turnover for FY'16 was ₹142,927 Crore. Standalone Profit-After-Tax (PAT) was ₹16,004 Crore (down 9.8 percent) while the Group PAT was ₹14,124 Crore (down 23 percent). The government's supportive view on subsidy-sharing by upstream operators in a period of deflated crude prices eased the burden of under-recoveries in FY'16, resulting in a higher net price realization for our domestic crude sales at $47.14/bbl against $44.87/bbl in FY'15.

Celebrating 60 years of commitment

ONGC continues to honour the tradition of healthy dividend distribution among its valued shareholders, the most important stakeholders of this organization. In FY'16, with a total payout of ₹8,752 Crore, inclusive of dividend distribution tax, we maintained a payout ratio of 55 percent, same as in FY'15. Our constant focus in our core business, in combination with our future plans for growth, positions us to create enough room for meaningful value creation irrespective of market trends.

On the international front, ONGC Videsh Limited, our 100% subsidiary had to endure the direct fallout of the slump in crude prices, and recorded negative earnings in FY'16. However, our international business remains firm as oil and gas output from our international business increased to 8.92 MMtoe in FY'16 against 8.87 MMtoe in FY'15. At the moment, our Syrian and South Sudanese Assets continue to remain affected due to internal disturbances. In FY'16, in terms of overseas expansion, we secured a 15 percent stake in Russia's Vankor field, the country's second largest oil field, through Vankorneft - a subsidiary of Rosneft. The daily production from the Vankor field is around 442,000 bpd of crude oil on an average; with ONGC Videsh's share of daily oil production at about 66000 barrels. This transaction provides an opportunity to ONGC Videsh to enhance its presence in Russia and also has significant strategic importance to India, both in terms of augmentation of India's Energy Security as well as enhancing India's stature in the global political and economic arenas. With this acquisition, ONGC Videsh interests span across 17 countries through 37 projects including 14 producing properties.

Your Company has also performed well in downstream refining and petrochemical segments. Our refining subsidiary, Mangalore Refinery and Petrochemicals Ltd. (MRPL), registered its highest ever throughput at 15.53 MMT. The refining unit recorded an impressive GRM of US$ 5.2 per barrel as well as achieved a turnaround in its earnings with a net profit of ₹1,148 Crore. The company also accomplished almost 100 percent increase in domestic evacuation of its products to 1.61 MMT in FY'16, thereby increasing its market share in domestic market and reducing its dependency on exports. In view of the conducive domestic retail market scenario and positive outlook of consumer demand for petroleum products, MRPL has now initiated steps to commence its retail business by setting up retail outlets. In another important move, MRPL also became the majority shareholder of ONGC Mangalore Petrochemicals Ltd (OMPL) by increasing its stake to 51 percent in order to enhance the synergies of the two businesses.

During the same period, OMPL, the merger of which with MRPL is currently under process, has registered a turnover of ₹4,189 Crore. Capacity utilization of the units during FY'16, increased to 71 percent from 60 percent in FY'15. ONGC Petro-additions Ltd (OPaL), one of our value-multiplier projects, will also be commissioned shortly as naphtha and polypropylene, principal feedstocks for the dual-feed cracker unit, has already arrived. At Dahej itself, the world's first LNG-based C2-C3 plant, which will supply Ethane, Butane and Propane to OpaL, commenced operations on May 31, 2015. Our JV entity in the Power segment, the 726.6 MW OTPC Power Plant in the country's north-eastern state of Tripura, is now fully operational with gas supplies from ONGC fields.

With the recent successful signing of the historic COP-21 Agreement on climate change and mitigation, it is important to understand the diverse implications of energy and all energy-related businesses on the environment. We have always endorsed and practised a holistic and sustainable approach to doing our business. Today, we have 13 Clean Development Mechanism (CDM) projects

registered with United Nations Framework Convention on Climate Change (UNFCCC) which have cumulatively accrued 260,000 Certified Emission Reductions (CERs) to the company's account. We have also undertaken extensive carbon and water foot-print exercises which have helped us identify areas in our operations that can benefit from focused emission-reduction interventions.

As an integrated energy company, we are also committed to increasing the share of greener forms of alternate energy in our basket. We have already constructed two wind farms – one in Gujarat with a capacity of 51 MW and the other is 102 MW farm, set up in Rajasthan and are constantly on the lookout for similar ventures in this domain. A rapid growth in solar business is being driven by innovative solar niches; ONGC is also exploring options for initiating activities in solar business while keeping our boots planted firmly in the Oil & Gas E&P business.

ONGC's shareholders would be happy to know that beyond the realization of operational and financial targets, the business template of the company is also guided by a 'Safety First' and an environmentally-aware approach, as evidenced by our sustainability as well as our CSR initiatives. It ensures that ONGC, besides being committed as a robust business entity, is equally attuned to the realities of an emergent energy landscape. ONGC has a long and cherished tradition of commendable initiatives, institutionalised programmes and practices of Corporate Social Responsibility which have a laudable role in the development of several underdeveloped regions of the country. The company's CSR programs continue to make meaningful difference in people's lives, especially around our operational areas. In FY'16, ONGC spent ₹421 Crore through several large scale key projects and new projects initiated as a part of its CSR initiatives.

Values and principles will remain at the core of ONGC's DNA. Our annual numbers represent much more than operational or financial milestones. They also represent the company's commitment and investment in the many relationships that it has forged over the years with its many different stakeholders.

Here, I would like to thank the Government of India, in general and our administrative Ministry- Ministry of Petroleum and Natural Gas, for its constant support and encouragement to us in taking bold steps in realising our mandate. We are aware of the country's expectations from us. Our pursuits in the domain of energy, in the larger interests of the country's requirements, have definitely benefitted from the vision, policies and several path breaking reforms taken by the Government in Oil & Gas sector.

ONGC would be completing its sixty remarkable years as the country's flagship oil and gas company. In fast few weeks as much as at ONGC, I am sure it is an equally relevant event for all our valued shareholders who have given to us immense confidence and belief in our endeavours over the years by choosing to remain invested in us. Your continued support is an important barometer of ONGC's success and its growth outlook. With the successful closure of another year with FY'16, I assure you that the Company will continue doing the best and make more energy supplies available to the country while ensuring strong value creation for all of you.

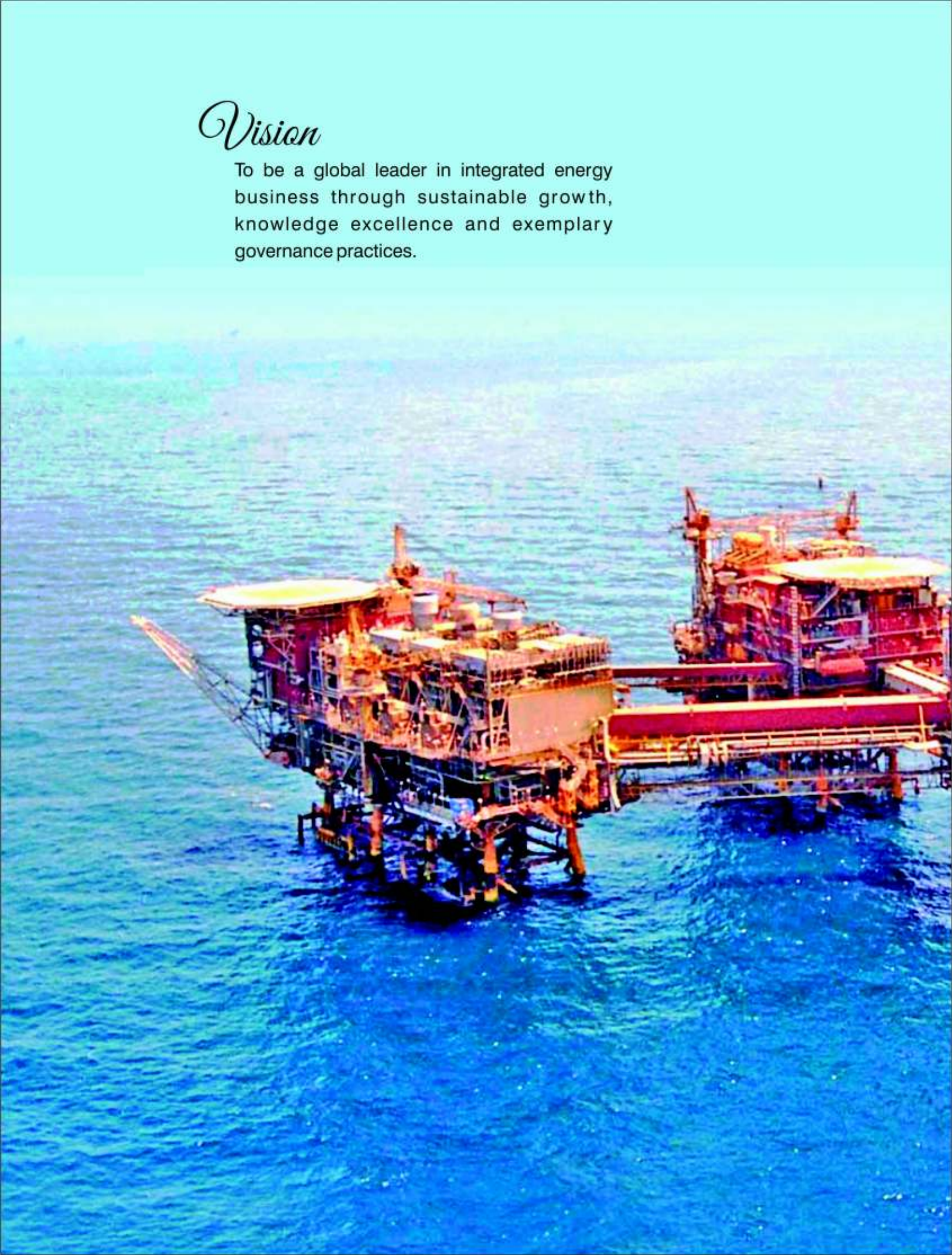
Jai Hind



(Dinesh K. Sarraf)
Chairman & Managing Director

Vision

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



Mission

World Class

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

Integrated in Energy Business

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

Dominant Indian Leadership

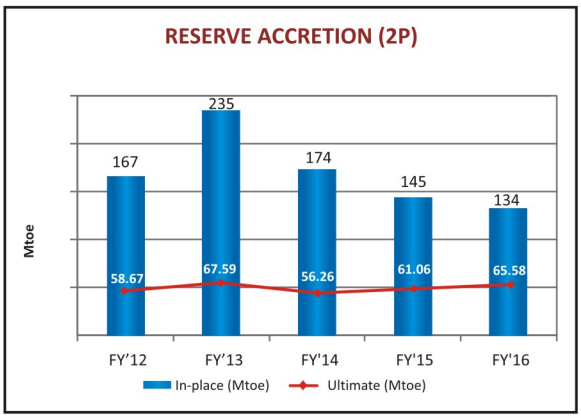
- Retain dominant position in Indian petroleum sector and enhance India's energy availability.

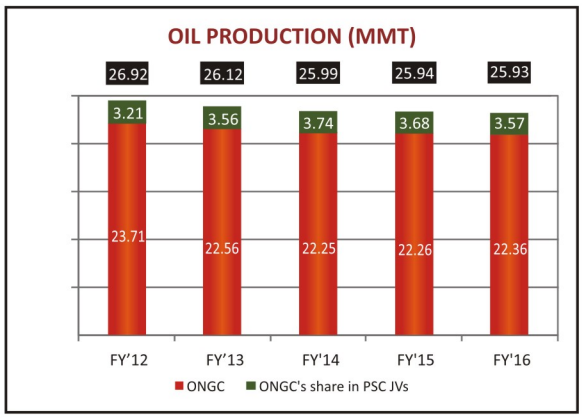
Carbon Neutrality

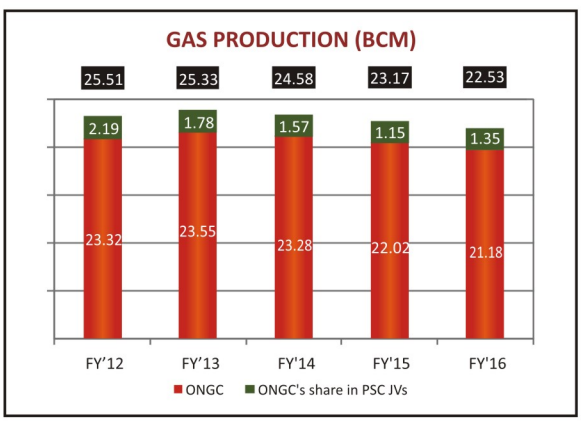
- ONGC will continually strive to reduce CO_2 emissions across its activity chain with the objective of achieving carbon neutrality.

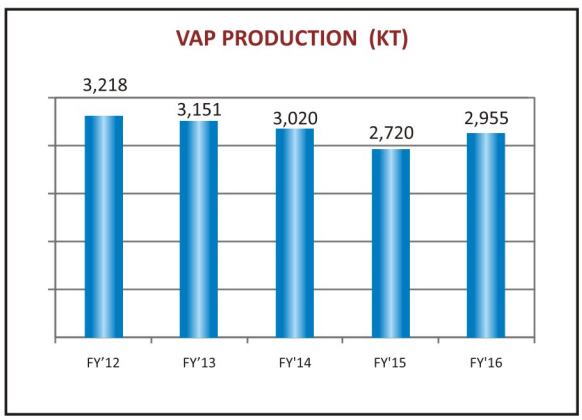


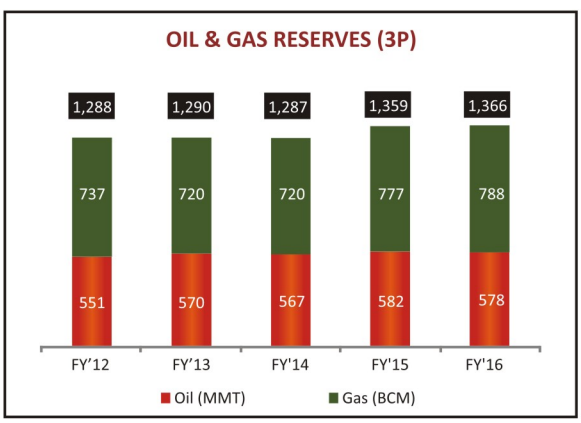
Operational Highlights FY'16

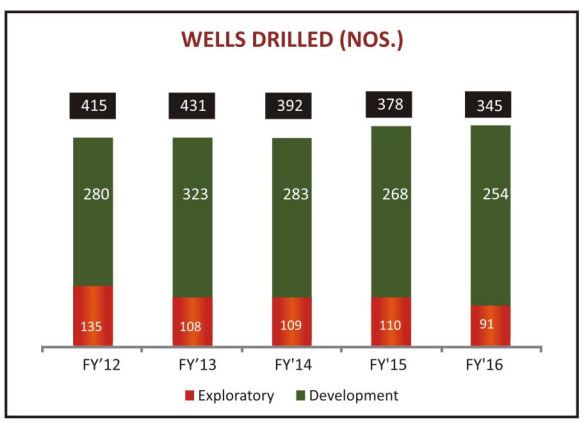




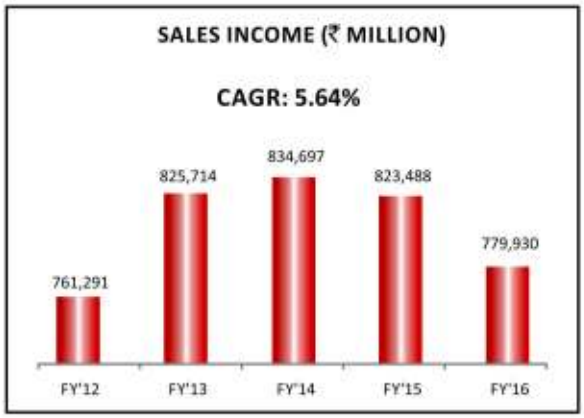


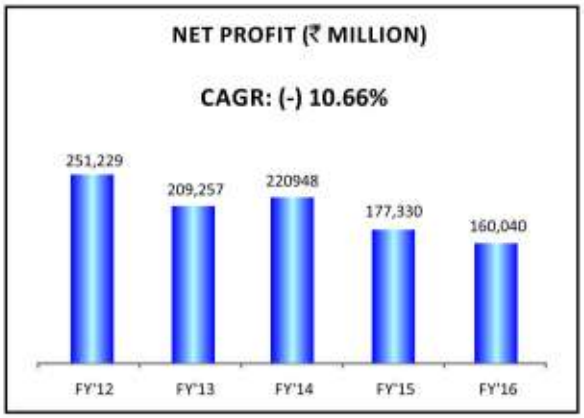


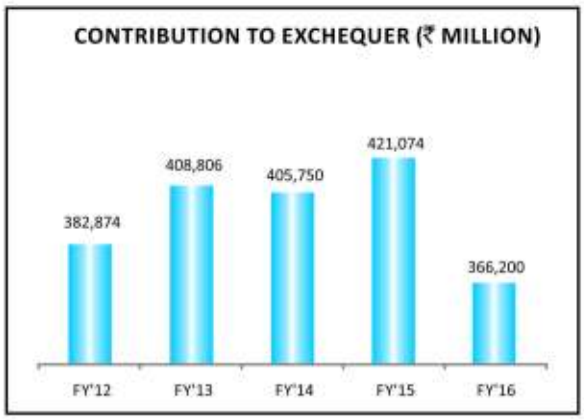


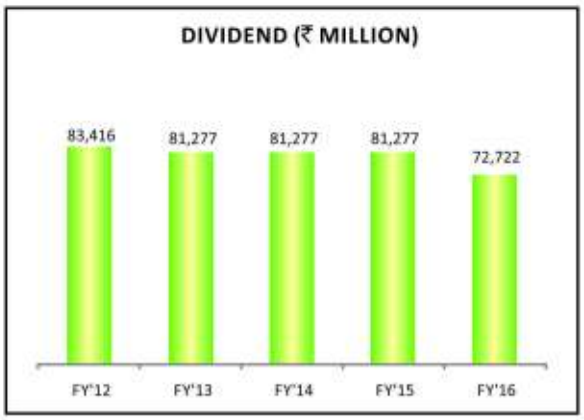


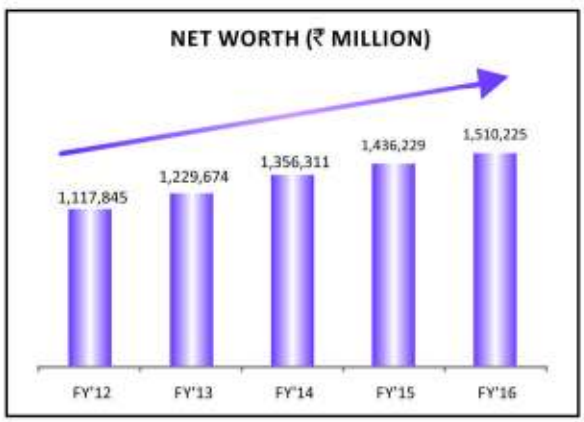
Financial Highlights FY'16

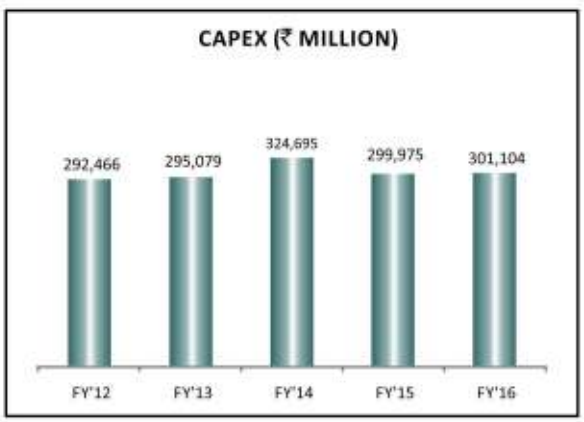




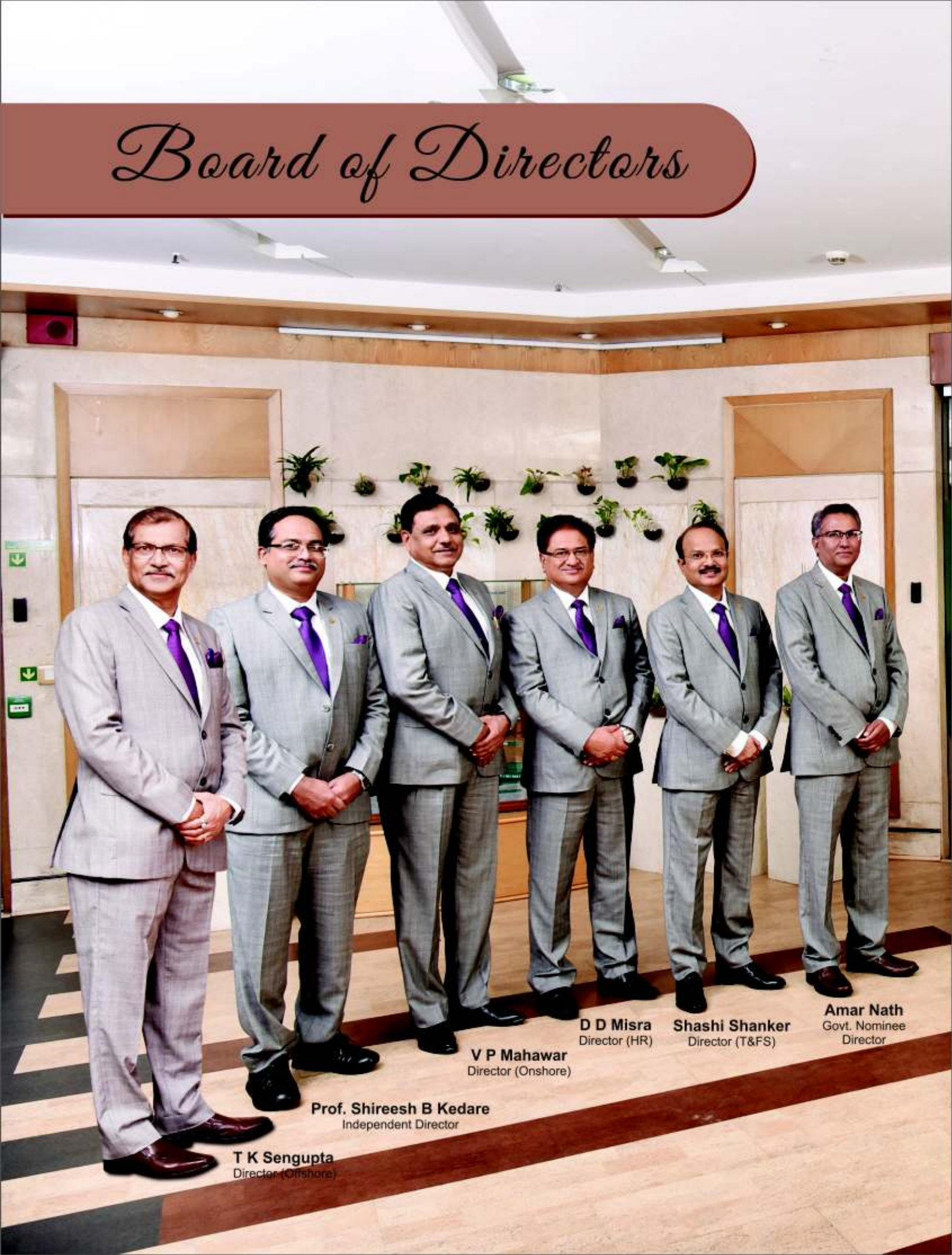








Board of Directors




Dinesh K Sarraf
Chairman &
Managing Director
A P Sawhney
Govt. Nominee
Director
Ajai Malhotra
Independent
Director
K M Padmanabhan
Independent
Director
A K Srinivasan
Director (Finance)
A K Dwivedi
Director (Exploration)

Brief Profile of the Board of Directors as on 13.07.2016

Chairman and Managing Director

Shri Dinesh K. Sarraf, 58, is the Chairman & Managing Director of Oil and Natural Gas Corporation Ltd (ONGC), India's one of the most valuable public sector enterprises and one of the most premier E&P companies in the world. He is also the Chairman of ONGC Videsh Ltd, Mangalore Refinery and Petrochemicals Ltd and other ONGC Group companies- ONGC Petro-additions Ltd, ONGC Mangalore Petrochemicals Ltd, Mangalore SEZ Ltd and ONGC Tripura Power Company Ltd.

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



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

In September, 2011, Shri Sarraf went back to ONGC Videsh assuming the charge of its Managing Director. In March, 2014, he took over as Chairman & Managing Director of ONGC.

In recognition of his excellence in financial management and various other outstanding contributions, he has been conferred with several accolades including the Best CFO Awards in Oil & Gas sector in India by CNBC in 2009 and 2011. He has been conferred Distinguished Fellowship 2015 by the Institute of Directors (IoD) for practicing highest standards of corporate governance while steering the boards of ONGC, a Maharatna firm and its group companies.

Functional Directors

Shri Shashi Shanker, Director (T&FS) joined ONGC Board on 01.12.2012. He holds a B.Tech degree in Petroleum Engineering from Indian School of Mines, Dhanbad and MBA with specialization in Financial Management from IGNOU. Shri Shashi Shanker has an impressive professional experience of over three decades with ONGC having exposure in diverse E&P activities.



Since joining, he was always entrusted with challenging tasks which he could accomplish with perfection as was expected from him - as an engineer, as a manager, as an administrator or as a policy maker. He has a first-hand experience in almost all the challenging operations of Assam, West Bengal and Mumbai. His performance was acclaimed when he spearheaded the deep/ultra-deep water campaign of ONGC which was christened as 'Sagar Samriddhi'. His vision and dynamic attributes helped ONGC steer through many milestones making numerous operational and policy initiatives.

Presently, Shri Shanker is also the Director Incharge of ONGC Tripura Power Company Ltd.(OTPC) and North East Transmission Company Ltd (NETC). He is also the Chairperson of International Association of Drilling Contractor(IADC), South Central Asia Chapter and Section Chair of SPE Delhi Chapter. Shri Shanker is also the Director Incharge and Member of the High Powered Steering Committee for the highly ambitious "Make-in-India" campaign of Govt. of India.

Shri Tapas Kumar Sengupta, Director (Offshore) joined ONGC Board on 01.02.2014. He holds a first-class B.Tech degree in Chemical Engineering from Jadavpur University, Calcutta and a Diploma in Management from Indira Gandhi National Open University. Prior to becoming Director (Offshore), he was Chief of Well Services looking after operations, technological needs apart from manpower and material support for all Onshore and Offshore assets in respect of Well Services and Deepwater projects of Eastern Coast of India.



Shri T. K. Sengupta is one of the select club of production engineers who has a balanced exposure to both onshore and offshore oilfields operation. His onshore experience portfolio comprises of Well Services in Gujarat and Assam for 11 long years and 4 years in Sudan as part of ONGC Videsh.

Of his 18 years in Offshore fields of Mumbai, he served for 12 years in Mumbai High in Well Services, successfully handling a number of production-enhancement assignments. Shri Sengupta was also instrumental in improving performances of ONGC's offshore sick well inventory. He was the recipient of the CMD award for Best Production Engineer in 1996 & Best Professional Engineer in 2001 for the same.

Shri Desh Deepak Misra, Director (Human Resource) joined ONGC Board on 01.08.2014. He holds a Master's Degree in Public Administration (MPA) from University of Lucknow. Prior to his appointment as Director (HR), ONGC, he was Head Corporate Administration at ONGC Dehradun.



Starting his career as Graduate Trainee, Shri Misra has left his imprint in diverse assignments given to him in three decades with the company. Despite holding high pressure assignments, Shri Misra has always found time to nurture his other interests, particularly his passion for wildlife photography. His maiden Coffee Table photo book "The Karjat diaries" profiling bio-diversity of Western Ghats was launched in January-2014 at Petrotech.



Shri Ajay Kumar Dwivedi, Director (Exploration) joined the Board on 16.03.2015. A post-graduate from Kanpur University, Shri Dwivedi has a distinguished career of more than 34 years in ONGC, holding key exploration-related assignments at different work centers starting from Mumbai, moving to Dehradun in North, to Chennai in South, then Jorhat in the East, Vadodara in the West and as Basin Manager MBA Basin, Kolkata, before finally taking over Western Offshore as Basin Manager. Shri Dwivedi has managed ONGC's prime exploration portfolios in Western Offshore –Kutch-Saurashtra, Mumbai Offshore and Kerala-Konkan Basin.

His keen analytical acumen coupled with a people-centric approach has been his forte. His strength has been to encourage Multi-Disciplinary team working in various capacities across the organization. As a core team member of joint project team on organizational change program, Shri Dwivedi was involved with redesign of structure, systems and business processes aligned to Asset based model and their implementation in two pilot projects. With his rich academic lineage, Shri Dwivedi has authored a number of technical papers. Shri Dwivedi has undergone various development programs, including those at Indian School of Business, Hyderabad and University of Alberta School of Business, Alberta, Canada. He is affiliated to SPG - India, AEG – India and SPE and presently holds the office of President, SPG-India.



Shri Ved Prakash Mahawar has taken over as Director (Onshore), ONGC on 01.08.2015. Shri Mahawar is a Graduate in Mechanical Engg. from Pandit Ravi Shankar Shukla University, Raipur.

He joined ONGC as Driller in the year 1982. He is the first sub-sea engineer of ONGC. He was awarded as CMD's Young Executive of the year in 1987 and CMD's Manager of the year award in the year 1999. He has 34 years of oil field experience in various capacities across entire spectrum of ONGC. He pioneered in establishment of Well Control School at Institute of Drilling Technology (IDT), Dehradun, which has been imparting training to ONGC'ians and oil personnel from Indian as well as foreign oil companies, in understanding the well control techniques & equipment leading to upward change in drilling fraternity's skill & knowledge. Shri V P Mahawar is a veteran of numerous Blow-out control jobs and an expert in handling the complicated well control problems. He has authored and developed "Well Control Manual for Offshore Operations" as part of the team to develop OISD Standard 174 for Well Control Practices.



Shri A K Srinivasan has taken over as Director (Finance), ONGC on 23.09.2015. Shri Srinivasan an IIM Bangalore alumnus is an accomplished finance professional with experience of over 33 years in upstream oil and gas finance.

Shri Srinivasan started his professional journey with ONGC as a graduate trainee in the year 1983. He has demonstrated his professional capability in diverse facets of financial planning and management with the energy major. With experience in the capital markets, project financing & contracts, corporate budgeting & planning, corporate accounts, corporate taxation and dispute resolution, Shri Srinivasan has a broad array of expertise up his sleeves.

As Executive Director (Finance), ONGC, Mr Srinivasan played a pivotal role in international fund raising during the ONGC Videsh bond issue, securing over USD 700 million worth of credit for the overseas subsidiary of ONGC.

Shri Srinivasan has played major role in the acquisition of various oil and gas development projects, Power, Petro-Chemical and capital assets for ONGC. He has also steered critical productivity enhancement projects like the transition from excel based reporting to SAP based reporting and implementation of Enterprise Resource Planning (ERP) projects across ONGC.

In pursuit of excellence, Shri Srinivasan has also undergone various development programs like the Advanced Management Program at IIM Lucknow, Senior Management Program at the Indian School of Business, Hyderabad and Oil and Gas Accounting from University of Texas, Dallas.

Government Nominee Directors

Shri A.P. Sawhney, Additional Secretary, Ministry of Petroleum & Natural Gas is the Govt Nominee Director of your Company and joined the Board on 02.01.2016. Shri Sawhney, IAS Officer of Andhra Pradesh cadre (1984 batch) is a Mechanical Engineer. Shri Sawhney has handled various assignments in the State of Andhra Pradesh, covering land administration, law and order and quasi-judicial functions, rural development, health & family welfare, communication & information technology, e-governance and elections etc.



He played a lead role in the Total Literacy Campaign taken up in Nizamabad district in the early nineties. He has also catalysed the establishment of the International Institute of Information Technology in Hyderabad and its emergence as one of the premier institutions in computer science education and research in the country. He has spent more than ten years in assignments relating to information technology and e-governance and has led the formulation of innovative policies and implementation of several major e-governance, communications and broadband projects. He has also worked as the Principal Secretary to Chief Minister of AP after the reorganisation of the State of Andhra Pradesh.

He has also held important positions in the Govt. of India as Joint Secretary Training in the Department of Personnel and Training and as the President and CEO of the National e-Governance Division, which assists the Ministry of Electronics and Information Technology in the implementation of the National e-Governance Plan. Since March 2015, he is working as Additional Secretary in the Ministry of Petroleum and Natural Gas.

Shri Amar Nath, Joint Secretary (Exploration) Ministry of Petroleum & Natural Gas is the Govt. nominee Director and joined the board on 28.06.2016. Shri Amar Nath, an IAS Officer (1994 AGMUT Cadre) is a Bachelor of Science (Mechanical Engineering) from National Institute of Technology, Kurukshetra, Kurukshetra University and MA (International Development Policy) from Duke University, USA. Shri Amar Nath was Secretary to the Department of Health, Government of National Capital Territory of Delhi prior to the present assignment. He has held the positions of Administrator of Union Territory of Lakshadweep, Chief Executive Officer of Delhi Urban Shelter Improvement Board, and Chief Executive Officer of Chandigarh Housing Board in Chandigarh.



He has extensive experience of working in various Departments of Government at senior management positions such as Finance, Economic Planning, Tourism and Industrial Development in the states of Arunachal Pradesh, Pondicherry, Chandigarh and Delhi. Before joining IAS in 1994 he worked with State Bank of India and Steel Authority of India.

Independent Directors

Shri Ajai Malhotra, aged 62 years, is an Independent Director of your Company. Shri Malhotra holds an M.A. in Economics from The Delhi School of Economics, University of Delhi. He joined the Indian Foreign Service (IFS) in 1977 and besides assignments at the Ministry of External Affairs, New Delhi, worked at Indian diplomatic missions in Bucharest, Geneva, Kuwait, Moscow, Nairobi, New York and Washington DC.



He was Minister (Commerce) at the Embassy of India, Washington DC (1999-2003), serving simultaneously from 2002-2003 as Chairman of the International Cotton Advisory Committee. He was Ambassador of India to Romania, concurrently accredited to Albania and Moldova (2003-2005), Ambassador and Deputy Permanent Representative of India to the United Nations, New York (2005-2009), Ambassador of India to Kuwait (2009-2011) and Ambassador of India to the Russian Federation (2011-2013), before retiring from the IFS on November 30, 2013, after nearly 37 years of distinguished service.

His wide ranging experience includes being on the Indian team negotiating issues such as biological diversity, climate change, desertification, education, energy, forestry, health, human rights, human settlements, intellectual property rights, international law, labour, ozone depletion, sustainable development and international trade. In 2004, he was awarded an Honorary Doctorate by Western University of Arad, Romania, in recognition of his work in support of environment and development.

He is presently a Distinguished Fellow at The Energy and Resources Institute (TERI), New Delhi, besides being Chairman and Managing Trustee of two organisations serving the underprivileged - CHIKITSA and SHIKSHA - as well as Chairman, Nehru Trust for the Indian Collections at the Victoria & Albert Museum and Chairman, NAB Centre for Blind Women & Disability Studies. He frequently contributes to seminars on economic, environmental, defence, political, trade and security issues.

Shri K. M. Padmanabhan, aged 59 years, is an Independent Director of your Company. Shri Padmanabhan, a Chartered Accountant in practice for more than 27 years and is the Senior Partner of Srinivas and Padmanabhan, Chartered Accountants, Chennai.

As a practicing Chartered Accountant, he has created Internal Control Systems, processes and procedure besides rendering business consultancy for a very big South based educational institution spread into engineering, medical and also into hospitals.



He has been a regular Visiting Faculty in the area of Finance and Accounting at Indian Institute of Management (Indore), Indian Institute of Management (Raipur), Institute for Financial Management and Research (IFMR), RBI Staff Training College, Tamilnadu Judicial Academy, The Institute of Chartered Accountants of India (ICAI). He has been trained in Case Method Teaching at Harvard Business School, Boston, USA and at Harvard Business School Center, Shanghai, China.

He is the founder member of Prerana Helpline Foundation (NGO) that caters for the need of visually challenged people.

He was able to eliminate wastes and non- value added expenditure through Business Process Reengineering and Kaizen cost Reduction Methods for various business units in the SME sector in the last 10 years of business consulting.

As a person trained in the pedagogy of Case Method Teaching at Indian Institute of Management, Ahmedabad and at Harvard business School, Boston, USA, he had trained thousands of non-finance executives in Finance, Costing and kaizen cost Reduction with strategic orientation.

He is also a Managing Committee member of Madras Management Association one of most acclaimed management associations in India.

Prof. Shireesh B. Kedare, aged 52 years, is an Independent Director of your Company. Shri Kedare, has obtained his B.Tech. in Mechanical Engineering from IIT Bombay in 1985. He also obtained his Ph.D. in 1992 from IIT Bombay in "Reciprocating Wind Machine". He spent three years (1992-95) as a volunteer in social sector working on different issues related to 'Development'. He started his engineering consultancy in energy and environment in 1995. He worked as a Technical Consultant (1998-2001) to the Chairman, Khadi and Village Industries Commission when he worked on the issues related to Development of Rural Industries Clusters. He is presently associated with IIT Bombay as a Professor.



He joined Department of Energy Science and Engineering, IIT Bombay as an adjunct faculty and simultaneously Clique Developments Ltd., an engineering Company in Mumbai as its Director (R&D). Based on his studies on different renewable energy systems, he identified a need for developing concentrating solar thermal collectors for industrial process heat applications way back in 1997. He acted as a Principal Investigator (2004 to 2007) under IIT Bombay-Clique R & D project of ARUN 160 (160 sq.m Fresnel Paraboloid Solar Concentrator for industrial process heat) sponsored by MNRE (Ministry of New and Renewable Energy), New Delhi. He has also worked on integration of solar concentrator technology for a variety of industrial processes as well as commercial applications using steam, pressurized water or thermic fluid as media and for steam augmentation in thermal power plants.

Along with optimization of Solar Industrial Process Heat Systems with and without storage, his focus is on development of solar thermal power plant with storage working for 24 h/d suitable for Indian conditions. He is also associated with Centre for Technology Alternatives for Rural Areas (CTARA), IIT Bombay and is working on rural energy and other technologies. He is presently focusing on problem assessment and development and dissemination of small and affordable implements for performance improvement for traditional wood fired cook-stoves (Chulha) used in different regions of the country.

Special Invitee

Shri Narendra Kumar Verma is the Managing Director of ONGC Videsh Ltd, the wholly owned subsidiary of your company. He has more than 33 years of experience. He holds a Master Degree in Applied Geology, an M. Tech degree in Petroleum Exploration and MBA in Finance. He has also completed One Year Global Manager's Program at IIM, Kolkata. Recipient of many national awards and international commendations, the crowning moment of his technical career came with the prestigious 'National Mineral Award', the highest recognition by the Government of India in the field of geosciences, mining and allied areas, that was conferred upon him for his outstanding contribution to Petroleum Exploration in Mumbai Offshore, ONGC. Shri N K Verma has demonstrated remarkable competence in challenging roles in the domain of 'Exploration' and technological research, ranging from management of overseas exploration and Business Development; Management of exploration activities in Frontier Basin, Mumbai Offshore and Assam-Arakan Basin; and Head of Interpretation Group at the prestigious Geodata Processing and Interpretation Centre (GEOPIC) of ONGC.



Directors whose term ceased since last Annual General Meeting



Shri U. P. Singh, earlier Additional Secretary, Ministry of Petroleum & Natural Gas, was the Govt. Nominee Director of your Company and had joined ONGC Board on 16.10.2014. He ceased to be Director on 28.06.2016. Shri U. P. Singh is B.Tech. (Mechanical Engineering) and M.Tech in Industrial & Management Engineering from IIT, Kanpur. He belongs to 1985 batch of IAS (Odisha Cadre).

During his rich and varied experience as an IAS officer, he has held various administrative positions in the areas of Revenue, Social Justice & Empowerment, District Administration, Transport, Commercial Taxes, Water Resources, Industries, Steel, Energy and Agriculture & Cooperation, etc. in the State Government and in the Ministries of Ocean Development, Parliamentary Affairs, Surface Transport and Finance in the Central Government. Prior to joining Ministry of Petroleum & Natural Gas, he was Joint Secretary, Ministry of Steel and earlier to that he was Principal Secretary, Agriculture Department in the State Government of Odisha.



Smt. Atreyee Das, Director General, Petroleum Planning & Analysis Cell of Ministry of Petroleum & Natural Gas was a Govt. Nominee Director of your Company, had joined the ONGC board 14.05.2015 and ceased to be a Director on 02.01.2016. She belongs to 1989 batch of Indian Audit and Accounts Service under the Comptroller and Auditor General of India. She has more than 24 years of experience in the field of public auditing and conducted several performance audits, financial audits and compliance audits. Before taking charge of Director General, Petroleum Planning and Analysis Cell, Ministry of Petroleum and Natural Gas, New Delhi since September 2014, she held various important positions viz. Director General, Office of the Director General of Commercial Audit and ex-officio Member Audit Board-IV, New Delhi from May 2013 to September 2014, Principal Director (State Receipt Audit) and Central Region in the O/o The Comptroller and Auditor General of India, New Delhi from April 2010 to June 2013, Accountant General (Commercial, Works and Receipt Audit), Orissa from September 2006 to April 2010, Principal Director of Audit, East Coast Railway, Bhubaneswar from April 2006 to September 2006, on deputation to the United Nations from September 2004 to December 2005, Director of Audit, Northern Railway from March 2002 to September 2004 etc.



Shri K Narasimha Murthy, an Independent Director of your Company, had joined the ONGC Board on 21.03.2013 and ceased to be Director on 20.03.2016. He has a brilliant academic record, getting ranks in both CA & ICWA courses. He entered the Profession of Cost & Management Accountancy in 1983. He is associated with the development of Cost & Management Information Systems for more than 150 Companies covering more than 45 Industries. In addition, he is closely associated with turning around of many large Corporates, focusing on systems improvement with Cost Reduction approach.

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

Chief Vigilance Officer

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

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



The Guiding Icons that led the way forward



K. D. Malaviya
1956 - 1963



P. R. Nayak
1964 - 1965



S. S. Khera
1963 - 1964



A. Zaman
1965 - 1966



B. S. Negi
1970 - 1974



L. J. Johnson
1966 - 1970



N. B. Prasad
1974 - 1978



P. T. Venugopal
1978 - 1981



Col. S. P. Wahi
1981 - 1989



S. K. Manglik
1993 - 1995



S. L. Khosla
1990 - 1992



B. C. Bora
1995 - 2001



R. S. Sharma
2006 - 2011



Subir Raha
2001 - 2006



Sudhir Vasudeva
2011 - 2014



The Journey is on...

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In detailed deliberation: ONGCians seen engrossed in discussion at an Onshore de-salter plant

Notice

Performance at a Glance



Hon'ble MoS (I/C), Petroleum and Natural Gas Shri Dharmendra Pradhan with ONGCians at MHN Control Room at Mumbai Offshore



Energy Bonds: Captains of Energy Industry of India and Mozambique

Reference Information

CIN : L74899DL1993GOI054155

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

Corporate Office
Tel Bhavan, Dehradun - 248 003
Uttarakhand

Statutory Auditors
M/s G D Apte & Co. Mumbai
M/s Lodha & Co, Kolkata
M/s P K F Sridhar & Santhanam LLP, Chennai
M/s Khandelwal Jain & Co., Mumbai
M/s Dass Gupta & Associates, New Delhi
M/s K C Mehta & Co., Vadodara

Cost Auditors
M/s Rao Murthy & Associates, Bangalore
M/s. R Nanabhoy & Co. Mumbai
M/s. R J Goel & Co., Delhi
M/s Shome & Banerjee, Kolkata
M/s Rohit & Associates, Mumbai
M/s Dhananjay V. Joshi & Associates, Pune

Secretarial Auditor
M/s P P Agarwal & Co.
New Delhi

Subsidiaries
ONGC Videsh Ltd.
Mangalore Refinery and Petrochemicals Ltd.

Listed at
BSE Ltd.
National Stock Exchange of India Ltd.

Registrar & Share Transfer Agent

M/s. Alankit Assignments Ltd.
Alankit Heights, 1E/13, Jhandewalan Extension,
New Delhi–110055

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

Bankers
State Bank of India

Company Secretary
V N Murthy

Website : www.ongcindia.com
email: secretariat@ongc.co.in

OIL AND NATURAL GAS CORPORATION LIMITED
CIN: L74899DL1993GOI054155
Reg. Office: JEEVAN BHARATI BUILDING,TOWER-II,124 INDIRA CHOWK, NEW DELHI-110001
Website: www.ongcindia.com email: secretariat@ongc.co.in Tel: 011-23301277/1299

NOTICE

Notice is hereby given that the **23rd Annual General Meeting** of the Members of **OIL AND NATURAL GAS CORPORATION LIMITED** will be held on **Thursday, the 8th September, 2016 at 10:00 hrs. at, Indira Gandhi Indoor Stadium I. P. Estate, Near Rajghat, Grand Trunk Road, New Delhi-110002** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2016, together with the Board's Report and the Auditors' Report thereon and Comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013 and the reply of the Management thereto.
2. To confirm the payment of two interim dividends and declare final dividend on equity shares for the F.Y. 2015-16.
3. To appoint a Director in place of Shri T K Sengupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To authorise Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2016-17, in terms of the provisions of section 139(5) read with section 142 of the Companies Act, 2013 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

   "RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to decide and fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2016-17, as may be deemed fit by the Board".

SPECIAL BUSINESS:

ITEM No. 5

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

"RESOLVED THAT Shri A K Srinivasan (DIN-07168305) who was appointed as an Additional Director and designated as Director (Finance) under Section 161 of the Companies Act, 2013, effective 23rd September, 2015 and holds office upto the 23rd Annual General meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from Shri A K Srinivasan proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation

ITEM No. 6

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

"RESOLVED THAT Shri Ajai Malhotra (DIN-07361375) who was appointed as an Additional Director (part-time non-official Director) under Section 161 of the Companies Act, 2013, effective 20th November, 2015 and holds office upto the 23rd Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company."

ITEM No. 7

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

"RESOLVED THAT Prof. S B Kedare (DIN- 01565171) who was appointed as an Additional Director (part-time non-official Director) under Section 161 of the Companies Act, 2013, effective 20th November, 2015 and holds office upto the 23rd Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company."

ITEM No. 8

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

"RESOLVED THAT Shri K M Padmanabhan (DIN-00254109) who was appointed as an Additional Director (part-time non-official Director) under Section 161 of the Companies Act, 2013, effective 20th November, 2015 and holds office upto the 23rd Annual General meeting and in respect of whom, the Company has received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company."

ITEM No. 9

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

"RESOLVED THAT Shri A P Sawhney (DIN-03359323) who was appointed as an Additional Director (Govt Director) under Section 161 of the Companies Act, 2013, effective 2nd January 2016 and holds office upto the 23rd Annual General meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No. 10

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

"RESOLVED THAT Shri Amar Nath (DIN-05130108) who was appointed as an Additional Director (Govt Director) under Section 161 of the Companies Act, 2013, effective 28th June, 2016 and holds office upto the 23rd Annual General meeting and the Company having received a notice in writing, under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

ITEM No. 11

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the aggregate remuneration of ₹3.25 lakhs per Cost Auditor plus applicable taxes and out of pocket expenses payable to the six Joint Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the various units of the Company for the financial year ending March 31, 2017, be and is hereby ratified."

By Order of the Board of Directors

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

Date : 3rd August, 2016

(V N Murthy)
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS (48 HRS.) BEFORE THE COMMENCEMENT OF THE MEETING. BLANK PROXY FORM IS ATTACHED. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50(FIFTY) MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/ AUTHORITY, AS APPLICABLE.**
2. Relevant Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
3. Brief profile of the Directors seeking appointment/re-appointment as mandated under regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 with the Stock Exchanges forms part of the Notice. The directors have furnished consent/declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, the 2nd September, 2016 to Thursday, the 8th September, 2016 (both days inclusive).**
5. The Board had recommended a final Dividend of ₹ 3.25 per equity share of ₹5/- each fully paid up, at its meeting held on 26th May, 2016. The dividend, if approved by the Members at the said Annual General Meeting, will be paid within a period of 30 days from the date of declaration, **to the members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before Thursday, the 1st September, 2016 and to the respective Beneficial Owners as at the close of business hours on Thursday, the 1st September, 2016, as per details thereof to be furnished by the depositories.**
6. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM venue.
7. The Register of Contracts or arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM venue.
8. It may be noted that **M/s. Alankit Assignments Ltd., Alankit Heights, 1E/13 Jhandewalan Extension, New Delhi – 110055** has been appointed as Registrar and Share Transfer Agent of the Company during February, 2016, in place of Karvy Computershare Pvt Ltd. Therefore, share transfer documents and all correspondence relating thereto, must be addressed to **M/s. Alankit Assignments Ltd (Alankit), Alankit Heights, 1E/13 Jhandewalan Extension, New Delhi–110055 Tel: 91-11-4254 1234/1960, Fax: 91-11-42541201/23552001, www.alankit.com, rsmaurya@alankit.com.** Alankit is also the depository interface of the Company with both NSDL and CDSL.

   However, keeping in view the convenience of the Shareholders, documents relating to shares will continue to be accepted at the Registered Office of the Company at 8th Floor, Jeevan Bharati Building, Tower-II, 124, Indira Chowk, New Delhi - 110001, Phone No.011-23301277/23301299; e-mail: secretariat@ongc.co.in.
9. The Company has designated an exclusive e-mail ID called **secretariat@ongc.co.in** for redressal of shareholders'/investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at the above e-mail address.
10. Members holding shares in electronic form may please note that the bank account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants, wherever applicable. Members are, therefore, requested to update their bank account particulars, change of address and other details with their respective Depository Participants for shares held in demat mode and to the Registrar and Share Transfer Agent for shares held in physical form.
11. Reserve Bank of India (RBI) is providing ECS facility for payment of dividend in select cities. Members holding shares in physical form are advised to submit particulars of their bank account, viz., names and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number latest by 1st September, 2016 to M/s Alankit Assignments Ltd.
12. Pursuant to Section 124(5) and 125(2)(c) of the Companies Act, 2013, the Company has transferred the unpaid/unclaimed amount of final dividend declared on 19th September, 2008 for the financial year 2007-08 and interim dividend declared on 19th December, 2008 for the financial year 2008-09, to the Investor Education and Protection Fund of the Central Government. **The unpaid/unclaimed amount of Final Dividend declared on 23rd September 2009 and Interim Dividend declared on 18th December 2009 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 22nd October, 2016 and 17th January, 2017**

respectively. Members who have not encashed their dividend warrants pertaining to the said years may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof.

13. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to the Company or RTA to enable them to incorporate the same in the dividend warrant.
14. Members who have not encashed their dividend warrants within its validity period may write to the Company at its Registered Office or M/s Alankit, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.
15. **The Annual Report 2015-16 is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depositories/RTA, unless any member has requested for a physical copy of the same. For members, who have not registered their email addresses, physical copies are being sent by the permitted mode.**
16. In compliance with the provisions of section 108 of the Act, the Rules made there under and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through e-voting services provided by Alankit through **M/s National Securities Depositories Ltd(NSDL),** on all resolutions set forth in this Notice. The instruction for e-voting are annexed to the notice. The notice of 23rd Annual General Meeting along with the Proxy Form and attendance slip is being sent by electronic mode to those members whose email addresses are registered with the Company/ Depositories/RTA, unless any member has requested for a physical copy of the same. For members, who have not registered their email addresses, physical copies are being sent by the permitted mode. The facility for voting through ballot paper, will also be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot papers. Members who have cast their vote by remote e-voting prior to the AGM, may attend the AGM but shall not be entitled to cast their vote again.
17. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares in individual name are advised to avail of the nomination facility by filing Form No. SH- 13 in their own interest. Blank form can be obtained from M/s Alankit Assignments Ltd. on request. Members holding shares in dematerialised form may contact their respective DPs for registration of nomination.
18. Members holding physical shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agent, M/s Alankit Assignments Ltd. for consolidation.
19. Pursuant to Section 139(5) read with Section 142 of the Companies Act, 2013, the Auditors of a Government Company are appointed or re-appointed by the Comptroller and Auditor General (C&AG) of India and their remuneration is to be fixed by the Company in the Annual General Meeting. The members may authorise the Board to fix up an appropriate remuneration of Auditors for the year 2016-17 after taking into consideration the increase in volume of work and prevailing inflation etc.
20. Members are requested:
    i) to bring their copies of Annual Report and Attendance Slip duly completed and signed at the meeting.
    ii) to quote their Folio/DP & Client identification No. in all correspondence.
    iii) Not to bring brief case, bags, eatables, cell phone etc. as they are prohibited inside the meeting hall for security reasons.
    iv) to notify immediately any change of their address and bank particulars to the Company or its Share Transfer Agent, in case shares are held in physical form.

    AND

    In case their shares are held in dematerialised form, information should be passed on directly to their respective Depository Participants and not to the Company/Share Transfer Agent, without any delay.
    v) to note that no gift will be distributed at the meeting.
21. Shareholders of the Company are requested to register their e-mail ID(if not registered with their Depository Participant) with M/s. Alankit Assignments Ltd, R&T Agent of the Company by sending a written request duly signed by the shareholder or email to **rsmaurya@alankit.com** for sending electronic communication to their registered e-mail. Please ensure that you have indicated your Folio No. / DP & client ID No as well as your consent to receive future communications from ONGC including Annual Reports etc through email at your registered email address.

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

Item No.5

APPOINTMENT OF SHRI A K SRINIVASAN

Shri A K Srinivasan was appointed as an Additional Director designated as Director (Finance) on 23.09.2015. In terms of Section 161 of the Companies Act, 2013, he holds office upto the 23rd Annual General meeting of the Company. The Company has received a notice in writing from him pursuant

to the provisions of Section 160 of the Companies Act, 2013 alongwith the requisite fees, signifying his intention to propose himself as candidate for the office of Director. Shri A K Srinivasan, if appointed, will be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 08.10.1957, Shri Srinivasan, an IIM Bangalore alumnus, is an accomplished finance professional with experience of over 31 years in upstream oil and gas finance. He started his professional journey with ONGC as a graduate trainee in the year 1983 and has demonstrated his professional capability in diverse facets of financial planning and management with the energy major. With experience in the capital markets, project financing & contracts, corporate budgeting & planning, corporate accounting, corporate taxation and dispute resolution, Shri Srinivasan has a broad array of expertise up his sleeves and has played major role in the acquisition of various oil and gas development projects, Power, Petro-Chemical and capital assets for ONGC. He has also steered critical productivity enhancement projects like the transition from excel based reporting to SAP based reporting and implementation of Enterprise Resource Planning (ERP) projects across ONGC.

Shri A K Srinivasan holds directorship on the Board of ONGC Petro addition Ltd. and ONGC Tripura Power Company Ltd.

He holds 5,752 equity shares in ONGC.

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

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

Item No.6

APPOINTMENT OF SHRI AJAI MALHOTRA

Shri Ajai Malhotra was appointed as an Additional Director (part-time non-official Director) under Section 161 of the Companies Act, 2013, effective 20th November, 2015. Shri Ajai Malhotra shall hold office upto the 23rd Annual General meeting and shall be eligible for appointment to the office of Director thereon. The Company has received a notice from a member proposing his candidature for the office of Director along with requisite fees. Shri Ajai Malhotra, if appointed, will not be liable to retire by rotation under Sections 152 of the Companies Act, 2013. .

Born on 21.11.1953, Shri Malhotra holds an M.A. in Economics from The Delhi School of Economics, University of Delhi. He joined the Indian Foreign Service (IFS) in 1977 and besides assignments at the Ministry of External Affairs, New Delhi, worked at Indian diplomatic missions in Bucharest, Geneva, Kuwait, Moscow, Nairobi, New York and Washington DC.

He was Minister (Commerce) at the Embassy of India, Washington DC (1999-2003), serving simultaneously from 2002-2003 as Chairman of the International Cotton Advisory Committee. He was Ambassador of India to Romania, concurrently accredited to Albania and Moldova (2003-2005), Ambassador and Deputy Permanent Representative of India to the United Nations, New York (2005-2009), Ambassador of India to Kuwait (2009-2011), and Ambassador of India to the Russian Federation (2011-2013), before retiring from the IFS on November 30, 2013, after nearly 37 years of distinguished service.

His wide ranging experience includes being on the Indian team negotiating issues such as biological diversity, climate change, desertification, education, energy, forestry, health, human rights, human settlements, intellectual property rights, international law, labour, ozone depletion, sustainable development and international trade. In 2004, he was awarded an Honorary Doctorate by Western University of Arad, Romania, in recognition of his work in support of environment and development.

He is presently a Distinguished Fellow at The Energy and Resources Institute (TERI), New Delhi, besides being Chairman and Managing Trustee of two organizations serving the underprivileged - CHIKITSA and SHIKSHA - as well as Chairman, Nehru Trust for the Indian Collections at the Victoria & Albert Museum, and Chairman, NAB Centre for Blind Women & Disability Studies. He frequently contributes to seminars on economic, environmental, defence, political, trade and security issues.

Shri Ajai Malhotra holds directorship in Aicorps Enterprises Pvt. Ltd.

He holds 1,100 equity shares of ONGC.

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

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

Item No.7

APPOINTMENT OF PROF S B KEDARE

Prof. S B Kedare was appointed as an Additional Director (part-time non-official Director) under Section 161 of the Companies Act, 2013, effective 20th November, 2015. Prof S B Kedare shall hold office upto the 23rd Annual General meeting and shall be eligible for appointment to the office of Director thereon. The Company has received a notice from a member proposing his candidature for the office of Director along with requisite fees. Prof S B Kedare, if appointed, will not be liable to retire by rotation under Sections 152 of the Companies Act, 2013.

Born on 22.10.1963, Prof. Kedare has obtained his B.Tech. in Mechanical Engineering from IIT Bombay in 1985. He also obtained his Ph.D. in 1992 from IIT Bombay in "Reciprocating Wind Machine". He spent three years (1992-95) as a volunteer in social sector working on different issues related to 'Development'. He started his engineering consultancy in energy and environment in 1995. He worked as a Technical Consultant (1998-2001) to the Chairman, Khadi and Village Industries Commission when he worked on the issues related to Development of Rural Industries

Clusters. He is presently associated with IIT Bombay as a Professor.

He joined Department of Energy Science and Engineering, IIT Bombay as an adjunct faculty and simultaneously Clique Developments Ltd., an engineering Company in Mumbai as its Director (R&D). Based on his studies on different renewable energy systems, he identified a need for developing concentrating solar thermal collectors for industrial process heat applications way back in 1997. He acted as a Principal Investigator (2004 to 2007) under IIT Bombay-Clique R & D project of ARUN 160 (160 sq.m Fresnel Paraboloid Solar Concentrator for industrial process heat) sponsored by MNRE (Ministry of New and Renewable Energy), New Delhi. He has also worked on integration of solar concentrator technology for a variety of industrial processes as well as commercial applications using steam, pressurized water or thermic fluid as media and for steam augmentation in thermal power plants.

Along with optimization of Solar Industrial Process Heat Systems with and without storage, his focus is on development of solar thermal power plant with storage working for 24 h/d suitable for Indian conditions. He is also associated with Centre for Technology Alternatives for Rural Areas (CTARA), IIT Bombay and is working on rural energy and other technologies. He is presently focusing on problem assessment and development and dissemination of small and affordable implements for performance improvement for traditional wood fired cook-stoves (Chulha) used in different regions of the country.

Prof S B Kedare does not hold any directorship.

He does not hold any equity shares of ONGC.

Except Prof S B Kedare, none of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

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

Item No.8

APPOINTMENT OF SHRI K M PADMANABHAN

Shri K M Padmanabhan was appointed as an Additional Director (part-time non-official Director) under Section 161 of the Companies Act, 2013, effective 20th November, 2015. Shri K M Padmanabhan shall hold office upto the 23rd Annual General meeting and shall be eligible for appointment to the office of Director thereon. The Company has received a notice from a member proposing his candidature for the office of Director along with requisite fees. Shri K M Padmanabhan, if appointed, will not be liable to retire by rotation under Sections 152 of the Companies Act, 2013.

Born on 04.04.1957, Shri Padmanabhan, is a Chartered Accountant in practice for more than 27 years and is the Senior Partner of Sinivas & Padmanabhan, Chartered Accountants, Chennai.

As a practicing Chartered Accountant, he has created Internal Control Systems, processes and procedure besides rendering business consultancy for a very big South based educational institution spread into engineering, medical and also into hospitals.

He is a regular Visiting Faculty in the area of Finance and Accounting at Indian Institute of Management (Indore), Indian Institute of Management (Raipur), Institute for Financial Management and Research (IFMR), RBI Staff Training College, Tamilnadu Judicial Academy, The Institute of Chartered Accountants of India (ICAI).

He has been trained in Case Method Teaching at Harvard Business School, Boston, USA and at Harvard Business School Center, Shanghai, China. He is the founder member of Prerana Helpline Foundation (NGO) that caters for the need of visually challenged people. He was able to eliminate wastes and non- value added expenditure through Business Process Reengineering and Kaizen cost Reduction Methods for various business units in the SME sector in the last 10 years of business consulting. He had trained thousands of non-finance executives in Finance, costing, and kaizen cost Reduction with strategic orientation.

He is also a Managing committee member of Madras Management Association one of most acclaimed management associations in India and served as subcommittee member of Economic affairs and taxation committee of CII-Southern region.

Shri K M Padmanabhan holds directorship in Rashtriya Ispat Nigam Ltd. & Prerana Educational Media Pvt. Ltd.

He does not hold any equity shares of ONGC.

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

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

Item No.9

APPOINTMENT OF SHRI A P SAWHNEY

Shri A P Sawhney, was appointed as an Additional Director (Govt. Director) on the Board of ONGC effective 2nd January, 2016. In terms of Section 161 of the Companies Act, 2013, he holds office upto the 23rd Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Shri A P Sawhney, as candidate for the office of Director. Shri A P Sawhney, if appointed, will be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Born on 04.02.1962, Shri Sawhney an IAS Officer of Andhra Pradesh cadre (1984 batch) is a Mechanical Engineer. Shri Sawhney has handled various assignments in the State of Andhra Pradesh, covering land administration, law and order and quasi-judicial functions, rural development, health & family welfare, communication & information technology, e-governance and elections etc.

He played a lead role in the Total Literacy Campaign taken up

in Nizamabad district in the early nineties. He has also catalysed the establishment of the International Institute of Information Technology in Hyderabad and its emergence as one of the premier institutions in computer science education and research in the country. He has spent more than ten years in assignments relating to information technology and e-governance and has led the formulation of innovative policies and implementation of several major e-governance, communications and broadband projects. He has also worked as the Principal Secretary to Chief Minister of AP after the reorganisation of the State of Andhra Pradesh.

He has also held important positions in the Govt. of India as Joint Secretary Training in the Department of Personnel and Training and as the President and CEO of the National e-Governance Division, which assists the Ministry of Electronics and Information Technology in the implementation of the National e-Governance Plan. Since March 2015, he is working as Additional Secretary in the Ministry of Petroleum and Natural Gas.

Shri A P Sawhney holds directorship in IndianOil Corporation Ltd. & Indian Strategic Petroleum Reserves Ltd. He is a member of Nomination and Remuneration Committee of IndianOil Corporation Ltd.

He does not hold any equity shares of ONGC.

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

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

Item No.10

APPOINTMENT OF SHRI AMAR NATH

Shri Amar Nath was appointed as an Additional Director (Govt. Director) on the Board of ONGC effective 28th June, 2016. In terms of Section 161 of the Companies Act, 2013, he holds office upto the 23rd Annual General meeting of the Company. The Company has received a notice in writing from a member pursuant to the provisions of Section 160 of the Companies Act, 2013, signifying intention to propose Shri Amar Nath as candidate for the office of Director. Shri Amar Nath, if appointed, will be liable to retire by rotation under Sections 152 of the Companies Act, 2013 and in terms of provisions under the Articles of Association of the Company.

Shri Amar Nath, Joint Secretary (Exploration) Ministry of Petroleum & Natural Gas is the Govt. nominee Director on the Board of your Company. Born on 30.03.1966, Shri Amar Nath an IAS Officer (1994 AGMUT Cadre) is a Bachelor of Science (Mechanical Engineering) from National Institute of Technology, Kurukshetra, Kurukshetra University and MA (International Development Policy) from Duke University, USA. Shri Amar Nath was Secretary to the Department of Health, Government of National Capital Territory of Delhi prior to the present assignment. He has held the positions of Administrator of Union Territory of Lakshadweep, Chief Executive Officer of Delhi Urban Shelter Improvement Board, and Chief Executive Officer of Chandigarh Housing Board in Chandigarh.

He has extensive experience of working in various Departments of Government at senior management positions such as Finance, Economic Planning, Tourism and Industrial Development in the states of Arunachal Pradesh, Pondicherry, Chandigarh and Delhi. Before joining IAS in 1994 he worked with State Bank of India and Steel Authority of India.

Shri Amar Nath does not hold any directorship. He also does not hold any equity shares of ONGC.

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

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

Item No.11

RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2016-17

The Board of Directors of the Company on the recommendations of the Audit & Ethics Committee have approved appointment of the following Cost Auditors of ONGC for the year 2016-17 at a remuneration of ₹ 3.25.Lakh (Rupees Three Lakh twenty five thousand only) per Cost Auditor plus applicable service tax and out-of-pocket expense, as per entitlement:

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

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

The Board of Directors recommends the resolution for your approval.

By Order of the Board of Directors

(V N Murthy)
Company Secretary

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

3rd August, 2016

INSTRUCTIONS FOR E-VOTING

E-voting Particulars

EVEN (E-Voting Event Number)	User ID	PASSWORD / PIN

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
From 09.00 a.m (IST) on 5th September, 2016	Upto 05.00 p.m (IST) on 7th September, 2016

The instructions for e-voting are as under:

a) Details of the process and manner of e-voting along with the User ID and Password are being sent to the members along with the notice:
   - By email to those members whose email ID is registered with the Company / Depository Participants.
   - By post to those members whose email ID is not registered with the Company / Depository Participant.

b) The instructions and other information relating to e-voting are as under:
   i. Launch internet browser by typing the URL: https://evoting.nsdl.com.
   ii. Enter the login credentials (i.e. User ID and Password mentioned in the notice). However, if you are already registered with NSDL for e-voting, you can use your existing User ID and password for logging in.
   iii. After entering these details appropriately, Click on "LOGIN".
   iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
   v. You need to login again with the new password.
   vi. On successful login, the system will prompt you to select the "EVENT" i.e. Oil and Natural Gas Corporation Limited.
   vii. On the voting page, enter the number of shares (which represents the number of votes as on the Cut Off date) under "FOR / AGAINST / ABSTAIN" or alternatively, you may partially enter any number of votes in "FOR" and partially in "AGAINST" such that the total number of votes cast "FOR / AGAINST" taken together should not exceed your total shareholding as on cut off date. In case you do not wish to cast your vote you may choose the option "ABSTAIN" and the shares held will not be counted under either head.
   viii. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
   ix. Members holding multiple demat accounts / folios shall choose the voting process separately for each demat account / folio.
   x. You may then cast your vote by selecting an appropriate option and click on "Submit".
   xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
   xii. Corporate / Institutional members are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: fcs.ppa@gmail.com with a copy marked to evoting@nsdl.com.

Relevant Information for e-voting:

- The e-voting period commences on **05.09.2016 (9.00 a.m. IST) and ends on 07.09.2016 (5.00 p.m. IST).** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on **01.09.2016,** may cast their vote electronically. The e-voting module shall be disabled by M/s Alankit (RTA) for voting thereafter. Once the vote on a

resolution is cast by the Member, he shall not be allowed to change it subsequently.

- The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on **01.09.2016.**
- **Any person who acquires shares of the Company and becomes a shareholder of the company after dispatch of the Notice of AGM and holds shares as on the cut-off date i.e 01.09.2016 may obtain the login ID and password by sending a request at evoting@nsdl.com.** If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- The facility for voting through ballot paper, will also be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot papers.
- Shri P. P. Agarwal of M/s P. P. Agarwal & Co., Practicing Company Secretary (Membership No. FCS 4955), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Scrutinizer shall immediately after the conclusion of voting at the AGM count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer Report of the Total votes cast in favour of or against, if any, not later than 48 (Forty eight) hours from the conclusion of the AGM to the Chairman of the Company. The Chairman or any other person authorised by the Chairman shall declare the result of the voting forthwith.
- The results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.ongcindia.com** and on the website of Alankit i.e **www.alankit.com** immediately after the result is declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.



Dedication & Discipline: ONGCians seen brainstorming at location for achieving targets and timeline



OTPC Power Plant at Palatana, Tripura having a capacity of 760 MW

Brief profile and other Information in Respect of Director Seeking Re-election at the 23rd AGM

Name	Date of Birth & Age (as on 05/07/2016)	Date of Appointment	Qualifications	No. of Shares held	Experience in Specific Functional Areas	Directorship held in other Public companies	Chairmanship/ Membership of Committees across all Public companies
Shri T K Sengupta	27.12.57 58 years	01.02.2014	B. Tech degree in Chemical engineering from Jadavpur University, Calcutta Diploma in Management from Indira Gandhi National Open University.	3672	He is one of the select club of production engineers who has a balanced exposure to both onshore and offshore oilfields operation. His onshore experience portfolio comprises of Well Services in Gujarat and Assam for 11 long years and 4 years in Sudan as part of ONGC Videsh. Of his 18 years in Offshore fields off Mumbai, he served for 12 years in Mumbai High in Well Services, successfully handling a number of production-enhancement assignments. He was also instrumental in improving performances of ONGC's offshore sick well inventory. He was the recipient of the CMD award for Best Production Engineer in 1996 & Best Professional Engineer in 2001 for the same.	1. ONGC Petro-additions Limited. 2. Pawan Hans Ltd. 3. Dahej SEZ Ltd.	i. Audit Committee- Member ii. Nomination & Remuneration Committee- Member Audit Committee- Member NIL



Additional Secretary Shri A P Sawhney & DG-DGH Shri Atanu Chakraborty at IOGPT & IEOT, Mumbai

Performance at a Glance

(₹ in million unless otherwise stated)	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
PHYSICAL						
Quantity Sold (Other than Trading)						
- Crude Oil (MMT)	**24.15**	24.11	23.61	23.69	23.09	22.94
- Natural Gas (MMM^3)	**17,100**	17,983	19,633	20,160	20,202	20,288
- LPG (000'Tonnes)	**1,191**	1,090	1,073	1,005	1,033	1,057
- Naptha/ARN (000'Tonnes)	**1,065**	1,124	1,379	1,520	1,557	1,600
- Ethane/Propane (000'Tonnes)	**375**	337	428	425	461	387
- Superior Kerosene Oil (000'Tonnes)	**66**	74	85	106	79	118
FINANCIAL						
Revenue from Operations	**785,651**	830,935	842,028	833,090	768,871	686,488
Other Non Operating Income	**61,922**	53,666	67,132	54,367	44,529	34,069
Total Revenues	**847,573**	884,600	909,160	887,457	813,400	720,557
Statutory Levies	**203,540**	230,993	229,607	223,615	169,902	142,368
Operating Expenses	**205,715**	168,175	167,583	173,925	139,812	142,379
Exploration Costs written off#	**56,655**	105,225	78,357	100,431	93,334	82,490
Purchases	**72**	44	32	31	25	138
Profit Before Interest, Depreciation & Tax (PBIDT)	**381,591**	**380,163**	**433,582**	**389,455**	**410,327**	**353,182**
Depreciation, Depletion, Amortisation and Impairment	**116,217**	114,583	109,259	83,736	74,959	76,767
Profit Before Interest & Tax (PBIT)	**265,374**	**265,580**	**324,323**	**305,720**	**335,368**	**276,415**
Interest Payments	**50**	28	4	276	348	251
Profit before Tax and Exceptional Items	**265,324**	**265,552**	**324,319**	**305,443**	**335,020**	**276,164**
Exceptional items	**(31,422)**	-			31,405	-
Profit before Tax	**233,902**	**265,552**	**324,319**	**305,443**	**366,425**	**276,164**
Corporate Tax	**73,866**	88,222	103,371	96,186	115,196	86,924
Net Profit (PAT)	**160,036**	**177,330**	**220,948**	**209,257**	**251,229**	**189,240**
Dividend	**72,722**	81,277	81,277	81,277	83,416	74,861
Tax on Dividend	**14,794**	16,256	13,807	13,012	13,286	12,156
Share Capital	**42,778**	42,778	42,778	42,778	42,777	42,777
Reserve & Surplus	**1,475,749**	1,403,232	1,324,472	1,201,755	1,086,790	932,267
Net Worth (Equity)	**1,510,225**	1,436,229	1,356,311	1,229,674	1,117,841	967,084
Borrowings	**-**	13,930	-	-	-	-
Working Capital	**62,225**	94,232	104,061	124,714	97,739	65,392
Capital Employed	**1,132,742**	1,144,995	1,094,412	1,017,636	908,848	796,972
Internal Resources Generation	**404,040**	218,699	327,545	217,402	352,088	311,191
Plan Expenditure	**301,104**	299,975	324,695	295,079	292,466	282,755
Contribution to Exchequer	**366,200**	421,074	405,750	408,806	382,874	317,759
Expenditure on Employees	**87,413**	86,299	104,051	103,302	67,960	67,282
Number of Employees	**33,927**	33,185	33,911	32,923	32,909	33,273
FINANCIAL PERFORMANCE RATIOS						
PBIDT to Turnover (%)	**48.6**	45.8	51.5	46.7	53.4	51.4
PBDT to Turnover (%)	**48.6**	45.7	51.5	46.7	53.3	51.4
Profit Margin(%)- incl. exceptional item	**20.4**	21.3	26.2	25.1	32.7	27.6
Contribution to Exchequer to Turnover (%)	**46.6**	50.7	48.2	49.1	49.8	46.3
ROCE(PBIDT to Capital Employed) (%)	**33.7**	33.2	39.6	38.3	45.1	44.3
Net Profit to Equity (%)- incl. exceptional item	**10.6**	12.3	16.3	17.0	22.5	19.6
BALANCE SHEET RATIOS						
Current Ratio	**1.44:1**	1.46:1	1.55:1	1.72:1	1.41:1	1.34:1
Debt Equity Ratio	**-**	0.0096:1	-	-	-	-
Debtors Turnover Ratio(Days)	**44**	48	33	30	30	21
PER SHARE DATA						
Earning Per Share (₹)	**18.71**	20.73	25.83	24.46	29.36	22.12
Dividend (%)	**170**	190	190	190	195	175
Book Value Per Share (₹)	**177**	168	159	144	131	113

#Exploration Costs written off towards Survey & Dry Wells have been regrouped from Depreciation, Depletion and Amortization and shown as a separate item. In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corportae Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1st April 2011 onwrads(Schedule III after implemention of Companies Act. 2013 w.e.f 1st April , 2014). Accordingly, the figures of FY 2015-16 and FY 2014-15 are given as per the requirement of Schedule III. Figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI and for earlier years figures are as per Old Schedule VI.

(₹ in million unless otherwise stated)	2009-10	2008-09	2007-08	2006-07
PHYSICAL				
Quantity Sold (Other than Trading)				
- Crude Oil (MMT)	22.33	22.88	24.08	24.42
- Natural Gas (MMM^3)	20,598	20,534	20,432	20,306
- LPG (000'Tonnes)	1,108	1,029	1,037	1,033
- Naptha/ARN (000'Tonnes)	1,598	1,545	1,442	1,442
- Ethane/Propane (000'Tonnes)	533	497	520	548
- Superior Kerosene Oil (000'Tonnes)	166	153	168	156
FINANCIAL				
Income from Operations (Turnover)	619,832	650,494	615,426	590,575
Statutory Levies	121,841	118,013	129,768	122,516
Operating Expenses	126,297	123,812	106,823	102,016
Exchange Loss/(Gain)	(4,033)	3,819	(1,070)	177
Purchases (Trading)	139	85,166	65,115	59,401
Profit Before Interest, Depreciation & Tax (PBIDT)	375,588	319,684	314,790	306,465
Recouped Costs	146,588	120,849	97,979	94,994
Operating Income (PBIT)	229,000	198,835	216,811	211,471
Interest(Net)	(20,839)	(40,314)	(35,535)	(20,480)
Profit before Tax and Extraordinary Items	**249,839**	**239,149**	**252,346**	**231,951**
Extraordinary Items	-	658	-	4,751
Profit before Tax	**249,839**	**239,807**	**252,346**	**236,702**
Corporate Tax	82,163	78,544	85,330	80,273
Net Profit (PAT)	**167,676**	**161,263**	**167,016**	**156,429**
Dividend	70,583	68,444	68,444	66,305
Tax on Dividend	11,616	11,632	11,632	10,125
Share Capital	21,389	21,389	21,389	21,389
Net Worth	864,413	780,848	699,435	614,099
Borrowings	50	267	369	696
Working Capital	342,714	334,949	322,248	304,021
Capital Employed	738,014	640,583	604,844	540,744
Internal Resources Generation	228,068	172,449	185,158	242,253
Plan Expenditure	235,591	218,201	176,510	133,050
Contribution to Exchequer	280,983	280,496	300,200	286,596
Expenditure on Employees	57,191	47,396	60,484	48,833
Number of Employees	32,826	33,035	32,996	33,810
FINANCIAL PERFORMANCE RATIOS				
PBIDT to Turnover (%)	60.6	49.1	51.2	51.9
PBDT to Turnover (%)	64.0	55.3	56.9	55.4
Profit Margin(%)	27.1	24.8	27.1	26.5
Contribution to Exchequer to Turnover (%)	45.3	43.1	48.8	48.5
ROCE(PBIDT to Capital Employed) (%)	50.9	49.9	52.0	56.7
Net Profit to Equity (%)	19.4	20.7	23.9	25.5
BALANCE SHEET RATIOS				
Current Ratio	2.38:1	2.26:1	2.47:1	2.77:1
Debt Equity Ratio	0.00006:1	0.0003:1	0.001:1	0.001:1
Debtors Turnover Ratio(Days)	19	23	26	17
PER SHARE DATA				
Earning Per Share (₹) - before extraordinary items(Restated)**	19.60	18.80	19.52	17.92
Earning Per Share (₹) - after extraordinary items(Restated)**	19.60	18.85	19.52	18.29
Dividend (%)	330	320	320	310
Book Value Per Share(₹)(Restated)**	101	91	82	72

** Post Bonus & Split

Statement of Income and Retained Earnings

(₹ in million)	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
REVENUES						
Sales						
Crude Oil(Including Condensate)	**518,863**	536,638	525,734	533,269	507,873	448,645
Natural Gas (incl. Gas Marketing Margin)	**182,663**	187,381	183,291	165,400	141,397	127,544
Liquified Petroleum Gas (LPG)-Domestic Market	**35,194**	34,380	30,145	31,484	23,711	18,369
Eathane/Propane (C2-C3)	**8,945**	10,028	14,837	13,440	12,741	8,796
Propane	**496**	36				
Naphtha	**30,611**	50,835	75,743	76,804	72,167	56,342
Kerosene (SKO)	**2,118**	2,771	2,779	3,686	1,520	679
HSD	**406**	312	522	170	100	-
LSHS (Low sulpher heavy stock)/RCO (Residual Crude oil)	**412**	705	1,295	1,063	1,250	473
Aviation Turbine Fuel	**-**	286	220	318	436	527
Others	**77**	56	87	38	62	3
Sub- Total	**779,785**	823,428	834,653	825,671	761,257	661,378
Sale of Traded Products	**101**	60	44.42	43	34	171
Other Operating Income	**5,765**	7,447	7,331	7,375	7,580	24,939
Revenue from Operations	**785,651**	**830,935**	**842,028**	**833,090**	**768,871**	**686,488**
Other Non Operating Income	**61,922**	53,666	67,132	54,367	44,529	34069
Total Revenues	**847,573**	**884,600**	**909,160**	**887,457**	**813,400**	**720,557**
EXPENSES						
Royalty	**89,591**	116,079	114,890	108,094	97,745	71,373
Cess	**101,916**	102,535	99,734	99,971	57,831	56,963
Motor Spirit Cess	**-**	-	3	-		
Natural Calamity Contingent Duty	**1,137**	1,123	1,097	1,101	1,097	1,114
Excise Duty	**1,990**	2,206	3,076	3,093	3,599	3,228
Sales Tax	**2,652**	2,586	3,123	3,834	3,339	3,113
Service Tax	**339**	290	439	353	236	227
Education cess	**-**	91	2,348	3,111	1,871	1,828
Octroi and Port Trust Charges	**5,915**	6,083	4,897	4,057	4,184	4,522
Sub-total	**203,540**	**230,993**	**229,607**	**223,615**	**169,902**	**142,368**
Operating Expenses	**200,559**	163,654	165,833	153,839	134,110	136058
Exchange Loss	**1,259**	241	1,021	922	3,613	-
Purchases	**72**	44	32	31	25	138
(Accretion) / Decretion in stock	**187**	(1,674)	1,043	(230)	(913)	(129)
Exploration Costs written off#						
- Survey Costs	**15,286**	19,146	15,912	15,668	12,409	16,675
- Exploratory well Costs	**41,369**	86,078	62,445	84,763	80,925	65,815
Depreciation, Depletion, Amortisation and Impairment	**116,217**	114,583	109,259	83,736	74,959	76,767
Provisions and Write-offs	**3,938**	2,116	2,189	18,863	3,097	6,114
Prior Period Expenses (Net)	**(228)**	3,839	(2,502)	531	(95)	336
Total Expenses	**582,199**	**619,020**	**584,837**	**581,737**	**478,032**	**444,142**
Operating Income Before Interest &Tax	**265,374**	265,580	324,323	305,720	335,368	276,415
Interest Payments	**50**	28	4	276	348	251
Profit before Tax and Exceptional Items	**265,324**	**265,552**	**324,319**	**305,443**	**335,020**	**276,164**
Exceptional items	**(31,422)**	-	-	-	31,405	-
Profit before Tax	**233,902**	265,552	324,319	305,443	366,425	276,164
Corporate Tax (Net)	**73,866**	88,222	103,371	96,186	115,196	86,924
Profit after Tax	**160,036**	177,330	220,948	209257	251229	189240
Dividend	**72,722**	81,277	81,277	81,277	83,416	74,861
Tax on Dividend	**14,794**	16,256	13,807	13,012	13,286	12,156
Retained Earnings For The Year	**72,520**	**79,797**	**125,864**	**114,968**	**154,527**	**102,223**

(₹ in million)	2009-10	2008-09	2007-08	2006-07
REVENUES				
Sales				
Crude Oil	445,053	391,718	386,805	372,090
Natural Gas	73,797	75,528	71,780	72,113
LPG	21,924	22,752	20,168	14,866
Naphtha/Aromatic Rich Naphtha	47,137	48,406	43,849	37,907
Ethane/Propane	10,249	9,890	9,291	9,095
Superior Kerosene Oil	3,256	16,701	10,775	15,754
HSD	156	61,910	48,621	42,037
Motor Spirit	27	11,062	9,159	4,530
Others	463	1,526	925	634
Price Revision Arrears	-	-	-	11
Sub- Total	602,062	639,493	601,373	569,037
Pipeline Revenue	1,078	2,329	1,522	82
Other Receipts	15,512	7,861	11,390	21,653
Accretion / (Decretion) in stock	1,180	811	1,141	(197)
Total Income from Operations	619,832	650,494	615,426	590,575
COST & EXPENSES				
Operating, Selling & General				
(a) Royalty	54,832	44,934	60,707	53,428
(b) Cess/ Excise Duty	56,752	59,174	61,106	62,024
(c) Natural Calamity Contingent Duty	1,062	1,081	1,127	1,149
(d) Sales Tax	2,990	6,910	772	1,380
(e) Education Cess	1,719	1,784	1,861	1,303
(f) Octroi & Port Trust Charges	4,486	4,130	4,195	3,232
Sub-total (a to f)	121,841	118,013	129,768	122,516
Pipeline Operations (Excluding Depreciation)	7,975	6,963	7,318	6,460
Other Operational Costs	118,322	116,849	99,505	95,556
Exchange Loss	(4,033)	3,819	(1,070)	177
Purchases	139	85,166	65,115	59,401
Recouped Costs				
(a) Depletion	45,302	42,148	36,776	33,849
(b) Depreciation	12,312	14,491	14,060	16,249
(c) Amortisation	89,407	67,320	47,580	43,167
(d) Impairment	(433)	(3,110)	(437)	1,729
Sub-Total (a to d)	146,588	120,849	97,979	94,994
Total Cost & Expenses	390,832	451,659	398,615	379,104
Operating Income Before Interest &Tax	229,000	198,835	216,811	211,471
Interest				
- Payments	686	1,190	590	215
- Receipts	21,525	41,504	36,125	20,695
- Net	(20,839)	(40,314)	(35,535)	(20,480)
Profit before Tax and Extraordinary Items	249,839	239,149	252,346	231,951
Extraordinary Items	-	658	-	4,751
Profit before Tax	249,839	239,807	252,346	236,702
Corporate Tax (Net)	82,163	78,544	85,330	80,273
Net Profit	167,676	161,263	167,016	156,429
Dividend	70,583	68,444	68,444	66,305
Tax on Dividend	11,616	11,632	11,632	10,125
Retained Earnings For The Year	85,477	81,187	86,940	79,999

Statement of Financial Position

(₹ in million)	As at March 31 2016	As at March 31 2015	As at March 31 2014	As at March 31 2013	As at March 31 2012	As at March 31 2011
RESOURCES						
A. Own						
1. Net Worth						
(a) Equity						
i) Share Capital	**42,778**	42,778	42,778	42,778	42,777	42,777
ii) Reserves & Surplus	**1,475,749**	1,403,232	1,324,472	1,201,755	1,086,790	932,267
Sub-Total (a)	**1,518,527**	1,446,010	1,367,250	1,244,532	1,129,567	975,044
(b) **Less :** Miscellaneous Expenditure	**8,302**	9,781	10,939	14,859	11,726	7,960
Net Worth (a)-(b)	**1,510,225**	1,436,229	1,356,311	1,229,674	1,117,841	967,084
B. Deferred Tax Liability	**195,356**	177,332	165,787	128,880	111,979	99,504
TOTAL RESOURCES (A+ B)	**1,705,581**	1,613,561	1,522,098	1,358,553	1,229,820	1,066,588
DISPOSITION OF RESOURCES						
A. Non-current assets						
1) Block Capital						
a) Fixed Assets (Net)*	**84,689**	314,907	302,792	274,835	216,801	186,395
b) Producing Properties (Net)/Oil and Gas Assets*	**947,742**	667,110	657,833	524,407	463,768	435,757
Total Block Capital	**1,032,431**	982,017	960,625	799,242	680,569	622,152
2) Long-term loans and advances (excl, capital advances)	**173,780**	193,177	181,718	221,454	254,482	239,392
3) Deposit under Site Restoration Fund Scheme	**135,592**	125,444	113,102	101,331	91,826	81,155
4) Other non-current assets (excl. DRE)	**4,466**	4,397	3,956	4,011	2,983	2,941
Sub-Total (A)	**1,346,269**	1,305,035	1,259,401	1,126,037	1,029,860	945,640
B. Non-current Liabilities						
1) Long-term provisions:						
a) Provision for Abandonment	**246,103**	227,138	228,022	177,052	176,477	175,608
b) Other Long Term provisions	**29,503**	26,494	29,178	44,823	36,654	32,627
2) Other Non-current liabilities	**146**	640	11,850	11,242	5,620	5,825
Sub-Total (B)	**275,752**	254,272	269,050	233,116	218,751	214,060
C. Net Non Current Assets (A)-(B)	**1,070,517**	1,050,763	990,351	892,921	811,109	731,580
D. Working Capital						
a) Current Assets						
i) Inventories	**56,421**	59,623	58,825	57,044	51,654	41,190
ii) Trade receivables	**53,020**	135,783	81,657	68,637	61,948	39,947
iii) Cash and Bank Balances	**99,566**	27,601	107,989	132,186	201,246	144,811
iv) Short-term loans and advances	**61,437**	69,477	43,670	37,021	31,237	26,734
v) Other current assets (excl. DRE)	**3,203**	4,933	2,718	4,565	8,633	4,276
Sub-Total (a)	**273,647**	297,417	294,859	299,453	354,718	256,958
b) Current liabilities						
i) Short-term borrowings	**-**	13,930	-	-	45,000	-
ii) Trade payables	**51,264**	55,611	63,725	53,410	52,612	52,253
iii) Other current liabilities	**111,632**	112,867	119,262	112,227	136,941	130,055
iv) Short-term provisions	**48,526**	20,777	7,811	9,102	22,426	9,258
Sub-Total (b)	**211,422**	203,185	190,798	174,739	256,979	191,566
Working Capital (D)= (a)-(b)	**62,225**	94,232	104,061	124,714	97,739	65,392
E. CAPITAL EMPLOYED (C+D)	**1,132,742**	1,144,995	1,094,412	1,017,636	908,848	796,972
F. Investments						
i) Current investments	**30,032**	-	-	-	8,519	1
ii) Non-current investments	**202,907**	181,243	172,043	91,731	43,644	51,827
G. Capital work-in-progress (incl, capital advances)	**132,078**	128,437	116,516	144,429	182,997	140,316
H. Exploratory/Development Wells in Progress	**207,824**	158,885	139,128	104,759	85,812	77,472
TOTAL DISPOSITION (E+F+G+H)	**1,705,583**	1,613,560	1,522,098	1,358,553	1,229,820	1,066,588

*Note : In FY 2015-16, Company has transferred Producing Properties as "Oil and Gas Assets". Further, net book value of assets pertaining to production & allied facilities has also been transferred from other tangible fixed assets to reflect aggregate amount of "Oil and Gas Assets" (refer note no. 12.1 of notes to financial statements)

(₹ in million)	As at March 31 2010	As at March 31 2009	As at March 31 2008	As at March 31 2007
RESOURCES				
A. Own				
1. Net Worth				
(a) Equity				
i) Share Capital	21,389	21,389	21,389	21,389
ii) Reserves & Surplus	851,437	765,965	684,785	597,851
Sub-Total	872,826	787,354	706,174	619,240
(b) **Less :** Miscellaneous Expenditure	8,413	6,506	6,739	5,141
Net Worth	864,413	780,848	699,435	614,099
2. Long Term Liabilities				
Deferred Tax Liability	89,182	78,023	73,708	65,227
Total Own Funds (1 + 2)	953,595	858,871	773,143	679,326
B. Outside				
Unsecured Loans				
a) Indian Loans	-	-	-	202
b) Foreign Loans	50	267	369	494
Total Outside Resources	50	267	369	696
TOTAL RESOURCES (A+ B)	953,645	859,138	773,512	680,022
DISPOSITION OF RESOURCES				
A. Block Capital				
1. Fixed Assets	156,485	104,144	105,180	88,391
2. Producing Properties (Net)	402,822	361,580	301,874	295,685
Less : Liability for Abandonment Cost	164,007	160,090	124,458	147,353
Total Block Capital	**395,300**	**305,634**	**282,596**	**236,723**
B. Working Capital				
a) Current Assets				
i) Inventories	46,786	40,607	34,806	30,338
ii) Debtors (Net of Provision)	30,586	40,838	43,604	27,594
iii) Cash & Bank Balances	108,279	121,405	160,143	136,704
iv) Deposit with Bank Under Site Restoration Fund Scheme #	74,031	69,557	64,033	56,103
v) Loans & Advances and Others	278,031	273,593	195,745	193,214
Sub-Total	537,713	546,000	498,331	443,953
Less :				
(b) Current Liabilities and Provisions and Short Term Loans (excl. Abandonment & Impairment)	194,999	211,051	176,083	139,932
Working Capital	342,714	334,949	322,248	304,021
C. CAPITAL EMPLOYED	738,014	640,583	604,844	540,744
D. INVESTMENTS	57,720	50,903	58,995	57,021
E. CAPITAL WORKS IN PROGRESS	102,414	116,965	70,745	48,251
F EXPLORATORY/DEVELOPMENT WELLS IN PROGRESS	55,497	50,687	38,928	34,006
TOTAL DISPOSITION (C+D+E+F)	953,645	859,138	773,512	680,022

Excluded for Current Ratio.

Depreciation and Contribution to Exchequer

(₹ in million)	2015-16	2014-15	2013-14	2012-13	2011-12
DETAILS OF DEPRECIATION ALLOCATED TO:					
Survey	**433**	589	448	567	756
Exploratory Drilling	**2,729**	3,284	2,506	1,335	4,844
Development	**3,216**	36,774	66,628	62,584	52,782
Profit & Loss Account	**10,787**	14,367	20,518	14,620	13,395
Others	**124**	298	162	114	16
Total	**17,289**	55,312	90,262	79,220	71,793
CONTRIBUTION TO EXCHEQUER					
CENTRAL					
1. Excise Duty	**1,990**	2,207	3,076	3,093	3,599
2. OID Cess	**101,928**	102,550	99,740	99,993	57,852
3. Natural Calamity Contingent Duty	**1,137**	1,123	1,097	1,101	1,098
4. Royalty	**45,974**	35,870	41,965	39,407	36,144
5. Education Cess	**-**	91	2,349	3,112	1,872
6. Corporate Tax					
a) On ONGC's Account	**55,843**	76,152	67,646	79,285	102,722
b) For Foreign Contractors	**(38)**	25	36	11	73
7. Dividend	**50,130**	56,029	56,153	56,268	60,372
8. Tax on Dividend	**14,795**	16,256	13,807	13,012	13,286
9. Customs Duties	**151**	77	87	75	96
10. Mumbai Port Trust Charges	**1,062**	984	884	923	855
Sub Total	**272,972**	291,364	286,840	296,280	277,969
STATE					
1. Sales Tax/VAT	**44,006**	43,765	41,344	40,144	39,393
2. Royalty	**43,639**	80,194	72,971	68,699	61,648
3. Octroi Duties etc.	**5,583**	5,751	4,592	3,683	3,863
4. Motor Sprit -CESS	**-**	-	3		
Sub Total	**93,228**	129,710	118,910	112,526	104,904
Grand Total	**366,200**	421,074	405,750	408,806	382,873



2010-11	2009-10	2008-09	2007-08	2006-07
1,052	1,181	1,555	1,029	863
5,415	4,842	3,005	2,151	1,672
41,734	34,098	24,426	21,924	14,251
19,993	12,201	14,434	13,984	16,094
156	105	136	70	48
68,350	52,427	43,556	39,158	32,928
3,228	2,214	3,386	2,887	2,768
57,005	54,545	55,799	58,216	59,260
1,115	1,062	1,082	1,127	1,149
36,519	32,190	31,394	30,631	27,920
1,830	1,719	1,784	1,863	1,303
76,628	71,203	79,770	80,720	78,403
27	7	277	32	34
55,502	52,330	50,744	50,744	49,159
12,156	11,616	11,632	11,632	10,125
44	125	354	815	1,441
891	793	657	742	691
244,945	227,803	236,879	239,409	232,253
33,711	26,355	26,258	26,899	25,998
34,890	22,649	13,551	30,078	25,513
4,213	4,176	3,808	3,814	2,832
72,814	53,180	43,617	60,791	54,343
317,759	280,983	280,496	300,200	286,596



Glossary of Energy & Financial Terms

A. Energy Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Service well: A service well is a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for gas injection, water injection, steam injection, air injection, polymer injection, salt-water disposal, water supply for injection, observation, or injection for combustion.

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

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

B. Financial Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;

(b) it is held primarily for the purpose of being traded,

(c) it is expected to be realized within twelve months after the reporting date, or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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

(a) it is expected to be settled in the company's normal operating cycle;

(b) it is held primarily for the purpose of being traded,

(c) it is due to be settled within twelve months after the reporting date, or

(d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-Current Assets: All assets other than Current assets are classified as Non-Current assets.

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

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

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

Oil & Gas Assets: These are created in respect of an area/field having proved developed oil and gas reserves. Oil & Gas Assets consist of successful Exploratory Wells, all Development Wells, Service wells, Production facilities and estimated future Abandonment costs.

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

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

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

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

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

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

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

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

a) **Depreciation:** A measure of the wearing out, consumption or other loss of value of a depreciable asset arising from use, efflux of time or obsolescence through technology and market changes. It is provided for and allocated as mentioned in note no. 2.n.1 to 2.n.5 on Significant Accounting Policies under Notes to Financial Statements.

b) **Depletion:** A measure of exhaustion of a wasting assets (Oil & Gas Assets) represented by periodic charge off of cost. It is computed with reference to the amortization base by taking the related capital cost incurred divided by hydrocarbon reserves and multiplied by production. It is recognized in accounts as per note no.2.n.6 on Significant

Accounting Policies under Notes to Financial Statements.

c) **Impairment:** An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. Impairment Loss is recognized in the accounts as per note no. 2.n.8 on Significant Accounting Policies under Notes to Financial Statements.

d) **Amortization:** It refers to the amount amortized in respect of Intangible Assets in line with note no.2.n.7 on Significant Accounting Policies under Notes to Financial Statements.

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

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

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

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

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

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

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

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



Director (HR) Shri D D Misra in conversation with senior officers at MHN Platform, Mumbai Offshore



For a brighter tomorrow: ONGCian at work in Rajahmundry Asset

Board's Report

Annexures to Board's Report

Comments of C&AG



Hon'ble MoS (I/C), Petroleum & Natural Gas, Shri Dharmendra Pradhan accompanied by CMD, ONGC, Shri Dinesh K Sarraf, Director (Offshore), Shri T K Sengupta, Director (Exploration), Shri A K Dwivedi at ONGC Helibase, Juhu, Mumbai



ONGC has made 7 Onshore discoveries in FY'15-16 and produced 25.93 MMT Crude Oil

Board's Report

Dear Shareholders,

I, on behalf of the Board of Directors of your Company, am pleased to share with you the highlights, developments and the progress that your Company has made during the financial year ended March 31, 2016 and to present the 23rd Annual Report on the business and operations of Oil and Natural Gas Corporation Ltd. (ONGC) and its Audited Statements of Accounts together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (C&AG) of India and the reply of the Management thereto.

The business environment was again marked by great uncertainty in FY'16. Disruptive socio-economic and political changes continued to affect growth in many parts of the world. In the emerging markets, economic volatility worsened as growth rates slowed and currencies weakened. In the developed markets, deflationary pressures and soft consumer demand resulted in a continued challenging trading environment. In the face of such uncertainty, it was more important than ever to stay on course and remain focused to our strategy, driving short-term performance while ensuring we made the right decisions to deliver our long-term goals.

Despite the uncertainty, your Company along with its group companies has registered yet another year of sustained performance. Exploration and production of crude oil and gas, our core business, set various milestones during the year. Besides that, performance in the other areas of business where ONGC has engaged substantially also witnessed success with positive contributions.

ONGC has steadfastly focussed on organic growth through its exploratory endeavours and build a healthy reserve profile for the future. During FY'16, the Company registered Reserve Replacement Ratio (RRR) of 1.51 (with 2P reserves) with 17 oil and gas discoveries in various basins of the country. This has been possible because of extensive



In command & control: CMD ONGC, Shri Dinesh K. Sarraf in discussion with ONGCians at Mehsana Asset, Gujarat

exploration in known basins as well as frontier plays. Domestic crude oil and natural gas production of ONGC along with its share in the domestic joint ventures (PSC-JVs) during FY'16 has been 48.457 million metric tonnes of oil and oil equivalent gas (MMTOE) which is about 2% lower than FY'15 production (49.467 MMTOE). On standalone basis crude oil production from ONGC operated fields has been 22.368 million metric tonnes (MMT) against production of 22.26 MMT during FY'15. This is an important achievement as it marks the second consecutive year that the Company has registered an increase in its domestic crude oil output following the slight increase in FY'15. Moreover, considering the largely mature producing field portfolio of the company, it highlights ONGC's prudent reservoir management and effective technological interventions in its fields.

Major Highlights: FY'16

Salient highlights with respect to performance of your Company during FY'16 are as below:

- 17 oil & gas discoveries in domestic acreages with accretion of 65.58 MMTOE of 2P reserves.
- RRR (2P) for FY'16 was 1.51; in excess of one for 10 consecutive years.
- Despite natural decline in matured fields, crude oil production from domestic fields was maintained at 22.368 MMT. Major upside in production was registered from the Western offshore fields with incremental oil gain of 3.4%.
- New and marginal fields contributed about 13.8% of crude oil (3.084 MMT out of 22.368 MMT from domestic operated fields) and 9.5 % of natural gas production (2.022 BCM out of 21.177 BCM from domestic operated fields). 33.04% of crude oil production was contributed by the IOR/ EOR and redevelopment schemes.
- The gross revenue from operations during FY'16 has been ₹ 7,85,652 million; 5.45% lower than FY'15.
- ₹ 10,961 million contribution towards sharing the under-recoveries of OMCs during FY'16 impacting ONGC's Profit Before Tax (PBT) by ₹ 9,287 million and Profit After Tax (PAT) by ₹ 6,070 million. Net Profit for FY'16 has been ₹ 160,036 million; 9.75 % lower than the profit during FY'15.
- Your Company has decided to invest ₹ 340,120 million over next four years for the development of Deep Water Fields in east coast falling under Cluster 2 of the Deep-water NELP Block KG-DWN-98/2. Total oil and gas production envisaged is 23.526 MMT and 50.706 BCM respectively during the project life from the Cluster 2. The project envisages first gas to be produced by June 2019, first oil by March 2020, with overall completion in June 2020.
- A major milestone was achieved on 17.07.15 when commercial production was commenced from C2-C3 Plant, Dahej, which is the world's first Liquefied Natural Gas (LNG) processing plant with 5 MMTA capacity.
- ONGC Videsh Ltd. (100% subsidiary of your Company) registered 8.92 MMTOE of O+OEG production during FY'16 against 8.87 MMTOE during FY'15. Production upside primarily came from BC-10 field in Brazil, blocks in Myanmar and the Sakhalin project in Russia.
- Despite higher production, ONGC Videsh's Revenue during FY'16 has been down by 33.3 % due to lower oil prices globally.
- Hon'ble Prime Minister Mr. Narendra Modi and Hon'ble Prime Minister of Kazakhstan Mr. Karim Massimov formally launched drilling program of well STP-1 at Satpayev block in Kazakhstan. The program was launched through live Telebridge on 07.07.15.
- During the year, ONGC Videsh acquired 15 percent share in Vankorneft, owner of the Vankor oil field which is the second largest field by production and accounts for 4% of Russian production.
- MRPL witnessed a Capacity utilization of 103.4 % with the highest ever Crude processed at 15.53 MMT during the FY'16 against 14.65 MMT during FY'15. The company achieved a Turnover of ₹ 509,990 million during the year FY'16 against ₹ 623,530 million for FY'15.
- MRPL commissioned all the units under Phase-III refinery expansion project during the year and registered the highest-ever throughput of 15.53 MMT. MRPL also became the majority shareholder of OMPL by increasing its stake to 51 percent for synergy of operations.

Besides excellence in core operational activities, your Company positioned itself as a valuable corporate citizen through its mapped defined actions towards inclusive growth of the Society/ Community and green initiatives as per the commitment and our performance was globally recognized. ONGC was ranked at 220th position among 2000 top global companies in Forbes Global 2000 list published in May 2016. In the global oil and gas operation industry, ONGC has moved up three places to occupy the 18th position. ONGC has been ranked as the Top energy company in India, in the coveted Platt's Top 250 Global Energy Company Rankings 2015. ONGC improved upon its global ranking by four notches to be positioned 17th among the global energy majors. ONGC has also maintained its

position as the 3rd largest Exploration and Production (E&P) company in the world.

Performance 2015-16

Exploration

During FY'16, ONGC has made 17 Oil and gas discoveries in domestic acreages (operated by ONGC). Out of 17, 10 discoveries are in Offshore and 7 in Onshore; 8 discoveries were new prospects whereas 9 were new pool discoveries; 7 discoveries were made in NELP blocks and 10 in nomination blocks.

Out of seven onland discoveries made during 2015-16, there discoveries (North Kovilkalappal-6 (NKKAC), Rokhia-62 (ROBD) & Kesanapalli West-47 (KWDN) are on production and efforts are being continued to bring other discoveries also on production.

In addition to above discoveries, exploratoty wells conclusively tested and proved to be hydrocarbon bearing will help in field growth of existing fields. Seven discoveries in NELP blocks (Offshore) are governed by the PSC Guidelines and appraisal/development activities will be taken up following stipulations & timelines of PSC.

Discoveries

Offshore: 10; Onshore: 7

New Prospects: 8; New Pool: 9

NELP Blocks: 7; Nomination blocks: 10

Details of the discoveries are as under :

Sr.	Well No.	Basin/ Sub-basin	Hydrocarbon Type	Pool Prospect
1	KGOSN041NASG#1	KG (SW)	Gas	Prospect
2	KG-DWN-98/2-F-1	KG (DW)	Oil & gas	Prospect
3	Raulapalem-1 (RVP-AA)	KG (On)	Gas	Prospect
4	B-127N-1	Mumbai Offshore	Oil & gas	Prospect
5	KGOS041NAML#1 (Malhar#1)	KG(SW)	Gas	Prospect
6	MBSO53NAA#1	Mumbai Offshore	Gas	Prospect
7	B-66#2	Mumbai Offshore	Oil & gas	Prospect
8	GKS101NAA-1	Kutch offshore	Gas	Prospect
9	KG-DWN-98/2-M-4(AD)	KG (DW)	Oil & gas	Pool
10	Komarada # 3	KG (On)	Oil & Gas	Pool
11	Gojalia # 14	A&AA (Tripura)	Gas	Pool
12	North Kovilkalappal-06 (NKKAC)	Cauvery (On)	Oil & gas	Pool
13	Rokhia#62	A&AA (Tripura)	Gas	Pool
14	Penugonda#1 (WPG-AA)	KG (On)	Oil & gas	Pool
15	Kesanapalli West # 47 (KW#47)	KG (On)	Gas	Pool
16	GK-28#10 (GK-28-L)	Kutch Offshore	Gas	Pool
17	GSS041NAA-2	Kutch Offshore	Gas	Pool

Details of the discoveries in NELP blocks (since inception till 01.04.2016)

Out of the 114 NELP blocks awarded to/ acquired by ONGC as operator (including KG-DWN-98/2, KG-ONN-2003/1 & VN-ONN-2003/1), currently ONGC is operating in 32 blocks. However, ONGC has approved surrendering of 6 blocks under Policy Framework of GoI, dated 10.11.14. Total 82 blocks have been relinquished so far. Exploration/appraisal programme is underway in all the active blocks. A total of 60 discoveries as on date (22 in deep-water, 18 in shallow water and 20 in onland areas) have been made by ONGC in 25 of these NELP blocks (6 deep-water, 8 shallow water &

11 onland). Commencement of production from these discoveries is governed by stipulations laid down in the respective PSCs and is to be taken up after successful completion of appraisal programme followed by submission of DOC and approval of Field Development Plan. With a view to monetize the NELP discoveries, ONGC has put four discoveries viz. Karannagar-1, Vadatal-1, West Patan-3 and Nadiad-1 on Commercial Production upon grant of Mining Lease by the State Government of Gujarat.

Reserve accretion & Reserve Replacement Ratio (RRR)

Continuing exploration in challenging and frontier areas, your company has accreted 150.30 million metric tonnes of oil equivalent (MMTOE) of In-place volume of hydrocarbon in the domestic basins (operated by ONGC). As on 01.04.2016, in-place hydrocarbon volume of ONGC as a group stands at 9444.49 MMTOE; up 1.7% from FY'15 figure of 9283.59 MMTOE. The ultimate reserves (3P) accretion in domestic area (ONGC operated) during FY'16 has been 49.94 MMTOE and 2P reserve accretion has been 65.58 MMTOE. Total reserve accretion during FY'16 in domestic basins including ONGC's share in PSC JVs stands at 49.18 MMTOE. Voluntary disclosures in respect of Oil & Gas Reserves, conforming to SPE classification 1994 and US Financial Accounting Standards Board (FASB-69) have been made by your Company.

The following table gives the details of reserve accretion (2P) for the last 5 years in domestic basins as well as from the overseas assets:

Ultimate Reserve (2P) accretion O+OEG **(in MMToE)**

Year	Domestic Assets (1)	ONGC's share in Domestic JVs (2)	Total Domestic Reserve (3)=(1)+(2)	ONGC VIDESH's Share in Foreign Asset (4)	Total (5)=(3)+(4)
2011-12	58.67	1.43	60.1	-0.06	60.04
2012-13	67.59	4.23	71.82	10.09	81.91
2013-14	56.26	4.29	60.55	213.24	273.79
2014-15	61.06	-1.03	60.03	20.03	80.06
2015-16	**65.58**	**0.80**	**66.38**	**-7.22***	**59.16**

Note: Reserve accretion reported in terms of 2P reserves
**In FY'16, 2P ultimate reserves accretion through exploration & reassessment activities is 8.079 MMTOE. However, termination of 5 E&P licenses of IEC, Russia amounting 15.296 MMTOE (2P) led net accretion to -7.217 MMTOE.*

Statement of Reserve Recognition Accounting (RRA)

Reserve Recognition Accounting is a voluntary disclosure towards recognizing income at the point of discovery of reserves and seeks to demonstrate the intrinsic strength of an organization engaged in exploration and production of hydrocarbons with reference to its future earning capacity in terms of current prices for income as well as expenditure. This information is based on the estimated net proved reserves (developed and undeveloped) as determined by the Reserves Estimates Committee of the Company.

As per FASB-69 on disclosure about Oil and Gas producing activities, publicly traded enterprises that have significant Oil and Gas producing activities, are to disclose with complete set of annual financial statements, the following supplemental information:

a) Proved Oil and Gas reserve quantities
b) Capitalized costs relating to Oil and Gas producing activities
c) Cost incurred for property acquisition, exploration and development activities
d) Results of operations for Oil and Gas producing activities
e) A standardized measure of discounted future net cash flows relating to proved Oil and Gas reserve quantities

Your Company has disclosed information in respect of (a) to (d) above in the Annual Financial Statements.

Your Company has also made voluntary disclosure on standardized measure of discounted future net cash flows relating to prove oil and gas reserve at **Annexure-A'** to this report as statement of Reserve Recognition Accounting (RRA).

Oil & Gas production

During FY'16, your Company retained its position as the largest producer of oil and gas in the country and contributed 70 per cent of oil and natural gas production of the country from its domestic operations. On standlone basis, in FY'16 ONGC's domestic crude oil production registered 22.36 MMt against 22.26 MMt in FY'15, marking the second consecutive year that production has registered an increase in domestic fields. The major contribution came from Western Offshore, which produced 3.4 percent more than the production during last year.

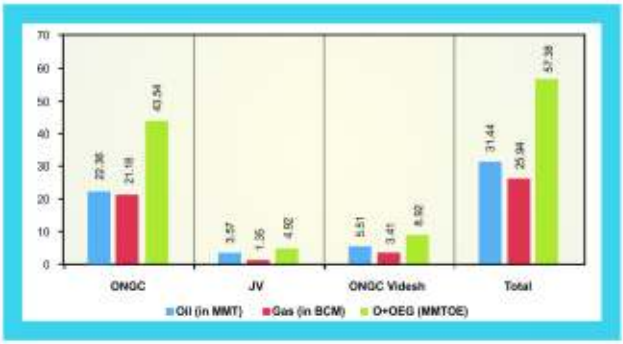
Details of crude oil and natural gas production from domestic basins along with that of Value Added Products (VAP) are as below:

	Unit	Production Qty		Sales Qty		Value (₹ in million)	
		FY'16	FY'15	FY'16	FY'15	FY'16	FY'15
Direct							
Crude Oil	(MMT)	25.93	25.94	24.15	24.11	518,863	536,638
Natural Gas	(BCM)	22.53	23.52	17.10	17.98	182,664	187,381
Ethane/Propane	000 MT	375	337	375	336	8,945	10,028
Propane	000 MT	29	2	26	1	496	36
LPG	000 MT	1,195	1,095	1,191	1,090	35,194	34,380
Naphtha	000 MT	1,043	1,155	1,065	1,124	30,611	50,835
SKO	000 MT	67	72	66	74	2,118	2,771
Others						894	1,359
Sub Total						**779,785**	**823,428**
Trading							
Motor Spirit	000 KL			0.68	0.53	44	38
HSD	000 KL			1.16	0.39	57	22
Sub Total						101	60
Total						**779,886**	**823,488**



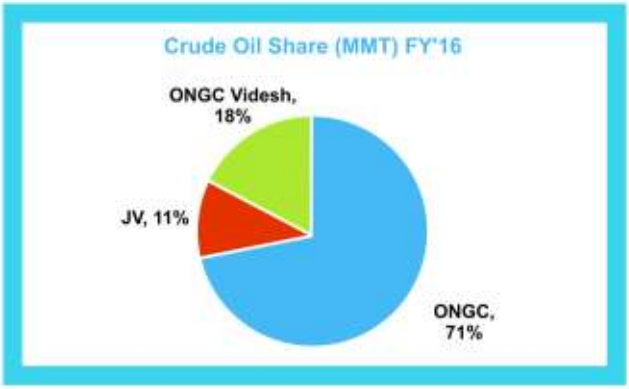
Floater drill ship for Deepwater Operations

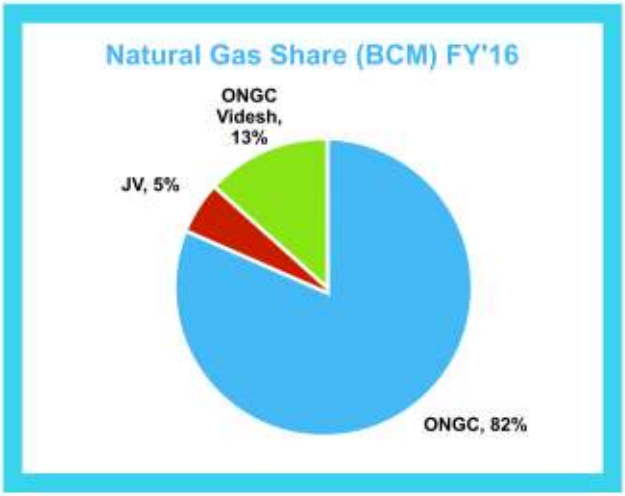
Oil & Gas production of ONGC Group, including PSC-JVs and from overseas Assets for FY'16 has been 57.38 MMTOE (against 58.33 MMTOE during FY'15).



Crude Oil figure Including Gas Condensate

Out of the total production of 31.44 MMT of crude oil, 71.2 per cent production came from ONGC operated domestic fields, 17.5 per cent from the overseas assets and balance 11.3 per cent from domestic joint ventures. As far as natural gas production is concerned, majority of production (81.6 per cent) came from ONGC operated domestic fields, 13.1 per cent from overseas assets and 5.2 per cent from domestic joint ventures.



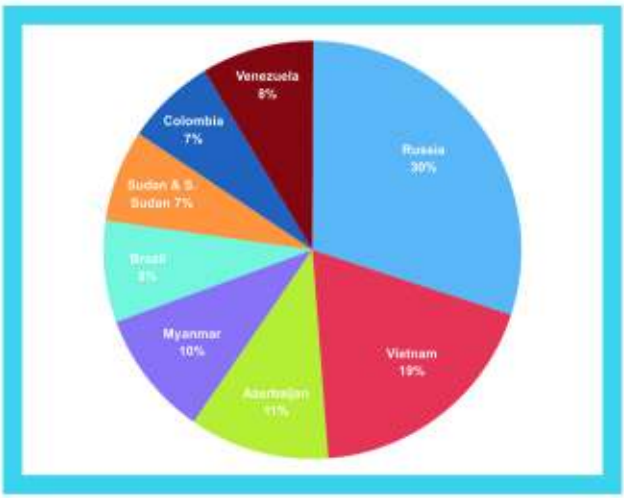


Production from overseas assets

ONGC Videsh, has thirteen (13) producing assets in ten countries – Venezuela (1), Brazil (1), Colombia (1), Sudan (1), South Sudan (2), Syria (1), Vietnam (1), , Mayanmar (2), Russia (2) and Azerbaijan (1).

Total production from these overseas assets during FY'16 has been 8.916 MMTOE of O+OEG (Crude oil: 5.510 MMT & Gas: 3.406 BCM).

Russia & Vietnam continued to be the biggest contributor to overseas production volume with 30% and 19% respectively. Azerbaijan has contributed 11%, while South Sudan & Sudan has contributed 7%. From Latin American countries, Brazil & Venezuela have contributed 8% each while Columbia has contributed 7%. Myanmar gas has contributed 10% to overall overseas production volume.



Unconventional sources of energy

ONGC plans to continue its endeavor for exploration and development of Unconventional & other resources like Shale Gas, CBM, etc. ONGC has prioritized suitable actions for exploration and exploitation of Non-Conventional and Alternate Sources of energy which has the potential to change the energy business landscape in the country as it is happening in the other parts of the world. The initiatives by ONGC in these areas are summarized below;

a. Shale Gas

ONGC has the distinction of establishing the first flow of shale gas in the country on 25th January, 2011 from RNSG#1 well (R&D Pilot Project, Durgapur).

ONGC has chalked out plan of drilling of pilot shale gas and oil wells in most of the identified blocks in Cambay, Krishna-Godavari, Cauvery and Assam & Assam-Arakan Basins. During October, 2013 Government of India brought out shale gas policy which allows

National Oil Companies viz. ONGC and OIL to initiate shale gas and oil assessment activities in their allocated nomination blocks in phased manner. As per the new Policy, 50 nomination PML blocks have been identified in four Basins - 28 PMLs in Cambay, 3 PMLs in A&AA, 10 PMLs in Krishna-Godavari and 9 PMLs in Cauvery basins for Shale Gas assessment within three year period of Phase-I. A total of 57 pilot/ assessment wells are to be drilled by April 2017.

As of 01.04.2016, ONGC has drilled eighteen shale gas/oil wells for shale gas exploration (13 dual objective wells and 5 exclusive) in Cambay, Cauvery, Krishna-Godavari and Assam-Arakan Basins and samples have been collected for assessment of Shale Gas potential. The sub-surface data is being further analysed. Hydro-fracturing in well JMSGA drilled in Umra Ext-II block in Gujarat gave influx of oil with water and further activation is under progress. Prospective zones identified based on the ongoing studies will be taken for hydro-fracturing in due course. Detailed assessment of shale oil and gas reserves is yet to be done in the country as exploration process has just commenced. A collaborative R&D project with M/s SWTPL- ISC Bangalore, on shock wave fracturing is also under progress.

For the current year 2016-17, ONGC has a plan to drill 10 wells (6 in Cambay and 2 each in KG and Cauvery). The drilling of planned wells depends on the early Environment Clearance (EC) for shale gas/ oil wells from MoEF&CC, as all the activities related to drilling of shale gas wells are kept on hold.

b. Coal Bed Methane (CBM)

Of the total thirty-three CBM Blocks awarded by GOI to various operators through four rounds of bidding and nomination, ONGC was awarded nine CBM blocks. Due to poor CBM potential, concluded on the basis of the data generated in the exploratory activities, five Blocks viz. Satpura (Madhya Pradesh), Wardha (Maharashtra), Barmer-Sanchor (Rajasthan), North Karanpura (West) and South Karanpura (Jharkhand) have been relinquished.

Currently, ONGC is operating four CBM Blocks i.e., Jharia, Bokaro, North Karanpura (Jharkhand) and Raniganj (West Bengal), FDP of which has been approved. Nearly 400 wells and 2000 hydro-fracturing jobs have to be carried out in the coming 4-5 years as per timelines of the CBM Contract. As per FDPs, CBM Initially In-Place (CIIP) established in the 4 blocks is of the order of 83 BCM with a total production potential of 12 BCM to be produced in next 20 years. In view of the mammoth and time bound task, ONGC is in the process of farming out its participative interest (PI) to experienced CBM players through formation of JV. Farm out Agreement (FoA) for North Karanpura Block has been signed on October 7, 2014 with M/s Prabha Energy Pvt. Ltd (PEPL) with assignment of 25% PI from ONGC's share. Documents have been submitted to DGH for Government's approval of PI assignment. Joint Venture for farming out in Bokaro Block is being negotiated. Further, offers for formation of Joint Venture for Jharia and Raniganj blocks are being invited.

ONGC has established the presence of CBM gas in its blocks however, no commercial production of CBM gas has started from any of these CBM blocks. ONGC started selling the incidentally produced CBM gas on "as is where is" basis from already drilled exploratory/ pilot wells at Parbatpur of Jharia block (Jharkhand) since January, 2011.

c. Underground Coal Gasification (UCG)

ONGC has signed an agreement of collaboration (AOC) with M/s National Mining Research Centre – Skochinsky Institute of Mining (NMRC-SIM) Russia on 25th November,2004 to cooperate in the Services, Operations, Development and Research related to Underground Coal Gasification (UCG) in India which has been further renewed upto 04th March, 2020. The project is envisaged to be completed in phases comprising of various stages right from site selection to construction of UCG enterprise.

ONGC has taken up Vastan Mine block site belonging to GIPCL in Gujarat as an R&D project to establish UCG technology. All the ground work and inputs for construction and implementation of UCG Pilot Project at Vastan, has been completed and further development and project execution will be carried out by a joint venture between ONGC and GIPCL.

d. Gas Hydrate exploration

Two NGHP Expeditions (NGHP-01 in 2006 and NGHP-02 in 2015) have been executed under NGHP program covering Kerala-Konkan, Krishna Godavari, Mahanadi and Andamans areas in NGHP-01 whereas NGHP-02 has been carried out in KG and deep offshore Mahanadi areas. Based on the results of NGHP-01 and NGHP-02, the areas have been identified in KG Basin for further studies on reservoir characterization, delineation and its producibility potential. The pilot production testing is planned during FY'18 in KG Area.

Gas hydrate exploration and exploitation is in the research stage world over and as of now there is no commercial production anywhere in the world.

Oil & Gas Projects

Your Company has seeded several initiatives and projects that will bear fruit in the coming year. In recent years your Company took up 15 projects for development of 39 new/ marginal oil and gas fields with an investment of ₹ 386,024 million. Out of these 15

projects, 13 projects have already been completed. Production from development of G-1 and WO-16 Cluster have already commenced. The remaining two projects, C-26 Cluster and B-127 Cluster, are under implementation and are expected to be completed in FY'17. Further, Improved Oil Recovery (IOR), Enhanced Oil Recovery (EOR) and redevelopment projects were also taken up by your Company for prudent reservoir management and arresting decline from matured fields. 23 out of 28 such projects have so far been completed. Two projects i.e., "Neelam Redevelopment Plan" and "Redevelopment of Gamij Field" are under tendering stage. Production has already started in "Mumbai High North Phase-III Redevelopement", and "Mumbai High South Phase-III Redevelopment" and are likely to be completed by May 2017 and March 2019 respectively. The "Development of Western Periphery of Mumbai High South" is likely to be completed by June 2017.

Details about the projects completed during FY'16, new projects taken up are given as below:

Oil and Gas projects completed during FY'16

The following eleven major field development and other projects were completed during FY'16

Sl. No	Name of Projects	Completion/ Commencement of production	Total Investment ₹ million	Envisaged oil & gas gain
1	Development of Cluster -7 Fields	15-May-2015	66,389	9.73 MMT of oil & 4.5 BCM of gas respectively by 2029-30
2	Development of B-193 Cluster Fields	31-May-2015	56,334	5.57 MMT of oil, 0.75 MMT of condensate & 5.12 BCM of gas respectively by 2025-26
3	Pipeline Replacement Project-3, Western Offshore	31-May-2015	14,170	-
4	C2-C3 & LPG Recovery Plant at Dahej	31-May-2015	9,761	-
5	Integrated Development of G-1 & GS-15 Fields	30-Jun-2015	39,552	0.99 MMT of oil & 4.64 BCM of gas respectively by 2026-27
6	Construction of 23 Immediate Support Vessels (ISVs)	30-Jun-2015	2,690	-
7	Upgradation of Konaban GCS & Pipeline Grid Project	30-Jun-15	2,530	-
8	Heera & South Heera Redevelopment Ph-II	11-Aug-2015	56,084	13.36 MMT of oil & 1.665 BCM of gas respectively by 2034-35
9	102 MW Wind Power Project	30-Sep-15	6,780	-
10	Development Plan for Lower Pays in NBP-14 Block of NBP (D-1) Field	30-Nov-2015	4,291	2.51 MMT of oil by 2029-30
11	Development of WO-16 Cluster	31-Jan-2016	25,230	2.83 MMT of oil & 8.58 BCM of gas respectively by 2025-26
	Total		**283,811**	

Projects brought to production in FY'16

Production commenced from following projects during the year:

Sl. No	Fields	Project	Date of Commencement of production
1.	B&S	Development Plan for Lower Pays in NBP-14 Block of NBP (D-1) Field	30-Nov-2015
2.	MH	Development of WO-16 Cluster	31-Jan-2016

Oil and Gas projects approved by ONGC Board during FY'16

Sl. No	Name of Projects	Approved Cost (₹million)	Incremental Oil & Gas gain
1	Neelam Redevelopment Plan for Exploitation of Bassein & Mukta pay-Neelam Field	28,189	2.76 MMT of oil and 4.786 BCM of gas by the year 2034-35
2	Life Extension of 48 well platforms of Mumbai High and Heera Fields	31,907	-
3	Field Development Plan (FDP) for Development of Cluster 2 fields of NELP Block KG-DWN-98/2	340,120	23.526 MMT of oil and 50.706 BCM of gas by the year 2034-35
4	Redevelopment of Gamij field, Ahmedabad	18,812	3.79 MMT of oil and 0.356 BCM of gas by the year 2034-35
5	Field Development of NELP Block CY ONN-2003/1 Nagyalanka-KG Onland	49,540	2.538 MMT of oil and 1.31 BCM of gas by the year 2034-35
6	Field development of Madanam Nelp-IV Block CY ONN-2002/2: (60% ONGC share)	3,900	1.048 MMT of oil and 2.7 BCM of gas by the year 2034-35
7	Development Plan of Bokaro Block (80% ONGC share)	6,590	4.098 BCM of gas by the year 2034-35
	Total	**479,058**	

1. FINANCIAL RESULTS

Despite a plunge in the crude oil prices during FY'16, your Company has earned a Profit After Tax (PAT) of ₹ 160,036 million, down 9.75 % over FY'15 (₹177,330 million). During FY'16, your Company registered Gross revenue of ₹ 785,690 million, down 5.45 % over FY'15 (₹ 830,935 million).

Highlights

- Gross Revenue : ₹ 7,85,690 million
- Profit After Tax (PAT) : ₹ 1,60,036 million
- Contribution to Exchequer : ₹ 3,41,374 million
- Return on Capital Employed : 33.69 %
- Debt-Equity Ratio : NA
- Earnings Per Share (₹) : 18.71
- Book Value Per Share (₹) : 177

(₹ in million)

Particulars	2015-16	2014-15
Revenue from operations	785,652	830,935
Other Income	61,922	53,666
Total Revenues	847,574	884,601
Profit Before Interest, Depreciation & Tax (PBIDT)	381,592	380,163
Profit Before Tax (PBT)	233,903	265,552
Profit After Tax (PAT)	**160,036**	**177,330**
APPROPRIATION		
Interim Dividend	44,916	77,000
Proposed Final Dividend	27,805	4,278
Tax on Dividend	14,795	16,256
Transfer to General Reserve	72,520	79,796
TOTAL	**160,036**	**177,330**

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statement of its subsidiaries, associate company and joint venture in Form AOC-1 forms part of the Financial Statements.

2. DIVIDEND

Your Company paid interim dividend of ₹ 5.25 per share of ₹5 each **(105% of the paid up equity capital)** in two phases (₹4.50 and ₹0.75). The Board of Directors has recommended a final dividend of ₹ 3.25 per share (65%) making the aggregate dividend at ₹ 8.50 per share (170%) for FY'16, which is 20% lower as compared to dividend for FY'15 . The total dividend will be ₹72,721 million, besides ₹14,795 million as tax on dividend amounting to 54.68% of PAT (Inclusive of dividend tax).

3. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report (MDAR) forms part of the Annual Report of the Company.

4. FINANCIAL ACCOUNTING

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India in compliance with all applicable Accounting Standards and Successful Efforts Method of accounting as per the Revised Guidance Note on Accounting for Oil & Gas Producing Activities issued by The Institute of Chartered Accountants of India (ICAI) effective from 01.04.2013 and provisions of the Companies Act, 2013. Further, as per Ministry of Corporate Affairs (MCA) notification, the financial statements have been prepared under the Schedule III format of the Companies Act, 2013.

Loans, Guarantees or Investments

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

Related Party Transaction

Particulars of contracts or arrangements with related parties referred to in Section 188 of the Companies Act, 2013 in the form AOC-2 form part of Board's Report and placed at **Annexure-B.**

5. SUBSIDIARIES

I ONGC Videsh Limited (ONGC Videsh)

ONGC Videsh, the wholly-owned subsidiary of your Company for E&P activities outside India, has participation in 36 projects in 17 countries viz., Azerbaijan, Bangladesh, Brazil, Colombia, Iran, Iraq, Kazakhstan, Libya, Mozambique, Myanmar, New Zealand, Russia, South Sudan, Sudan, Syria, Venezuela and Vietnam. Out of 36 projects, 13 are producing, 4 are discovered/ under development, 17 are exploratory and remaining 2 are pipeline projects.

ONGC Videsh has produced about 166 thousand barrels of oil and oil equivalent gas per day during FY'16 and has total oil and gas (2P) reserves of about **596** MMTOE as on

31st March 2016. During FY'16, there is an increase in oil and gas production by **0.47%** (Oil **0.42%** less and Gas **1.95%** gain) as compared to previous fiscal year FY'15.

ONGC Videsh's share in production of oil and oil equivalent gas (O+OEG), together with its wholly-owned subsidiaries, ONGC Nile Ganga B.V., ONGC Amazon Alaknanda Limited, Imperial Energy Limited and Carabobo One AB, was 8.916 MMTOE during FY'16 as compared to 8.874 MMTOE during FY'15. The overall gas production slightly increased from 3.341 BCM during FY'15 to 3.406 BCM during FY'16 (1.95% higher) primarily due to increased production (0.891 BCM vs 0.662 BCM : 35% higher) from A1 & A3 Block, Myanmar.

During FY'16, the Company has incurred loss of ₹ 20,935 million as compared to a net profit of ₹ 19,042 million in the previous year. The decrease in profit is mainly on account of lower crude oil prices, impairment provisions in three of its assets due to lower crude oil prices and higher financing cost. However, excluding the exceptional item pertaining to impairment provision of ₹30,470 million, profit before exceptional items & tax is ₹ 18,720 million in FY'16 as against ₹ 30,670 million in the previous year.

ONGC Videsh had taken term loan of USD 1,775 million for 5 years for Mozambique acquisition. The same has been refinanced for a term of another 5 years with effect from 27th November, 2015 resulting into saving of about USD 8 million per annum and extending the maturity of loan by 21 months.

a. Significant Acquisitions, Alliances and Operations highlights of ONGC Videsh during FY'16 are as follows:

ONGC Videsh signed a definitive agreement on 4th September, 2015 to acquire up to 15% shares in CSJC Vankorneft which is the owner of Vankor Field and North Vankor license. Vankor is Rosneft's (and Russia's) second largest field by production and accounts for 4% of Russian production. The daily peak production from the field is around 440,000 bpd of crude oil on an average with ONGC Videsh's share of daily oil production being about 66,000 bpd.

b. During FY'16, ONGC Videsh has signed the following MoUs:

i. **MoU with Roseneft:** ONGC Videsh and Rosneft signed a Memorandum of Understanding on 24th December, 2015 for cooperation for geological survey, exploration and production of hydrocarbons onshore and on the continental shelf of the Russian Federation. Particularly the companies will analyze possibility of expanding their partnership aimed at the development of prospective Rosneft projects in East Siberia.

ii. **MoU with Ministry of Mines, Industry of Energy, Equatorial Guinea** was executed on 20th January 2016, to explore potential investment opportunities within the Hydrocarbons sector in Equatorial Guinea including but not limited to the acquisition in participating interest in certain fields/ blocks, Block-G (Ceiba and Okume), Offshore Equatorial Guinea.

iii. **MoU with Roseneft:** ONGC Videsh and Rosneft signed a Memorandum of Understanding (MOU) on 16th March, 2016 for potential acquisition of 11% shares in the Vankorneft in addition to the 15% shares. The MoU also provides for the Parties to explore the possibility to conclude Long term crude oil and feedstock supply agreement(s) where under Rosneft (or its affiliates) would supply crude oil to the refineries of ONGC Videsh (or its affiliates) located in the Republic of India.

The Company shall continue to engage more and more in such alliances through agreements and Joint Ventures.

c. Operations

i. In Sakhalin-1 project, drilling of record length (13.5 Km) in development well O#14 from Orlan was completed and put on production on 3rd May 2015. As a result, the peak production from the project reached 220,608 bbls on 29th February 2016, presently well O#14 is producing 16,000 bopd.

ii. ONGC Videsh has opened its new office at Houston, USA by establishing a wholly-owned subsidiary – ONGC Videsh Atlantic Inc., in August 2015 for co-ordination on Mozambique operations with Anadarko, operator of Rovuma Area 1 and to establish Centre of excellence for G&G studies.

iii. Imperial Energy Limited initiated a pilot project for enhancing production from tight sand reservoirs and Bazhenov oil shale by implementing advanced technology with long horizontal wells with Multistage frac. Two wells each were completed during the year in both the reservoirs. The pilot results are considered successful in tight sand with wells achieving average production rate of 1,500 BOPD. The average production from the project during the year was 6,400 BOPD.

iv. Production from the BC-10 Phase-3 development of Massa and Argonauta O-South fields started on 10th March 2016. This development is expected to deliver a peak rate of 27,000 BOPD. The current production is 14,000 BOPD of which ONGC Videsh's share is 27%.

v. The ongoing geo-political situation in Syria including EU sanctions and the resulting restrictions on contractors continue adversely affecting Syrian operations since December 2011.

vi. The operations in South Sudan projects are temporarily under shutdown after internal conflicts and adverse security situation in the country since 22nd December, 2013. However, Peace Agreement

has been signed on 26th August, 2015 between ruling faction and rebel groups. Based on Peace Agreement, the Transitional Government of National Unity has been formed on 28th April, 2016 comprising members from both the groups. The operations in South Sudan shall resume once security situation improves.

Direct Subsidiaries and Joint Ventures of ONGC Videsh:

1. **ONGC Nile Ganga B.V. (ONGBV):** ONGBV, a subsidiary of ONGC Videsh, is engaged in E&P activities directly or through its subsidiaries in Sudan, South Sudan, Syria, Venezuela, Brazil and Myanmar. ONGBV holds 25 per cent Participating Interest (PI) in Greater Nile Oil Project (GNOP), Sudan with its share of oil production of about 0.627 MMT during FY'16. ONGBV also holds 25 per cent PI in Greater Pioneer Operating Company (GPOC), South Sudan. Due to adverse geo-political conditions, ONGC Videsh could not produce in GPOC, South Sudan during FY'16.

   ONGBV holds 16.66 per cent to 18.75 per cent PI in four Production Sharing Contracts in Al Furat Project (AFPC), Syria. Due to force majeure condition in Syria, there was no production in AFPC project during FY'16. ONGBV holds 40 per cent PI in San Cristobal Project in Venezuela through its wholly owned subsidiary ONGC Nile Ganga (San Cristobal) BV with its share of oil & oil equivalent gas production of about 0.649 MMTOE during FY'16. ONGBV holds 27 per cent PI in BC-10 Project in Brazil through its wholly owned subsidiary ONGC Campos Ltd. with its share of oil and gas production of about 0.689 MMTOE during FY'16. It also holds 25 percent PI in Block BM-SEAL-4 located in deep-water offshore, Brazil through its wholly owned subsidiary ONGC Campos Ltda. ONGBV also holds 8.347 per cent PI in South East Asia Gas Pipeline Co. Ltd., (SEAGP) for Pipeline project, Myanmar through its wholly owned subsidiary ONGC Caspian E&P B.V.

2. **ONGC Narmada Limited (ONL):**

   ONL has been retained for acquisition of future E&P projects in Nigeria.

3. **ONGC Amazon Alaknanda Limited (OAAL):**

   OAAL, a wholly-owned subsidiary of ONGC Videsh, holds stake in E&P projects in Colombia, through Mansarovar Energy Colombia Limited (MECL), a 50:50 joint venture company with Sinopec of China. During FY' 16, ONGC Videsh's share of oil and oil equivalent gas production in MECL was about 0.623 MMTOE.

4. **Imperial Energy Limited (IEL):**

   IEL, a wholly-owned subsidiary of ONGC Videsh incorporated in Cyprus, has its main activities in the Tomsk region of Western Siberia, Russia. During FY'16, Imperial Energy's oil and oil equivalent gas production was about 0.335 MMTOE.

5. **Carabobo One AB:** Carabobo One AB, a subsidiary of ONGC Videsh incorporated in Sweden, indirectly holds 11 per cent PI in Carabobo-1 Project, Venezuela. During FY'16, Carabobo's oil and oil equivalent gas production was about 0.119 MMTOE.

6. **ONGC (BTC) Limited:** ONGC (BTC) Limited holding 2.36 per cent interest in the Baku-Tbilisi-Ceyhan Pipeline ("BTC") owns and operates 1,768 km oil pipeline running through Azerbaijan, Georgia and Turkey. The pipeline mainly carries crude from the ACG fields from Azerbaijan to the Mediterranean Sea.

7. **Beas Rovuma Energy Mozambique Limited:** Beas Rovuma Energy Mozambique Limited was incorporated in British Vergin Islands (BVI) and holding 6% PI in Rovuma Area 1, Mozambique.

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

9. **ONGC Videsh Rovuma Limited:** ONGC Videsh Rovuma Limited was incorporated in Mauritius for structuring of 10% PI in ONGC Videsh's Rovuma Area 1, Mozambique.

10. **ONGC Videsh Singapore Pte. Ltd.:** The Company got incorporated on 18th April, 2016 in Singapore for acquisition of shares in Vankorneft, Russia, through its subsidiary ONGC Videsh Vankorneft Pte Limited.

11. **ONGC Mittal Energy Limited (OMEL):** ONGC Videsh along with Mittal Investments Sarl (MIS) promoted OMEL, a joint venture company incorporated in Cyprus. ONGC Videsh and MIS together hold 98 per cent equity shares of OMEL in the ratio of 49.98 per cent (ONGC Videsh) and 48.02 per cent (MIS) with the balance 2 per cent shares held by SBI Capital Markets Ltd. OMEL also holds 1.20 per cent of the issued share capital of ONGBV by way of Class-C shares issued by ONGBV exclusively for AFPC Syrian Assets; such investment being financed by Class-C Preference Shares issued by OMEL in the ratio of 51:49 to ONGC Videsh and MIS respectively.

II Mangalore Refinery and Petrochemicals Limited (MRPL)

Your Company continues to hold 71.62 per cent equity stake in MRPL, a Schedule 'A' Mini Ratna, which is a single location 15 MMTPA Refinery on the West coast.

Performance Highlights FY' 16

MRPL achieved the highest-ever thru'put of 15.53 MMT in FY'16 against 14.65 MMT in FY'15.

Marketing & Retail Operations

MRPL continues to expand its market spread in the direct sales segment of petroleum products in the state of Karnataka and its adjoining states. MRPL has significant market share and direct customer relations for products such as Bitumen, Fuel Oil, Sulphur, Diesel, Petcoke and Mixed Xylene in its refinery zone. The total sales volume of direct marketing products during FY'16 was **1470** TMT. The Company successfully penetrated the Polypropylene market in a short span of 9 months with a sales volume of **139** TMT.

Future projects of MRPL

The Company has taken up the enhancement of the Refinery capacity to 18/21 MMTPA with low cost revamp. Land allocation of 1050 acres has been made by the Government of Karnataka. Necessary steps are being taken to ensure compliance with Euro- VI fuel quality standards by the year 2020.

Acquisition of controlling stake in OMPL

Subsequent to OMPL having become a subsidiary of MRPL and a Government company under Companies Act, 2013, the process of merger/ amalgamation of OMPL into and with MRPL is under process.

6. ANNUAL REPORT OF SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENT

In accordance with section 134 of the Companies Act, 2013 and the Accounting Standard (AS)–21 on "Consolidated Financial Statements" read with AS-23 on "Accounting for Investments in Associates" and AS-27 on "Financial Reporting of Interests in Joint Ventures", audited Consolidated Financial Statements for the year ended 31st March, 2016 of the Company and its subsidiaries form part of the Annual Report.

Full Annual Report of subsidiaries of ONGC will be made available to any shareholder, if he/she desires, which is also available on Company's website. Further, Annual Reports of MRPL and ONGC Videsh are also available on website www.mrpl.co.in and www.ongcvidesh.com respectively.

7. JOINT VENTURES/ ASSOCIATES

i. ONGC Petro-additions Limited (OPaL)

ONGC Petro-additions Limited (OPaL), has been promoted by your company as a Joint Venture (JV) Company, with envisaged equity stake of 26% along with GAIL (15.5%). GSPC also has a token presence in OPaL. The balance equity of 58.5% is to be tied up with Strategic Partners/ FIs / IPO.

OPaL is a mega petrochemical project at Dahej SEZ for utilizing in-house production of C2-C3 and Naphtha from various units of ONGC.

Present status

- Different units of the project are under pre-commissioning / commissioning stage with first product out planned in Q2, FY'17.
- Total cumulative expenditure as on 30.04.16 is ₹ 253,500 million and approved project cost is ₹ 270,110 million.
- Debt closure has been attained for approved project cost of ₹ 270,110 million with the execution of Rupee term Loan agreement.

ii. ONGC Tripura Power Company Ltd (OTPC)

- Your Company has promoted OTPC with an equity stake of 50% along with Govt. of Tripura (0.5%) and IL&FS Energy Development Co. Ltd. (IEDCL - an IL&FS subsidiary) (26%); the balance 23.5% has been tied up with India Infrastructure Fund – II acting through IDFC alternatives Limited.
- OTPC has set up a 726.6 MW (2 X 363.3 MW) gas based Combined Cycle Power Plant at Palatana, Tripura at a project cost of ₹ 40,470 million. The basic objective of the project is to monetize idle gas assets of ONGC in land-locked Tripura state and to boost exploratory efforts in the region.
- Power evacuation for both the units is done through 663 KM long 400 KV double circuit transmission network by North-East Transmission Company Limited (NETCL), a joint venture of Power Grid Corporation, OTPC and Governments of the North-Eastern states
- Both power units of 363.3 MW each are fully operational since 04.01.14 and 24.03.15 respectively. Plant has generated 3480 Million Units, Revenue of ₹ 12,083 Million and PAT of ₹ (433) Million in year FY'16.
- As promised by Hon'ble Prime Minister, power supply from OTPC has begun to Bangladesh, bringing economic gains to State of Tripura along with meeting the power requirement of Bangladesh.

iii. ONGC Mangalore Petrochemicals Limited (OMPL)

Your company has promoted OMPL which has set up Aromatic Complex with an annual capacity 914 KTPA of Para-xylene and 283 KPTA of Benzene in Mangalore Special Economic Zone as value chain integration project of ONGC. The total project cost is about ₹ 69,110 million and commenced commercial operation from 1st October 2014. The capacity utilization in the year was 71%, however, the plant has achieved an average capacity utilization of 94% in the Q4 with export realization of ₹ 352,200 million in the last year. After successful commissioning of OMPL in Oct, 2014, MRPL

has increased its equity from 3% to 51.002% in Feb 2015 with balance 48.998% held by ONGC and thus OMPL has become a subsidiary of MRPL.

iv. Dahej SEZ Ltd (DSL)

Your company as lead Promoter has developed a multi-product SEZ at Dahej in coastal Gujarat and has set up C2-C3 Extraction Plant on its own and is setting up value-chain integration project – OPaL through JV route in this SEZ Area. Your company has 23% equity in the project with GIDC having 26% and balance 51% is proposed to be tied up through IPO / Strategic / Financial Investor.

Present status:

SEZ is already operational and units in SEZ have clocked export of ₹ 27,480 million in FY'16 against ₹ 23,760 million in FY'15.

v. Mangalore Special Economic Zone Limited (MSEZ)

With an envisaged equity stake of 26% along with KIADB (23%), IL&FS (50%), OMPL (0.96%) and KCCI (0.04%), ONGC has set up MSEZ to serve as site for development of necessary infrastructure to facilitate and locate ONGC/MRPL's Aromatic complex being promoted by ONGC.

Present Status:

Commercial Operation Date (COD) has been declared on 01.04.15.

vi. Petronet MHB Limited (PMHBL)

- PMHBL is a JV company wherein your company has an equity stake of 28.7% along with HPCL (28.7%) and PIL (7.9%) with balance 34.57 % of equity being held by leading banks.
- PMHBL owns and operates a multi–product pipeline to transport MRPL's products to the hinterland of Karnataka.
- In FY'16 PMHBL has achieved a throughput of 3.318 MMT against total throughput of 3.141 MMT last year. As per un-audited results for FY'16, the turnover and PAT of PMHBL are ₹ 1,635 million and ₹ 622 million respectively.

vii. ONGC TERI Biotech Limited (OTBL)

ONGC TERI Biotech Limited (OTBL) which was incorporated on 26.03.07 is a Joint-venture Company of ONGC in association with The Energy Research Institute (TERI), with shareholding of 49.98% & 48.02%, respectively. Through the efforts of joint research of ONGC & TERI over the years, OTBL is offering below mentioned technologies and providing various Biotechnical Solutions to Oil and Gas Industry, both in India and abroad:

Oilzapper Technology (Bioremediation)- used to eliminate & tackle Oil Spills, Oily Sludge, and hazardous hydro carbon waste;

Paraffin Degrading Bacteria (PDB)-used to prevent Paraffin Deposition in Oil well Tubing;

Wax Deposition Prevention (WDP)- used to prevent Paraffin Deposition in surface and sub-surface flow lines;

Microbial Enhanced Oil Recovery (MeOR)- used for Enhanced Oil Recovery by mobilizing crude oil trapped in pores of Oil Reservoirs.

During FY'16 the turnover of OTBL was ₹234.1 Million with Profit after Tax of ₹81.7 Million as against turnover of ₹193.8 Million and Profit after Tax of ₹45.1 Million in the previous year.

viii. Petronet LNG Limited (PLL)

ONGC has 12.5 per cent equity stake in PLL, identical to stakes held by other Oil PSU co-promoters viz., IOCL, GAIL and BPCL. Dahej LNG terminal of PLL having a capacity of 10 MMTPA is currently meeting nearly 20 per cent of the total gas demand of the country. Dahej LNG Terminal is being further expanded from 10 MMTPA to 15 MMTPA. The construction activities continue as planned and the project is expected to be completed by end 2016. A new LNG terminal of capacity 5 MMTPA has been set up at Kochi and has already been dedicated to the Nation. The turnover of PLL during FY'16 is ₹ 273,955.6 million and PAT was ₹ 9,285.3 million

ix. Pawan Hans Limited (PHL)

ONGC has 49 per cent equity stake in PHL (previously known as Pawan Hans Helicopters Limited). Balance 51 per cent equity is held by the Government of India. PHL is one of Asia's largest helicopter operators having a well-balanced operational fleet of 46 helicopters. It provides helicopter support for ONGC's offshore operations. PHL was successful in providing all the 12 Dauphin N and N3 helicopters fully compliant with AS-4 as per the new contract with ONGC.

8. OTHER NEW PROJECTS/ BUSINESS INITIATIVES

C2-C3-C4 Extraction Plant

- Your company has set up a C2, C3 and C4 Extraction Plant at Dahej having a capacity to

process 5.0 MMTPA Rich Liquefied Natural Gas (LNG) from M/s Petronet LNG Limited (PLL) as feed stock, for extraction of C2, C3 & C4 products.

- The plant started LNG feed from Petronet LNG Limited (PLL) w.e.f 31.05.15 and was commissioned in July'15.
- A new contract for supplying C2-C3 ex-Uran has been signed with RIL on 01.07.2015. The contract is valid till 31.03.2020

9. ALLIANCES & PARTNERSHIPS FOR BUSINESS GROWTH

Crude Oil

a. **Crude Oil Sale Agreement (COSA) Extension**

Current Crude Oil Sale Agreement (COSA) for sale of ONGC's crude oil to PSU Refiners (Buyers) which expired on 31.03.2016 has been extended for a further period of two years i.e. 01.04.2016 to 31.03.2018. Accordingly, Agreements for Extension for the above period have been signed in March 2016 with all Buyers (IOCL, BPCL, MRPL, HPCL and CPCL).

b. **Value Added Products**

HoA and the binding Term Sheet amongst ONGC, SEL and SLPL:

HoA and the binding Term Sheet was executed amongst ONGC, Swan Energy Ltd. (SEL) and Swan LNG Pvt Ltd. (SLPL) on 15.06.2015 for booking of 1.0 MMTPA regasification capacity for a period of 20 years in the proposed 5.0 MMTPA Floating Storage and Regasification Unit (FSRU) Terminal at Jafrabad Port, Gujarat, which is being set up by M/s SEL through a Special Purpose Vehicle (SPV), Swan LNG Pvt. Ltd. (SLPL).

10. INFORMATION TECHNOLOGY

Considering the need to ensure implementation of cutting edge technology in all areas of operations and to ensure data integrity and security, ONGC has deployed state-of-the-art IT tools and technologies. In a knowledge-driven and technology-intensive industry such as oil & gas E&P, information technology establishes the vital synergy across the company's many locations and varied workforce, essentially serving as its operations' lifeline. Many of the IT achievements of the Company are regarded as benchmarks in the industry in terms of implementation of widespread systems integration and process automation.

Highlights during FY'16

- ONGC has taken up the ambitious plan of going paperless. As part of this effort, Consultant has been hired who has identified the processes and the volume of work across ONGC to be undertaken. Tenders have been invited for implementation of this initiative in two phases, the first phase covering Mumbai and the Second phase covering across ONGC. The project is scheduled to be completed by Oct 2017.
- Periodic Medical Examination (PME) module has been developed as part of in-house developed Health-care Information System (HIS) for computerising medical facilities to ONGC beneficiaries. This module shall enable capturing of medical data related to PME of employees. Interface with ICE has also been developed to allow postings based on pre-defined health-checks of employees.
- ONGC's first & longest Onshore-offshore Microwave link in the Asia Region covering Vasudhara Bhavan (VB) -Uran-Neelam-Heera-B193-BPA-BPB Offshore-Onshore Microwave Backbone project will be commissioned soon. With this, upto 400 Mbps bandwidth would be available to Offshore locations, a first in ONGC. This will improve quality of communication at Offshore locations substantially.
- An additional Transponder was allocated to ONGC on GSAT-16 Satellite by ISRO, DoS to facilitate separate SATCOM Networks for Offshore & Onshore. SATCOM N/W is under up-gradation.
- 24/7 Monitoring of Drilling SCADA by domain experts at Base locations has commenced in various Assets/Basins.
- Projects for up gradation of IT Infrastructure including LAN, WAN, Firewalls, Internet Gateways are under process. This shall enable ONGC to harbinger a new era of technological prowess.
- Rolled out the B2B integration with HPCL for VAP sale at Tatipaka refinery on 08.04.15.
- Implemented new IPR/MPR service as per instruction contained in the Lokpal Act.
- Establishment of near Site Data Centre (NSDC) as part of 3 way DR solution in ONGC Green building at VasantKunj has been taken up for ensuring Zero data loss in case of failure of primary data center of ICE-SAP system.
- Country specific restrictive policy was enforced on the firewall during the year, as part of implementing cyber security checks and controls.

11. MAKE IN INDIA EFFORTS OF ONGC

a. Ministry of Petroleum and Natural Gas (MoP&NG) constituted a Steering Committee to roll out the `Make in India' campaign in the oil and gas

industry. The committee was mandated to devise a strategy and develop a roadmap for successful implementation of the 'Make in India' campaign in the oil and gas industry. Subsequent to the first meeting of the Steering Committee held on 25th November, 2014, teams were set up for upstream, midstream and downstream sectors. The Upstream team is led by ONGC.

b. ONGC organized various meetings to collect ideas and got feedback on the proposed measures. A proposal relating to clear policy formulation for purchase preference and mandatory local content clause has also been submitted. This proposed policy has been posted by MoP&NG on its website for comments and suggestions.

c. MoP&NG has retained M/S Deloitte to develop a roadmap for successful implementation of the 'Make in India' campaign in the oil and gas industry.

Continued Indigenisation Measures

a. Indigenisation through Development Order - ONGC allows new indigenous vendors to participate in tenders even if they do not meet experience criteria and allowed them to supply a portion of total requirement (up to 20%) provided they meet other tender requirements. 183 Vendors have been developed so far by ONGC.

b. Business Partner's meet are organized at regular interval at corporate level as well at various work centers of ONGC to address concerns of the business partners, educate them about ONGC procedures, policies and the future procurement plan of ONGC.

c. The Government policy on giving Preference to Domestically Manufactured Electronic Products (DMEP) and MSME in Government procurement has been adopted by ONGC.

d. ONGC participated in several conferences/ events to encourage participation in the domestic oil & gas sector:

   (i) "Round Table on Unleashing Investment Potential and Building Opportunities & Partnerships for Domestic Hydrocarbon Sector" during 9th-10th November, 2015 during ADIPEC.

   (ii) "Kick Starting Manufacturing in Oil & Gas Sector" held on 15th December, 2015.

   (iii) "Make in India - Week" held in Mumbai from 13th- 18th February 2016.

e. ONGC along with Deloitte organized a Workshop on Identifying the Road Block and Challenges under Make in India Campaign at Mumbai on 25th April 2016, with an aim to gather feedback from key industry players including operators, vendors and drilling companies on the focus areas.

f. ONGC and Pan-IIT (a consortium of IIT-Kharagpur, IIT-Kanpur, IIT-Madras, IIT-Mumbai, IIT-Delhi, IIT-Guwahati and IIT-Roorkee) entered into a Memorandum of Collaboration (MoC) on January 19, 2015 at New Delhi to work towards a collective R&D Programme for developing indigenous technologies to enhance exploration and exploitation of hydrocarbons and alternate sources of energy.

g. ONGC has engaged KPMG for carrying out a detailed feasibility study on creation of Petroleum Economic Zone (PEZ).

h. Discussions held with vendors on specific indigenization possibilities.

i. Efforts ongoing for collaboration with global players with aim of enhancing production and progressive import substitution.

Additional Efforts

a. **Creation of INDEG group :** ONGC has been a pioneer in indigenization. The Indigenous Development Group (INDEG) in ONGC was formed in late 60s and has been instrumental in developing many domestic vendors over the years.Some of the items developed through INDEG are: Casings, Pipes, Drill pipes, Drill collars, Substitutes, Mud pump liners, Pistons, Valves, Dresser couplings, Down hole equipment, Shale shaker screen, High pressure & low pressure valves, Sucker rods & pony rods, Centralizers, Tongs, Kelly Bushing, Hammer Unions & Chickson, Swivel joint, Chemicals etc. Some of the vendors developed in this process are now international players in their areas.

b. **Offshore rigs & Vessels:** With the intent to promote Indian shipyard in offshore rig construction, ONGC decided to construct jack-up rigs, drillship and offshore vessels in India. This led to construction of 3 offshore rigs Sagar Kiran, Sagar Uday in Mazgaon Dock Limited and Sagar Bhushan in Hindustan Shipyard, Vizag. Eight Offshore vessels were constructed in Mazgaon Dock Limited. M/s Pipavav yard was awarded the work of construction of 12 Offshore Support Vessels in 2011.

c. **Procurement of Land Drilling/ Workover Rigs:** Similar effort was made to promote Indian manufacturing industry. BHEL supplied 58 drilling and 13 Work over rigs to various ONGC assets during 1980-90s.

In the recent past, six AC-VFD rigs with the state-of-art technology have been procured from BHEL.

12. HEALTH, SAFETY AND ENVIRONMENT (HSE) ACCREDITATIONS

Being a high risk industry, safety of its employees is topmost priority of ONGC. Achieving the annual targets with **"Mission-Zero Fatality"** is the theme adopted by ONGC for the year 2016 with each employee of the organization as safety officer. ONGC has implemented globally recognized QHSE Management System conforming to requirements of QHSE Certifications ISO 9001 ISO 14001 and ISO 18001(OHSAS) at ONGC facilities and certified by reputed certification agencies at all its operational units. During FY'16, 412 Nos. of installations of ONGC were audited for certification/ surveillance audit. Corporate guidelines on online incident reporting, investigation and compliance monitoring of various rules and regulations have been developed and implemented for maintaining uniformity throughout the organization in line with international practice. HSE Audit is a prime focus area of ONGC operation. The periodicity of the audits is based on the criticality of the operations and hazards involved as per risk criteria matrix based on risk assessment as per Occupational Health, Safety & Environment (OHSE). Total 313 no. of HSE Audits were carried out during 2015-16. Safety is always a prime concern of ONGC. Lost Time Injury Frequency (LTIF) rate of ONGC during 2015-16 was 0.45, which is at par with global standard.

Accreditations:

ONGC has become first PSU to be accredited by National Accreditation Board for Education & Training (NABET)-Quality Council of India (QCI) accreditation as the Consultant Organization for the purpose of carrying out Environment Impact Assessments of offshore and onshore Oil and Gas Exploration, Development & Production and Petroleum refining industry sectors. This helps in saving substantial time and money in getting EC which helps in an early commencement of the operations.

Highlights of HSE during FY'16:

- Internal Safety audit mechanism has been further strengthened. Surprise safety audits are being carried out and the observations are being monitored at the level of EC and HSE committee of the board.
- It is mandatory for all work centers to report all types of incidents Fatal/Major/Minor and to be investigated. The recommendations are circulated across all the work centers for implementation and the action taken are monitored at EC level.
- SOPs for operations pertaining to the Drilling, work over, Installation and for other operations like logging, work shop etc. are developed and the same have been made available at all sites. Also different sensitization programs are conducted for contractual workers on SOPs in local language by the Installation Managers and safety officers.
- All safety critical elements/equipment like PSVs, ELR, ELCB, NGR, level indicators, firefighting systems are regularly being maintained and are monitored for their performance. Further actions are being taken to upgrade safety equipment like fire water network, on line gas detector systems etc.
- Mandatory trainings like MVT, HUET, Well cap, IWCF, well intervention, SAS, firefighting are being regularly imparted to all. For onshore work centers GVTCs are being opened after due approval from DGMS to impart MVT.
- The efficacy of the emergency response is regularly checked through mock drills with various emergency scenarios
- Mandatory certification training for safety officers through NEBOSH certified Institute is being introduced with nodal agency IPSHEM, Goa. ONGC plans to train and certify nearly 1200 safety officers.
- Renewal of participating membership of internationally reputed Oil Spill Response Limited (OSRL), U.K. for managing larger oil spill of Tier-3 level (> 10,000 MT). ONGC representative has been elected to the Board of Directors of OSRL as Non-Executive Director.
- Standard Operating Procedure (SOP) for Restoration of abandoned drill sites as per the provisions of the Land Acquisition (LA) Act and the Environment Protection (EP) Act and rules made thereunder by MoEF for Onshore Assets.
- CCTV system installed at Workover Rig in Ahmedabad as pilot project.
- Mobile Toilet Unit (MTU) provided in each ONGC work-over rigs at Ahmedabad Asset with full maintenance contract under "Swachh Bharat Abhiyan".
- Identification of ten safety rules for every employee carrying out operations, based on IOGP lifesaving guidelines and root causes of the fatal and major accidents of last five years.
- Scheme to declare safety champions and safe installations at each work centre every quarter introduced in order to inculcate HSE in our work culture.

13. CARBON MANAGEMENT & SUSTAINABILITY DEVELOPMENT

a. **Sustainable Water Management (SWM):** As an E&P Company, ONGC business depends on sustainability of water resources which are presently under pressure. Globally, per capita availability of freshwater is steadily decreasing and trend will inevitably continue with the increasing consumption levels and climate change unfolds. In this situation, it is imperative for ONGC to develop new strategies for water management in order to achieve sustainable growth and development. In this regard, ONGC has undertaken the following projects:

- ONGC has completed water footprint studies of six Onshore Assets (Mehsana, Tripura, Cauvery, Ankleshwar, Rajahmundry and Ahmedabad); two Plants (Uran and Hazira); two Forward Base (Cachar Forward Base, Silchar and Rajasthan Forward Base, Jodhpur) and one institute (IPSHEM-Goa) for comprehensive water foot print assessment of these work centres using Global Water Tool for oil & gas sector (developed by World Business Council for Sustainable Development). The studies were focused to assess the quantitative use of fresh water, identification of opportunities for reducing the consumption of fresh water and explore ways to minimize the discharge of waste water in to the surface water bodies.
- Proposal for setting up 20 MLD seawater desalination plant at Uran Plant: Completed feasibility study: Techno Economic Feasibility Report" and "Environmental Impact Assessment & Environmental Management Plan for the project.
- Feasibility study for setting up desalination plants at Hazira Plant, EOA, Rajahmundry Asset, Cauvery Asset and MRPL are being undertaken.
- Feasibility study on the use of produced water at Mehsana Asset: Scope of work is under finalization.
- Rainwater Harvesting (RWH) projects: RWH projects are implemented at different work centres under the umbrella of Sustainable Water Management. The harvested water is being used for recharging of ground water aquifers and other beneficial purposes. RWH projects are being undertaken at Mehsana Asset and Rajahmundry Asset.
- Installation of 3X100 KLD capacity Sewage Treatment Plants at ONGC Nagar, Mehsana Asset is underway.

b. **Clean Development Mechanism Projects**

Emission reduction through CDM projects: ONGC has 13 registered CDM projects with United Nations Framework Convention on Climate Change (UNFCCC).

The yield (potential) of Certified Emissions Reductions (CER) is approx. 1.91 million yearly. The details are as follows:



Capturing Energy: 1MW Solar Power Plant, first of its kind at Rajahmundry Base Office Complex in Andhra Pradesh; built in an area of 4.5 acre land costing ₹ 7 crore and envisaged to generate 1.5 million units per annum

Sr No	Project	CER/annum
1	1 Waste heat recovery from Process Gas Compressors (PGCs), Mumbai high south (offshore platform)	5320
2	Up-gradation of Gas Turbine 1 (GT 1) and Gas Turbine 2 (GT 2) at co-generation plant of Hazira Gas Processing Complex (HGPC)	7802
3	Flare gas recovery project at Uran plant	97740
4	Flare gas recovery project at Hazira Gas Processing Complex (HGPC), Hazira plant	8793
5	Amine Circulation Pumps Energy Efficiency at Hazira Plant	4043
6	51 MW wind power project of ONGC at Surajbari	85762
7	Energy Efficient Green Building at Mumbai	544
8	Energy Efficient Green Building at Dehra Dun	735
9	Gas Flaring Reduction at Neelam & Heera Asset	65811
10	OTPC Natural gas based combined cycle power plant in Tripura, India	1612506
11	Energy Efficient Green Building at Kolkata	1881
12	Energy Efficient Green Building at Delhi	5940
13	Gas Flaring Reduction Project at GGS, Chariali, Sibasagar, ONGC, Assam	15172
	Total	**1912049**

Besides, 2 other projects i.e. 102 MW Wind Power project at Rajasthan and Replacement of MOL Pumps at Neelam & Heera Asset are in the process of Registration.

During FY'16, ONGC has undertaken the following CDM activities:

- Gas Flare Reduction (GFR) project at GGS Chariali, Assam: Validation and registration with UNFCCC completed.
- 102 MW Wind Power project at Rajasthan: Validation with UNFCCC completed.
- Replacement of MOL Pumps at Neelam & Heera Asset: Validation with UNFCCC is nearing completion.
- CERs monitoring and trading: Monthly, quarterly and half yearly reports were generated for monitoring the carbon market trend and deciding the opportune time for trading.
- In a commitment towards environment protection and reducing carbon foot print, the MoU project "Supply, Installations, Commissioning, and testing of 3 nos. LP Gas compressor package and associated works for recovering flare gas at North Kadi GGS-IV Mehsana asset on turnkey basis" was completed ahead of schedule resulting into saving of about 20000 cubic meter of gas per day which otherwise was being flared.
- Certification of GHG mitigation activities as per international/national standards by engaging accredited third party certifying agencies, as this may help in arriving at the certified figures on carbon emission reduction to be reported to MoEF&CC towards India's INDC.

c. Global Methane Initiative (GMI): GMI launched by United States Environmental Protection Agency (USEPA) is a voluntary, multilateral partnership that aims to reduce methane emissions and to advance the recovery and use of methane as a clean energy source. ONGC signed a voluntary agreement with USEPA in 2007 for the purpose of reducing methane releases to the atmosphere by implementing cost effective emission reduction technologies and practices. CM&SG, under this initiative, formulates yearly work plan for conducting gas leak surveys at various production installations of ONGC using Gas Find Infrared Camera for identification of methane emission reduction opportunities.

d. GHG mitigation projects:

- Techno-commercial feasibility report on gas flare reduction scheme for ICP & NQO process complexes and for onshore installations has been

prepared by IOGPT in coordination with CM&SG.

- CM&SG prepared report on replacement of wet seals of centrifugal compressor with dry seals
- Techno-commercial feasibility report on installation of vapour recovery units (VRUs) at selected sites has been prepared by IOGPT in coordination with CM&SG.
- Techno-commercial feasibility study on indoor plant lighting and lighting of process areas
- Techno-commercial feasibility study on energy efficiency projects related to motor/ pump replacement.
- Replacement of gas pneumatic controls on all sites by instrument air.
- Techno-commercial feasibility study on installation of solar PV rooftop plant for replacement of grid energy.

e. R&D work in Sustainable development

- Review of sustainability reporting trends and future methodology with an objective to understand the evolution of global sustainability reporting approaches, future methodology and evaluate our preparedness.
- Review of sustainability reporting approaches in Indian corporates with an objective to understand the popular trends in sustainability reporting in India.
- Recent trends in global waste management practices with an objective to understand the evolution of waste management concepts, technology, applications, current global practices and emerging trends.
- Review of rainwater harvesting practices with an objective to understand the evolution of rainwater harvesting concepts, technology, applications, current global practices and emerging trends.

f. Sustainability Reporting

- ONGC Group Sustainability Report for FY' 15: The report was prepared as per GRI G3.1 guidelines with external assurance achieving A+ level.
- Sustainability Report of FY'15 was certified by FSC (Forest Stewardship Certification) and a logo was put on the Sustainability Report. FSC certification guarantees that the trees that are harvested for making the paper used in this Sustainability Report are replaced or allowed to regenerate naturally.
- Sustainability Report of FY'15 was printed using eco-friendly ink. The number of printed copies of Sustainability Report was substantially reduced to 500 nos. in comparisons to 900 nos. in the previous year to give more thrust on e-circulation.
- In an exercise to arrive and prioritize sustainability materiality issues of ONGC Group, stakeholder engagement was carried out for internal and external stakeholders at EOA, Kakinada and WONB, Vadodara. Similar engagements were also carried out at ONGC Videsh and MRPL, Mangalore.
- Capacity building exercise was carried out for ONGC Group executives for migration to new generation guidelines i.e. from GRI G3.1 to GRI G4.0 sustainability reporting framework.

14. BUSINESS RESPONSIBILITY REPORT – 2015-16

In terms of clause (f) of sub-regulation(2) of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities & Exchange Board of India has vide Circular No. CIR/CFD/CMD/10/2015 dated 04.11.2015, stipulated that the annual report shall contain a Business Responsibility Report describing the initiatives taken by the listed entity from an environmental, social and governance perspective in the format specified. Accordingly, the fourth Business Responsibility Report – 2015-16 has been drawn up and forms part of this Annual Report.

15. INTERNAL CONTROL SYSTEM

Your Company has a well-established and efficient internal control system and procedure. The Company has a well-defined delegation of financial powers to its various executives through the Book of Delegated Powers (BDP). The Integrated BDP is updated from time-to-time in line with the needs of the organisation as well as to bring further delegation. BDP has been revised during FY'15 and the same has been made effective from 01.01.2015. The Company has in-house Internal Audit Department commensurate with its size of operations. Audit observations are periodically reviewed by the Audit & Ethics Committee of the Board and necessary directions are issued whenever required. With a view to comply with the provisions of section 134(3)(c) of the Companies Act, 2013, the company has assigned to M/s KPMG the task of mapping the various internal control processes existing in ONGC.

16. R&D EFFORTS THROUGH ONGC ENERGY CENTRE TRUST (OECT)

Your company has taken steps to evaluate various forms of energy to fulfil the country's growing energy needs. Towards this end, your company has established an ONGC Energy Centre Trust (OECT), which is mandated to undertake or assist in programs/ projects of fundamental and applied research for improving and developing commercially viable energy mediums and sources beyond hydrocarbons, especially in clean and/or renewable energy options. ONGC Energy Centre (OEC) has been set-up under the aegis of the OEC Trust to work on various clean energy options.

a. **Patents granted**

Three International PCT patents on modified Cu-Cl cycle, were filed jointly by OEC and ICT-Mumbai in six countries (USA, Canada, Japan, UK, Korea and China). Patents granted during FY'16 were:

1. Hydrogen Production Method by Multi-Step Copper-Chlorine Thermochemical Cycle - granted in Canada, Korea and Japan (USA granted patent in Fy'15)
2. Effect of Operating Parameters on The Performance of Electrochemical Cell in Copper-Chlorine Cycle - granted in Japan.
3. Electrochemical Cell used in Production of Hydrogen Using Cu-Cl Thermochemical Cycle - granted in Canada and Japan.

b. **Patents filed**

Pursuant to completion of projects on proof-of-principle experiments for Hydrogen generation by thermochemical methods using I-S cycle, following National patents were jointly filed by OEC and IIT Delhi during FY'16:

1. High performance supported metallic / mixed metallic catalyst for sulfuric acid decomposition in Sulfur-Iodine (SI) cycle for hydrogen production.
2. Process for catalytic decomposition of Sulfuric acid over high performance supported metallic/mixed metallic catalyst in SI cycle.
3. Vanadia supported Pt catalyst and use thereof for hydrogen-iodide decomposition in sulfur-iodine (I-S) cycle for hydrogen production.
4. 'Highly active supported bimetallic (Ni-Pt) catalyst for hydrogen iodide (HI) decomposition and synthesis procedure thereof'.

c. **R&D Projects by ONGC Energy Centre during Fy'16**

During FY'16 a total of 23 projects were under implementation. In addition, another 3 projects were concluded during the year.

d. **New Projects taken up during the year**

During FY'16, ONGC Energy Centre has taken up Twelve (12) new in-house/collaborative projects. The details are given below:

1. "Drilling, coring and logging of 16 parametric wells in Kaikalur-Lingala Area": To assess the potential for sub-surface Uranium.
2. "Process for Copper-Chlorine (Cu-Cl) Thermochemical Hydrogen Production", in collaboration with ICT, Mumbai.
3. "Development of materials as alternative to Platinum as electrode material in Cu-Cl cycle", in collaboration with ICT Mumbai.
4. "Prolonged Stability tests of IIT-D developed catalysts for HI decomposition reaction of S-I Cycle", in collaboration with IIT-D.
5. "Characterization of supported metallic oxide catalysts and their stability in H2SO4 decomposition section of I-S cycle", in collaboration with IIT-D.
6. "Development of specialized microbial culture bank for energy recovery from lignite and matured oil reservoirs", in collaboration with ARI, Pune.
7. "Isolation and Characterization of SRB Lysing Bacteriophage for Inhibition of Petroleum Reservoir Souring and SRB Induced Corrosion", in collaboration with ARI, Pune. Bio-technological solution for souring of Mumbai High oil field is envisaged.
8. Feasibility studies on production of microbial oil from oleaginous yeast and fungi, an in-house project taken up jointly with KDMIPE.
9. "Establishing a Solar Thermal Power Plant as a technology demonstration unit upto 2 MWe Capacity using Beam-Down Power Tower Technology", in association with BARC.
10. "Design and develop a Single Cylinder Free Piston Stirling Engine (FPSE) for net 3 kWe electrical output using solar energy and also other renewable energy as Input" in collaboration with IIT, Bombay.
11. "Scoping Study for Integration of GGS process system with Solar Block" with EIL,

Delhi: to reduce the amount of gas burned and carbon footprint.

12. Project on Uranium extraction by In-situ Leaching, with IIT, Kharagpur.

17. HUMAN RESOURCES

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

18. HUMAN RESOURCE DEVELOPMENT

Regular manpower as on 31.03.2016 was 33,927, where as in the beginning of the year i.e. on 1.04.2015 it was 33091. All these ONGCians dedicated themselves for the excellent performance of your company during the year. The workforce intake strategy pursued by your Company caters to meeting the demands of maintaining a steady flow of talent, in a business which is characterized by high risks and uncertainties, enormous costs, fast changing level of technology, physically challenging work environment, fluctuating product prices and growing competition. Your Company has drawn up a scientific manpower induction plan aligned to the business plans as well factoring the manpower profile of the Company. For better succession planning & identification of future leaders, ONGC has adopted Assessment and Development mechanism. Total 551 no. of officers were assessed & developed during the year 2015-16.

Training

Your company believes that continuous development of its human resources fosters engagement and drives competitive advantage. Towards that end, during the year, your Company conducted Business Games to hone the business acumen of its executives in a competitive scenario under simulated business constraints. Business Game has proved to be very popular initiative and tests the ability of the executives through business quizzes, business simulations and case-study presentations. During FY'16, a total of 175 teams and 700 executives participated in the event. Fun Team Games (FTG) were organized for E0 and below level employees to inculcate MDT(Multi-disciplinary Team) concept and spirit of camaraderie and belongingness to the organization, which was very well received by the participants. A total of 84 Teams and 336 employees participated in FTG during the FY'16. The winners of Business Games and Fun Team Games were felicitated by the CMD on Republic Day Celebrations. Your Company also conducted the Assessment Development Centre (ADC) for 556 DGM level executives and provided them developmental inputs. Your Company has partnered with global HR consulting firms to create a pool of accredited mentors in the organization. These mentors will support organization's effort to hone young minds to successfully respond to the emerging business needs of your Company by optimum personal and professional development. As part of this Initiative, in the year 2015-16 cumulatively 1400 executives have achieved basic level accreditation, 498 have achieved Advanced level accreditation and 313 executives have achieved Expert level Accreditation. ONGC is dealing with many mega projects. This needs comprehensive approach on project management. In this regards 152 No. of officers were trained in Project Management during 2015-16.

Your Company attaches utmost importance to the development of its human resource. During the year, a total of 14681 Executives and 6494 non-executives were imparted appropriate training, spanning 77566 executive and 23212 non-executive mandays during FY'16 at all our work centres.

In order to absorb new and emerging technological advancements pertaining to oil and gas exploration and production, 65 programmes, including 21 foreign faculty programmes pertaining to functional disciplines, were organized with the best of faculties from India and abroad during the year.

19. EMPLOYEE WELFARE

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

Employee Welfare Trusts –

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

- **Employees Contributory Provident Fund (ECPF) Trust,** manages Provident Fund accounts of employees of your Company.
- **The Post Retirement Benefit Scheme (PRBS) Trust** of your Company manages the pension fund of employees of your company. The Scheme was converted into a Defined Contribution Scheme as per DPE guidelines.

  In the converted Defined Contribution Scheme, the corpus in the individual employee account

shall include employer/ employee contributions and interest thereon. The benefits under the Scheme are dependent on corpus in the individual employee account and accordingly, would be market determined which depends on interest rate, annuity price etc.

- **The Composite Social Security Scheme (CSSS)** formulated by your company provides an assured ex-gratia payment in the event of unfortunate death or permanent disability of an employee in service. In case of Separation other than Death/Permanent total disability, employees own contribution alongwith interest is refunded.
- **Gratuity Fund Trust** exists for payment of gratuity as per the provisions of the Gratuity Act.
- Your Company has a **Sahayog Trust** for its Sahayog Yojana to provide ex-gratia financial grant for sustenance, medical assistance, treatment, rehabilitation, education, marriage of female dependent and alleviation of any hardship or distress to secure the Welfare of the workforce and their kin, who do not have adequate means of support. The beneficiaries under this scheme includes casual, contingent, daily rated, part time, adhoc, contract appointees, tenure based employees, apprentices and trainees employed by your Company besides regular and past employees. Under the scheme an amount of ₹ 49.9 million were disbursed by the Trust during the year.

Extension of Benefits under the Asha Kiran Scheme to retired employees:-

You Company has **Asha Kiran Scheme** to meet the emergency needs of the ex-employees retired prior to 01.01.2007, who are passing through distressful situation. The scheme was launched as per DPE guidelines by creating a corpus of 1.5% PBT. During the year, under this scheme financial assistance of ₹ 1,545.4 million was provided to 14492 ex-employee as on 31.03.2016.

Persons with Disabilities

ONGC believes in affording equal opportunities to physically challenged people. As on 31.03.16, there were 189 permanent employees with disabilities (0.56%) on the rolls of ONGC.

Implementation of Govt. Directives for Priority Section

Your Company complies with the Government directives for Priority Section of the society. The percentage of Scheduled Casts (SC) and Scheduled Tribe (ST) employees were **15** percent and **9.5** percent respectively as on **31st March, 2016.**

Your Company is fully committed for the welfare of SC and ST communities. The following welfare activities are carried out by your Company for their upliftment in and around its operational areas:-

Annual Component Plan:

Under Annual Component Plan for SC/ST, every year an allocation of ₹ 200 million is made. Out of this, ₹ 60 million is distributed amongst all the Work centres of ONGC for taking up activities for welfare of SC/ST Communities in and around the areas of our operations. In addition, ₹ 140 million is managed centrally, and is earmarked for Special projects/proposals/schemes for the welfare of areas/persons belonging to SC/ST communities The amount under component plan is utilised for taking up various welfare measures for the welfare and upliftment of the needy people of SC/ST Communities. This fund is especially meant for providing help and support in Education and Training, Community Development and Medical and Health Care.

Scholarship to SC/ST meritorious students.

Your Company provides scholarships for meritorious SC & ST students from 100 to 500 for pursuing higher professional courses at different Institutes and Universities across the country in Graduate Engineering, MBBS, PG courses of MBA and Geo-Sciences. The major feature of the scheme is that the scholarships have been equally divided for both Boys and Girl students and the amount of scholarship has been made @ ₹ 4,000/- per month subject to the conditions of the scheme. The annual budget for the scheme is ₹ 76 million.

20. INDUSTRIAL RELATIONS

During the year your Company maintained harmonious Industrial Relations throughout the Corporation. Mandays loss due to internal industrial action was reported as 'NIL' for the FY'16.

21. GRIEVANCE MANAGEMENT SYSTEM (GMS)

Your Company provides an easily accessible machinery to the employees for redressal of their grievances, either through informal channel (open hearing day) or through formal channel. A web-portal, "Public Grievance Portal", has been launched, which provides redressal of grievances of all stakeholders. This portal is a step further to empower each stakeholder viz. citizen/vendor/employee/former-

employee to register their grievances related to any operational wing of ONGC, through a single window on corporate web portal. A structured apparatus has been operationalized to process the grievances within a limited time frame

Public Grievance Management System

All Key Executives of your company have designated a publicized time slot thrice in a week to meet Public Representatives in order to speedily redress their grievances.

22. IMPLEMENTATION UNDER THE RIGHT TO INFORMATION ACT

An elaborate mechanism has been set up throughout the organization to deal with requests received under RTI Act, 2005.There are two Central Public Information officers (CPIOs) based at Registered office in Delhi and 22 Central Assistant Public Information officers (CAPIOs) have been designated at different work centres across the country to redress the issues under RTI Act 2005.

04 Applications were carried forward from the FY'15. 1943 applications were received during FY'16; making a total of 1947.In addition to the above, DPI /RTI Cell also completed 58 Second Appeals during FY'16.

23. IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

Your Company makes concerted efforts to promote Official Language. In this regard, some of the steps taken during the year were: -

- Unicode Hindi software installed in all our offices.
- Hindi workshops conducted at regular intervals.
- Hindi Technical seminars, 'Kavi Gosthies' and Hindi plays organized at various work centres.
- Vishwa Hindi Diwas (10th January) celebrated at various work centres of ONGC.
- Hindi Teaching Scheme of Govt. of India effectively implemented at all regional work centres.

24. WOMEN EMPOWERMENT

Women employees constituted over 6 percent of your Company's workforce. During the year, programmes on women empowerment and development, including programmes on gender sensitization were organized. Your Company actively supported and nominated its lady employees for programmes organized by reputed agencies.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during FY'16:

No. of Complaints received: 02

No. of Complaints disposed of: 01

As regards the pending case the same is under investigation at work centre.

25. WORK-LIFE BALANCE

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

26. SPORTS

Your Company continued to support Sports in the country through employment and scholarships to deserving sports persons as well as through sponsorships to various sports associations/ federations/sports bodies to organise sports events and for development of sports infrastructure in the country.

During the year, Your Company extended support in 23 game disciplines to 167 players on regular rolls and 185 players on scholarship. The support has enabled many sports persons to achieve and bring home laurels for the nation and the organisation. Some of the key achievements during the year are given below:

- Ms. M.R. Poovamma, an ONGCian was conferred with the prestigious "Arjuna Award" for the year 2015 for Athletics. The total number of National

Glimpses of CSR Activities



Supporting Education: ONGC integrates children from slum areas with those of Don Bosco School through Project Roshni Star Education at Vadodara



Restoration and Preservation: ONGC has taken up four Ahom Monuments in Assam as a part of this project



Swacch Bharat: ONGCians in a cleaning spree of the 'Jantar Mantar' in New Delhi

HSE takes centre stage during Annual Awards



Annual HSE Awards 2106: NRM, GGS, Cauvery Asset conferred upon Best Onshore Production Installation by CMD, Shri Dinesh K. Sarraf on 26th January, 2016 at Dehradun



Annual HSE Awards 2106: 'Sagar Jyoti' conferred upon as Best Onshore Drilling Rig by CMD, Shri Dinesh K. Sarraf on 26th January, 2016 at Dehradun

Awardees in the organization stands at 25 (Khel Ratna – 1, Padma Shri – 2 & Arjuna – 22).

- In 12th South Asian Games 2016 held at Shillong and Guwahati, ONGC secured 28 Gold, 15 Silver & 1 Bronze Medal.
- In Olympics- 2016 to be held at Rio (Brazil) a total of 4 ONGCian sports persons have qualified namely Ms. Heena Sidhu (Shooting), Ms. Kavita Raut(Athletics), Sh. Shiv Thapa (Boxing), Ms. Ashwini Ponnappa (Badminton).
- Ms Ashwini Ponnappa won US Open Badminton Tournament in Women doubles event in June 2015.
- Sh. Pankaj Advani of ONGC won 15th world title in cue sports. In the year 2015-16, he won World Billiards title in time format, 6 Red World Snooker and IBSF World Snooker.
- ONGCian Sh. Virat Kohli has been appointed as Captain of Indian Cricket team in Test Matches.
- Sh. Shiv Thapa won Bronze Medal at World Boxing Championship held at Doha in May 2015.
- Sh. Yuki Bhambri became the 3rd Indian ever to secure a main draw spot at Australian Open Grand Slam held at Australia in Jan 2015.
- ONGCian Chess players Sh. Sasikiran K, Sh. Sethuraman SP, Sh. Vidit Gujarathi & Sh. Deep Sengupta (4 out of the 5 member Indian team) won the Gold Medal in Asian Team Chess Championship, Abu Dhabi held in March 2016.
- Your Company was awarded the prestigious FICCI Certificate of Excellence for the "Best Company Promoting Sports" for the year 2015.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your company is fully engaged in ensuring equitable and sustainable growth of society in and around the area of its operations by complying with government directives to discharge its social responsibility as a leading Indian corporate. CSR activities are essentially guided by project based approach in line with the provisions contained under Companies Act, 2013 read with CSR rules 2014 and DPE guidelines. Seeking to herald an inclusive business paradigm, ONGC has CSR interventions that are based on social, environmental, and economic considerations and are well-integrated into the decision-making structures and processes of the organization. **In the last 5 years, your company has contributed ₹ 12,029 Million towards its well-structured and well-focused CSR activities.**

Out of the CSR Budget of ₹ 5,937 million, ONGC spent an amount of ₹ 4,210 million in Fy'16. This translates to overall utilization of 71 % of the CSR Budget.

Pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 the Annual Report on CSR activities is annexed herewith as **Annexure 'C'.**

Reason for non-utilization of full CSR budget:

Around 71 % of CSR budget has been spent during the FY'16 wherein major Pan India CSR initiatives and work centre specific projects have been implemented successfully. Against the carry forward budget of ₹ 13,482 million from balance of CSR unspent funds of previous years, ₹ 10,601 million has been committed towards various ongoing projects and projects under approving stage. Expenditure against these will be met in FY'17 and onwards.

Some of the landmark CSR initiatives under implementation during FY'16 by your Company include:

(A) Swachh Vidyalaya Abhiyan:

a) **Swachh Vidyalaya Abhiyan (SVA),** a campaign to ensure functional toilets in each school in India by 15th August, 2015, and to make India open defecation free is part of Swaach Bharat Abhiyan (Clean India). This was rolled out on 15th August, 2014 by Hon'ble Prime Minister, who also called for wide participation of Government Agencies, Corporates and NGOs. The Abhiyan is steered by Ministry of Human Resource Development and being looked after by each administrative ministry for CPSEs.

Under this project, a total of 8202 toilets allocated to ONGC were made functional by 10th August 2015. Provision of water has been made in approximately 3800 number of schools in order to ensure sustainable maintenance of the facility. The total cost of the project is approximately ₹ 1,257 million.

b) **Community Led Total Sanitation:** To bring awareness among the society at large including children studying at school about Hygiene, Sanitation and maintain cleanliness, ONGC has taken up initiative in form of **Information, Education and Communication (IEC)** activities in association with Auroville Foundation in 5599 schools with financial support of ₹ 70 million for two years. This project aims to bring behavioral changes among the members of the society/ community, school children about maintaining cleanliness of toilets and surroundings, importance of hygiene etc.

(B) Swachh Bharat Mission

a. As part of Swachh Bharat Mission programme,

ONGC has undertaken construction of Individual Household Latrine (IHHL) projects at various locations at a total cost of ₹ 10.7 million

i. One such project was partnering with Gramalaya for construction of 210 Individual Household Latrine (IHHL) for Residents of Pazhayapalayam Village, Tamil Nadu. This initiative would directly benefit 210 households residing around ONGC's well Madanam#3 in Tamil Nadu and would help in keeping the surroundings in the village hygienic and thereby benefiting community at large.

ii. ONGC has associated Sulabh International for construction of 100 individual household toilets at Kathua, Udhampur District of Jammu and Kashmir. The three villages where these toilets were constructed are just 500 metres away from the international border and have catered to more than 500 villagers.

iii. ONGC in association with Bharathi Women Development Centre has taken up this initiative for construction of 103 no. of Individual Household Latrine (IHHL) for the residents of Kuthalam and Eravancherry villages of Nagapattinam District, Tamil Nadu.

b. Your company has taken a unique CSR initiative in partnership with Indian Mountaineering Foundation for cleaning expeditions to remove the hazardous garbage/waste generated by tourists at different tourist spots of Himalayas at a total financial implication of ₹ 1.6 million. The project included cleaning expeditions in four locations of Himalayas viz. Stok Kangri, Ladakh, Jammu & Kashmir; Pindari Glacier, Kumaon, Uttarakhand; Bara Shigri Glacier, Rohtang-Batal-Kunzum Axis, Himachal Pradesh; and Tapovan, Garhwal, Uttarakhand. The duration of each expedition was 15 days. The expedition teams created awareness among the users and involved local climbers, youth, local Panchayats, local NGO's and school children to achieve the target and set an example to visitors of Himalayas about environmental awareness. The garbage collected from these expeditions were disposed of in environment friendly manner with the help of local panchayat.

c. Based on the valuable suggestions of Hon'ble Minister of State (Independent Charge), MoP&NG a CSR project has been taken up by your company partnering with Indian National Trust for Arts and Cultural Heritage (INTACH), Delhi Chapter for 'Rejuvenation/Beautification of Park adjacent to Jantar Mantar' with a total financial implication of ₹ 6.7 milliion. This project includes restoration and upliftment of park including landscaping.

(C) Promoting healthcare

a. Preventive Healthcare

i. **Varisthajana Swasthya Sewa Abhiyan:** ONGC in association with Help-Age India carried out a PAN India initiative to provide basic medical facilities to elderly in terms of medical consultancy, medicine distribution, basic diagnostic test, special health camp and palliative care at their doorstep with a financial implication of ₹ 164.5 million. The initiative commenced in the year 2010 and is a six year project. A total of 20 Mobile Medicare Units (MMUs) are engaged for taking basic healthcare to the doorsteps of the elderly in 9 states, 17 Districts, 35 blocks and 131 Gram Panchayat and 240 villages of India. A total of 15,26,538 treatments for chronic illness such as Hypertension, Diabetes, Osteoarthritis, Dyspepsia & Skin problems etc. has been imparted to 59,750 beneficiaries. An amount of ₹ 32.3 million has been spent in this initiative for FY'16.

ii. **Provision of Drinking Water Facilities:**

Your company has supported Cantonment Board, Dehradun with financial support of ₹ 15 million towards construction of tube wells in Garhi/Dakra and Prem Nagar, Dehradun. Around 36,000 people residing at nearby area will be benefitted by having access to drinking water through these tube wells.

Besides, ONGC partnering with Nagar Nigam, Varanasi and Eureka Forbes Institute of Environment has undertaken a project for setting up 5 nos. of Water ATM Plants of discharge capacity of 500 LPH at five locations in the city of Varanasi at a project cost of ₹ 8.5 million. The main objective of the project is to facilitate the access of safe drinking water to local residents and the tourists. The project will have far reaching impact on the communities in terms of better health, sustainable livelihood and improved productivity.

b. Developing Health Infrastructure

i. **ONGC-Sardar Vallabhbhai Patel Rotary General Hospital:** ONGC has extended financial support of ₹ 130 million to Sardar Vallabhbhai Patel Rotary General Hospital, Ankleshwar for equipment for establishing Nephrology unit & Equipment for Cath Lab and Cardiac care at

Sardar Vallabhbhai Patel Rotary General Hospital, Ankleshwar. The project is of two years duration and during FY'16, an amount of ₹ 117 million has been released.

ii. **Equipment for Bone Marrow Transplant Centre:** ONGC has extended financial support of ₹ 6.56 million to Charutar Arogya Mandal for medical equipment for setting up of Bone Marrow Transplant Centre in HM Patel Centre for Medical Care and Education in Karamsad Gujarat which will cater to 10,000 cancer affected patients per annum

c. Medical Camps

ONGC in association with Anugraha Dristidaan has carried out Free Eye Checkup and Cataract Operation Camp with provision of spectacles and medicine. The project with financial implication of ₹ 2.1 million was carried out during last fiscal. A total of 7,500 beneficiaries have been catered. The camps were conducted in Mehsana, Ankleshwar, Sibsagar, Rajahmundry, Karaikal, Agartala and Dehradun.

(D) Promoting education, Skill Development and livelihood enhancement

i. **Promotion of Sanskrit Language:** In order to revive the Sanskrit language, your company has taken up this initiative through Sanskrit Promotion Foundation with a total financial implication of ₹ 50 million for a period of one year. This project includes development of online tools & tutorials for students, teachers and guardians at formal and in-formal school levels. It also involves workshops, seminars, leadership programmes, technology orientation programmes, continuous learning programmes to the teaching community. It also includes workshops for acquiring spoken Sanskrit skills, by communicating in Sanskrit throughout the workshop, research on Sanskrit education, nationwide survey, and data collection, translation of contemporary literature in Sanskrit including children's literature and editing & publications of rare manuscripts etc. All students, teachers and guardians seeking formal, in-formal education in Sanskrit in India and abroad will be benefitted. Project is a step-forward towards the revival of Sanskrit.

ii. **ONGC's Support for S-VYASA University, Bangalore:** ONGC has supported 'Vivekananda Yoga Anusandhana Samsthana' (VYASA) by granting ₹ 120 million towards construction of a 350 bedded boy's hostel at S-VYASA University campus located at Gidden Halli, Jigani Hobli, Bangalore. The hostel will have all the latest facilities including solar lightning, solar heating system, CCTV, lift, interior furniture, electrical, etc. Free accommodation will be provided to ST/SC and Tribal students of S-VYASA University whereas deserving poor students will be given 50% concession. During FY'16, an amount of ₹ 71 million has been released towards this project.

iii. **Providing Education to Children in Rural Areas:** ONGC has joined hands with Bharat Lok Shiksha Parishad for reaching remote villages in different parts of the country in order to provide free education to children through 'Ekal Vidyalaya'. The beneficiaries are the poor children in 6 to 14 years age group who do not have access to education. The classes are being conducted in these Vidyalayas by local educated youth who has minimum education of metric level and trained by team of experts. This project covers 420 Vidyalayas in as many villages of rural, tribal and backward areas in 10 states. With average enrolment of 30 students per school, it is targeted to impart free basic informal education to 12,000 students, for one year at a total financial implication of ₹ 8.4 million.

iv. **Free Job/ Entrepreneurship Oriented Computer education and soft skills development for students mainly belonging to the weaker sections of Society:**

ONGC in association with Bharatiya Vidya Bhavan (BVB) has undertaken a project titled, "Free Job/ Entrepreneurship Oriented Computer education and soft skills development for students mainly belonging to the weaker sections of Society". This project provides free computer education through BVB's Gandhi Institute of Computer Education and Information Technology, (GICEIT) at five work centres of ONGC located at Mehsana, Dehradun, Nazira, Karaikal and Rajahmundry. These centres have been named as "ONGC-GICIET" centres. The project which commenced in the year 2014 is of three years duration with a financial implication of ₹ 100 million. During FY'16, an amount of ₹ 20.10 million has been released towards this project.

(E) Ensuring environmental sustainability, ecological balance

i. **Partnering for Environment Protection by funding for Free LPG Connections to BPL Families in Rural Areas:** This project is being implemented as per the directives of Ministry of Petroleum & Natural Gas (MoP&NG) wherein your company has contributed 20% of its CSR budget for providing new LPG connection to BPL families free of cost. This project aims at social upliftment of BPL families by providing LPG cooking use and extend its usage for cooking purposes in rural/underserved areas so that standard of life in rural areas improves and the women folk in backward/under developed areas of the country can reap the benefit of

cooking on LPG stoves rather than use kerosene, fire-wood in rural India.

During last fiscal, your company has released ₹ 3,435 million for FY'13, FY'14, FY'15 and FY'16 towards this scheme to M/s Indian Oil Corporation Limited (IOCL) which has benefitted 28.62 lakhs beneficiaries.

ii. **Ringal plantation in Upper Himalayas:** ONGC being responsible organization for protection of environment has always given great importance to tree plantation not only at its operational work areas but also in the areas outside its work, with emphasis on survival of planted saplings. ONGC undertook an initiative for tree plantation in Uttarakhand on a proposal submitted by Uttaranchal Bamboo and Fiber Development Board (UBFDB), an autonomous organization under the Forest Department, Govt. of Uttarakhand. This plantation drive had carbon sequestering potential, water recharge and soil conservation capacity. It has provided livelihood to rural community of Uttaranchal living at 5000 – 6000 feet above sea level. Plantation in 730 hectares in 5 years at a total cost of ₹ 39 million have resulted in annual carbon sequestration potential of 9125 tonne carbon/annum or 33458.33t CO2/ annum.

iii. **Harit Moksha: Green Cremation System:** This is a unique CSR initiative of ONGC undertaken with Mokshda Paryavaran Evam Van Suraksha Samiti (MPEVSS) to reduce wood consumption during traditional cremations through Mokshda Green Cremation Systems (MGCS). The ongoing project which commenced in 2010 includes installing 30 units of green cremation system in 8 cities of 7 different states with a budget of ₹ 91.9 million. The project helped in saving approximately 13,700 tonnes of wood & reduced 26,500 tonnes of GHG emissions annually till date.

iv. ONGC has installed more than 4000 numbers of Solar Street Lights at backward areas in the states of Andhra Pradesh, Rajasthan, Gujarat, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and Jharkhand availing services of MNRE Channel partners empanelled under rate contract at a total financial implication of ₹ 45.3 million.

(F) Protection of national heritage, art and culture

I **Amulya Dharohar-The Taj:** In line with the 'Clean India' programme carried out by Ministry of Tourism, Govt. of India, your company through its CSR initiatives has supported Archeological Survey of India for up gradation, beautification, cleanliness and maintenance including construction, restoration, refurbishment, landscaping etc. of Taj Mahal, Agra. An amount of ₹ 207.5 million has been sanctioned and ₹ 0.5 million released as first instalment during FY'16.

ii. ONGC partnering with Indian National Trust for Art and Cultural Heritage (INTACH) has undertaken a project with financial implication of ₹ 6.5 million for restoration of Kshetrapal Step Well which is also a source of water for the local population of Sukhwas village, Sawai Madhopur, Rajasthan which dates back to ancient mediaeval age (6th century AD), is one of the 3000 step wells located in Rajasthan and Gujarat. The step wells are mainly used for drinking water as they can hold water for a longer duration because of negligible water evaporation.

(G) Women Empowerment

I ONGC in association with Harijan Sevak Sangh has carried out renovation of school building of Kasturba Balika Vidyalaya at Delhi for a total financial implication of ₹ 7.28 million during the last fiscal. This school will facilitate education to 650 girl students out of which 200 are SC/ST students.

ii. ONGC has undertaken this CSR initiative for construction of new 'ONGC-MRPL Wing' for Government Lady Goschen Hospital, Mangalore with financial support of ₹127.8 million. The support extended by your company would create exclusive facility for the women patients and women from Karnataka & nearby states would be benefitted. Lady Goschen Hospital for Women established in 1849 is located at the heart of Mangalore City. As the Hospital is 162 years old, the building has become very old and need was felt for additional infrastructure, considering the poor and dilapidated condition of the existing building and also due to sharp increase of both out and in patients and delivery cases (500 to 600 monthly). This hospital is made exclusively for women and all the BPL women are benefitted through its healthcare activities. An amount of ₹ 13.8 million has been spent in this initiative during Fy'16.

(H) Promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports

i. ONGC contributed ₹ 20 million for conducting 12th South Asian Games' held during February, 2016 at Guwahati and Shillong. This event helps to identify potential talents in the sports and build capacity of India sportspersons to compete at the highest level such as Asian Games, Common Wealth Games and Olympics. South Asian Games is a multi-sports event held amongst the athletes from South Asia. There were eight participating South Asian Countries viz. Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

ii. ONGC contributed ₹ 8.5 million to Madhya Bharat Kho-Kho Association for organizing "3rd Asian Kho-Kho

Championship" at Indore held during April 2016. The support included expenses pertaining to organizing the event such as local transportation of sportsperson, hotel accommodation, expenses towards food refreshment, Opening and closing functions, kits, uniform to organizers and other miscellaneous expenses.

(I) Focus in North East Region

Your company has undertaken twenty two projects with a total financial implication of ₹ 121 million for the benefit of the society in North East Region during the last fiscal. Notable amongst them are:

i. An amount of ₹ 25.9 million has been sanctioned for construction of Yoga Nilayam at Abhoypur, Guwahati and an amount of ₹ 0.08 million has been released as the first instalment. This is the first of its kind in entire north-east. The centre shall conduct Yoga Teachers training programs and will have facilities for naturopathy treatment. Yoga and meditation would help in reinforcing the message of positivity in this region. The centre shall have residential facilities for both Men and Women.

ii. ONGC has partnered with Keshav Smarak Nyas, Guwahati for setting up a Skill Development Centre at Haflong, Assam for providing job oriented skills in various areas such as weaving, design, dress making, screen and textile printing, repair and maintenance of small farm equipment, Fruits and vegetable processing and packaging, Computer application use of standard software, Repair of mobile phones, laptops, and desktop, Electrical repair works, Handicrafts manufacture, Hospitality services viz. tour operator, tourist guide and Beautician and skin care. The project is being implemented at a total cost of ₹ 8.5 million. The project envisages creating a major positive impact to promote an all-round development of economically backward tribal youth of Dima Hasao, Haflong by enhancing their skill levels and employability.

iii. To promote artisans and craftsman in order to generate livelihood opportunities your company implemented the initiative 'Water Hyacinth Based Craft' at Sivasagar, Assam as a pilot project with an objective to popularize the use of Water Hyacinth craft as a source of sustainable livelihood in rural areas at a total cost of ₹ 2.3 million. Water hyacinth is readily available free of cost, growing in plenty in ponds and wetlands, which otherwise is considered as a menace to the environment will effectively utilize raw materials for making eco-friendly craft products. Water Hyacinth is abundant in Pilibhit in Uttar Pradesh and Sibsagar in Assam. Under this project, 70 artisans (20 from Pilibhit and 50 from Sivsagar) are being trained to be master trainers for womenfolk so as to use these water hyacinth along with other raw materials viz. cane and bamboo for making handicrafts which can be a source of sustainable livelihood and an effective marketing & supply chain management. A common facility center would be set up and further a sales outlet would also be set up in Sivasagar.

iv. In Tripura, your company partnering with Tripura Engineering Society (TES) has contributed towards development of Model Village at Karbongpara under Champabari ADC village of Jirania Block, West Tripura District with a total project cost of ₹ 6.6 million. The Karbong community of Tripura with 120 inhabitants and low literacy rate is on the verge of extinction. They are deprived of basic needs and belong to the weakest section of society. Under this project, it is planned to develop the said village into a self-sustained model village which includes developing the infrastructural facilities like providing Community Centre, Sanitation, Drinking water facilities, Irrigation, Market Shed, Internal road connectivity, efforts in providing education to all, healthcare for a period of one year, income generation to support the livelihoods.

v. Your company in partnership with Kalyan Ashram Tripura has undertaken an initiative for construction of Ratnamani Sishu Siksha Niketan School and hostel building at Kanchancherra, Tripura with an estimated cost of ₹ 3.5 million which will provide hostel facilities to students and access to healthy educational environment.

vi. For developmental activities in Arunachal Pradesh, ONGC partnering with District Administrations and other NGO's has implemented a number of initiatives amounting to ₹ 24.6 million during the second half of last fiscal. The CSR initiatives in this state includes construction of schools buildings, hostels for students, toilets at school, science laboratory, provision of medical equipment at hospital, community hall and sanitations etc.

(J) Extending Assistance in Hour of Need:

In the time of flood situation in Chennai in December 2015, ONGC went ahead and quickly initiated relief activities for the flood affected people in Chennai. Some of the activities included distribution of relief material kits-one Woollen blanket, one Mosquito Net, one Bed Sheet and one Towel, Kitchen items / utensils, free Medicines, Injections, Bandages, Sanitary Pads.

Besides, Team of Doctors from ONGC stepped in ground zero and extended medical support by organizing medical camps along with Red Cross Society. ONGC through its CSR contributed ₹ 8.5 million for Flood Relief initiatives. It is pertinent to mentioned that ONGC's employees voluntarily contributed ₹ 40 million in Prime Minister National Relief Fund for flood affected people in Chennai.

A separate report on Corporate Social Responsibility (CSR) activities undertaken by your Company during the FY'16 forms part of the Annual Report of the Company.

28. ACCOLADES

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

29. DIRECTORS' RESPONSIBILITY STATEMENT

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

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;

ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on that date;

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

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

v. The Directors have laid down internal financial controls which are being followed by the company and that such internal financial controls are adequate and are operating effectively.

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

30. CORPORATE GOVERNANCE

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

In terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a report on Corporate Governance for the year ended March 31, 2016, supported by a certificate from the Company's Statutory Auditors confirming compliance of conditions, forms part of this Report.

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

In terms of section 204(1) of the Companies Act, 2013, the Company has engaged M/s P. P. Agarwal & Co., Company Secretaries in whole-time practice as Secretarial Auditors for conducting Secretarial Compliance Audit for the financial year ended 31st March, 2016. Their report has been annexed with this report and forms part of the Annual Report.

The observations of Secretarial Auditor have been suitably addressed in this report as well as in the Corporate Governance Report.

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

a. Code of Conduct for Board Members and Senior Management Personnel

b. Related Party Transactions-Policy & Procedures, 2014

c. Material Subsidiary Policy

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

e. Corporate Policy on Materiality for Disclosure of events to the Stock Exchanges

f. Corporate Policy on Preservation of Documents and their archiving

g. Policy for Training of Directors

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

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

i. **Whistle Blower Policy/ Vigil Mechanism:** A total of 39 Protected Disclosures till 31.03.2016 have been processed through the Whistle Blower mechanism of ONGC which was implemented from December 01, 2009. The policy ensures that a genuine Whistle Blower is granted due protection from any victimization. The Policy is applicable to all employees of the Company and has been uploaded on the intranet of the Company.

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

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

The Risk Management policy of your Company is as follows:

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

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

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

iii. **Meeting of Independent Directors:** One Meeting of Independent Directors was held during FY'16.

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

31. STATUTORY DISCLOSURES

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

Extract of Annual Return

As per requirement of section 92(3) of the Companies Act, 2013, the extract of the Annual Return in form MGT-9 is placed at **Annexure-'E'**

Particulars of Employees

ONGC being a Government Company, the provisions of section 197(12) of the Companies Act, 2013 and relevant Rules shall not apply in view of the Gazette notification dated 05.06.15 issued by Government of India, Ministry of Corporate Affairs.

The terms and conditions of the appointment of Functional Directors is decided by the Government of India. The salary and terms and conditions of the appointment of Company Secretary, a KMP of ONGC, is in line with the parameters prescribed by the Government of India. Performance Related Pay of Functional Directors and other employees including Company Secretary (a KMP) is in line with the guidelines of Department of Public Enterprises, Government of India.

32. ENERGY CONSERVATION

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

33. AUDIT AND ETHICS COMMITTEE

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

34. AUDITORS

The Statutory Auditors of your Company are appointed by the Comptroller & Auditor General of India (C&AG) M/s Dass Gupta & Associates, New Delhi, M/s G D Apte & Co, Mumbai, M/s Lodha & Co., Kolkata, M/s P K F Sridhar & Santhanam, Chennai, M/s Khandelwal Jain & Co., Mumbai, and M/s K C Mehta & Co., Vadodara, Chartered Accountants were appointed as joint Statutory Auditors for the financial year 2015-16. The Statutory Auditors have been paid a remuneration of ₹ 26.39 million (previous year ₹25.01 million) towards audit fee and certification of Corporate Governance Report. The above fees are inclusive of applicable service tax but exclusive of reimbursement of reasonable travelling and out of pocket expenses actually incurred.

35. AUDITORS' REPORT ON THE ACCOUNTS

The Comments of Comptroller & Auditor General of India (C&AG) and the reply of the Management thereto form part of this Report and are attached as per **Annexure-'G'**.

36. COST AUDIT

Six firms of Cost Accountants were appointed as Cost Auditors for auditing the cost accounts of your Company for the year ended 31.03.16 by the Board of Directors. The Cost Audit Report for the year 2014-15 has been filed under XBRL mode on 06.10.15 which was well within the due date of filing.

37. DIRECTORS

POLICY ON DIRECTORS' APPOINTMENT ETC.

ONGC being a Government Company, the provisions of section 134(3) (e) of the Companies Act, 2013 shall not apply in view of the Gazette notification dated 05.06.15 issued by Government of India, Ministry of Corporate Affairs.

PERFORMANCE EVALUATION

ONGC being a Government Company, the provisions of section 134(3)(p) of the Companies Act, 2013 shall not apply in view of the Gazette notification dated 05.06.15 issued by Government of India, Ministry of Corporate Affairs.

APPOINTMENTS / CESSATION ETC

Since the 22nd Annual General Meeting held on 15.09.2015, Shri A K Srinivasan, took over the charge as Director (Finance) of the Company on 23.09.2015. Shri Ajai Malhotra, Prof. Shireesh Balwant Kedare and Shri K. M. Padmanabhan were inducted as Independent Directors of the Company with effect from 20.11.2015.

Shri A P Sawhney, Additional Secretary, Ministry of Petroleum & Natural Gas, joined the Board as Government nominee Director on 02.01.2016 in place of Ms. Atreyee Das. The tenure of Shri K. N. Murthy (Independent Director) concluded on 20.03.2016.

Shri Amar Nath, Joint Secretary, Ministry of Petroleum & Natural Gas, joined the Board as Government nominee Director on 28.06.2016 in place of Shri U. P. Singh.

The Board places on record its deep appreciation for the excellent contributions made by Ms. Atreyee Das, Shri K. N. Murthy and Shri U. P. Singh during their tenure.

The strength of the Board of Directors of ONGC as on 11th July, 2016 is 12 comprising 7 Executive Directors (Functional Directors including CMD) and 5 Non-Executive Directors comprising two Government nominees and three Independent Directors. Ministry of Petroleum & Natural Gas has been requested to appoint requisite number of independent Directors including a woman Director to comply with the provisions of Companies Act, 2013 and Listing Regulations.

A total of **13** meetings of the Board of Directors of ONGC were held during FY'16.

Details of other Key Managerial Personnel as per Rule 8 (5) (iii) of The Companies (Accounts) Rules, 2014:

Shri V N Murthy took over as Company Secretary on 01.07.2015 in place of Shri N K Sinha who superannuated on 30.06.2015.

38. ACKNOWLEDGEMENT

Your Directors are highly grateful for all the help, guidance and support received from the Ministry of Petroleum and Natural Gas, Ministry of Finance, DPE, MCA, MEA, and other agencies in Central and State Governments. Your Directors acknowledge the constructive suggestions received from Statutory Auditors and Comptroller & Auditor General of India and are grateful for their continued support and cooperation.

Your Directors thank all share-owners, business partners and members of the ONGC Family for their faith, trust and confidence reposed in ONGC.

Your Directors wish to place on record their sincere appreciation for the unstinting efforts and dedicated contributions put in by the ONGCians at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

(Dinesh K. Sarraf)
Chairman & Managing Director

Place : New Delhi
Date : 3rd August, 2016



OMPL: Aromatic Complex with capacity of 914 KTPA of Para-Xylene and 283 KTPA of Benzene at Mangalore Special Economic Zone, fully integrated with MRPL Refinery for feedstock supply

Annexure A
Statement of Reserve Recognition Accounting

Standardised measure of Discounted Future Net Cash Flows relating to Proved Oil and Gas Reserve quantities as on 31st March, 2016.

(₹ in million)

Particulars	Gross Value as at		Present value (Discounted at 10%) as at	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
REVENUES				
OIL	8,361,966.35	8,113,662.86	3,968,195.35	4,114,068.01
GAS	1,953,630.19	2,981,806.99	1,018,868.79	1,683,557.09
Total Revenues	**10,315,596.54**	**11,095,469.85**	**4,987,064.14**	**5,797,625.10**
COSTS				
Operating, Selling & General	6,111,257.61	5,833,860.17	2,963,543.77	3,019,204.07
Corporate Tax	783,408.87	1,284,320.22	356,325.99	733,915.96
Sub Total	6,894,666.48	7,118,180.39	3,319,869.76	3,753,120.03
Evaluated Cost of Acquisition of Assets and Development				
a) Assets	480,625.90	300,740.03	312,016.73	132,843.03
b) Development*	1,043,232.63	898,516.03	528,347.73	340,752.48
Sub Total	**1,523,858.53**	**1,199,256.06**	**840,364.46**	**473,595.51**
Total Cost	**8,418,525.01**	**8,317,436.45**	**4,160,234.22**	**4,226,715.54**
Net future earnings from Proved Reserves	**1,897,071.53**	**2,778,033.40**	**826,829.92**	**1,570,909.56**

*Includes Abandonment Cost

Notes

1) The Revenues on account of crude oil have been worked out on the basis of average price (net of profit Petroleum) for the year 2015-16. The average price for crude oil is net of Subsidy Discount. Revenue on account of Gas have been work out on the basis of current Gas Price.
2) Expenditure on Development, Acquisition of capital assets, Abandonment costs and Operating Expenditure have been considered at current costs i.e. as on 31.03.2016. Taxes and Levies have been considered at prevailing rates as on 31.03.2016.
3) The reserves have been estimated by ONGC's Reserve Estimates Committee following the standard international reservoir engineering practices.
4) Only Proved Reserves of ONGC share have been considered. Probable or Possible reserves have not been considered.
5) Both revenues and costs have been discounted to present value using a discounted rate of 10%. The Net future earnings, therefore, represent the net expected future cash inflows from production of recoverable reserves of crude oil and gas.
6) However, neither the net future earnings from proved reserves nor the related present value should be taken as a forecast of future cash flows or value of these reserves because (a) future estimated production schedules used in the valuation process are subject to change, (b) up-gradation of Probable and Possible reserves would significantly affect the gross and net present value of the expected future cash inflows, (c) future crude oil and natural gas prices are subject to change and (d) future expenditure on production (operating), development, acquisition cost of capital assets, abandonment costs and rates of taxes and levies, may be at variance from those assumed herein.

Form No. AOC-2

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

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

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

Sl. no.	(a) Name (s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transaction including the value , if any		(e) Justification for entering into such contracts or arrangements or transactions	(f) Date (s) of approval by the Board,	(g) Amount paid as advances, if any:	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
	Name	Relationship			Salient terms	Transaction value (₹ in million)				
NIL										

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. no.	(a) Name (s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any :		(e) Date (s) of approval by the Board, if any:	(f) Amount paid as advances, if any
	Name	Relationship			Salient terms	Transaction value (₹ in million)		
1	ONGC Tripura Power Co. Limited	Joint Venture	Sale of Gas	FY 15-16	As per Gas sale agreement	4,370.84		
2	ONGC Teri Biotech Limited	Joint Venture	Hiring of Bio-remedial serves	FY 15-16	As per contractual agreement	225.86		
3	Dahej SEZ Ltd	Joint Venture	Lease rent for land taken on lease	FY 15-16	As per contractual agreement	8.65		
4	Petronet LNG Limited	Joint Venture	Hiring of Facility charges for C2-C3 plant of ONGC	FY 15-16	As per contractual agreement	68.63		
5	Mangalore SEZ Limited	Joint Venture	Travel exp. on behalf of ONGC Employee	FY 15-16	Actual	0.29		
6	ONGC Tripura Power Co. Limited	Joint Venture	Reimbursement of legal advisor and valuation consultants fee on tying up residual 23.5% equity & other exp	FY 15-16	Actual	6.56		
7	ONGC Petro-additions Limited	Joint Venture	Manpower deputation/other misc. services provided to OPaL	FY 15-16	Actual	117.95		
8	ONGC Teri Biotech Limited	Joint Venture	Lab testing facility provided to OTBL	FY 15-16	As per contractual agreement	2.76		
9	Petronet LNG Limited	Joint Venture	ONGC nominated director Sitting Fee	FY 15-16	Actual	0.36		
10	Petronet LNG Limited	Joint Venture	Dividend Income	FY 15-16	Actual	187.5		
11	ONGC Petro-additions Limited	Joint Venture	Subscription of share warrant of OPaL	FY 15-16	Actual	18,739.50		
12	ONGC Tripura Power Co. limited	Joint Venture	Allotment of share against advance for Equity	FY 15-16	Actual	4,645.36		
13	ONGC Petro-additions Limited	Joint Venture	Refund of old advance of equity share by Opal	FY 15-16	Actual	7,505.52		
14	ONGC Mangalore Petrochemicals Limited	Subsidiary	Manpower deputation to OMPL	FY 15-16	Actual	1.18		
15	Mangalore Refinery and Petrochemical Ltd.	Subsidiary	Sale of crude oil	FY 15-16	As per Crude oil sale agreement	25,913.06		
16	Mangalore Refinery and Petrochemical Ltd.	Subsidiary	Lease of Office space at Mumbai	FY 15-16	As per contractual agreement	5.01		
17	Mangalore Refinery and Petrochemical Ltd.	Subsidiary	Manpower deputation charges	FY 15-16	Actual	3.33		
18	Mangalore Refinery and Petrochemical Ltd.	Subsidiary	Contractual services-freight on crude oil	FY 15-16	As per contractual agreement	25.12		

Sl. no.	(a) Name (s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any :		(e) Date (s) of approval by the Board, if any:	(f) Amount paid as advances, if any
	Name	Relationship			Salient terms	Transaction value (₹ in million)		
19	Mangalore Refinery and Petrochemical Ltd.	Subsidiary	Purchase of retail product for OVAL	FY 15-16	As per contractual agreement	71.51		
20	Mangalore Refinery and Petrochemical Ltd.	Subsidiary	Manpower deputation by MRPL for OVAL	FY 15-16	Actual	5.96		
21	Mangalore Refinery and Petrochemical Ltd.	Subsidiary	Purchase of POL for internal use	FY 15-16	As per contractual agreement	3,084.42		
22	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Interest Income	FY 15-16	Market rate	3,973.54		
23	ONGC Videsh Ltd. activities of OVL	Subsidiary	Interpretation studies for overseas	FY 15-16	As per contractual agreement	1.19		
24	Pawan Hans Ltd.	Associate	Hiring of helicopter services	FY 15-16	As per contractual agreement	2,028.47		
25	Pawan Hans Ltd.	Associate	FE Loss & Gain on Hiring of services	FY 15-16	Actual	2.45		
26	Pawan Hans Ltd.	Associate	Use of PHL helicopter by ONGC	FY 15-16	Actual	17.22		
27	Pawan Hans Ltd.	Associate	Deduction of LD on hiring contract	FY 15-16	Actual	60.88		
28	Pawan Hans Ltd.	Associate	Dividend income	FY 15-16	Actual	38.03		
29	Pawan Hans Ltd.	Associate	Interest income	for FY 15-16	Actual	22.2		
30	ONGC Petro-additions Limited	Joint venture	Parents undertaking to Bank on behalf of JV	for FY 15-16	Actual	73,926.47		
31	ONGC Tripura Power Co. Limited.	Joint venture	Parents undertaking to Bank on behalf of JV	for FY 15-16	Actual	15,175.00		
32	ONGC Mangalore Petrochemicals Limited.	Subsidiary	Parents undertaking to Bank on behalf of JV	for FY 15-16	Actual	25,080.00		
33	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favor of National oil company of Libya for Area 43 for USD 61 million.	Effective from 05.03.2007	Guarantee amount (₹4047.35 million)	1,658.75	163rd Board meeting	
34	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation in favor of IDBI Trusteesheep Services Limited for issuance of Redeemable Non-Convertible Debentures for an amount of ₹4,000 million by OVL-Guarantee for 8.54% 10 Year Bond.	Effective from 31.12.2009	Guarantee amount (₹4,000.00 million)	3,774.45	182nd Meeting	
35	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation for USD Bond for acquisition of (2.7213% PI of Hess Corporation in ACG filed and 2.36% in BTC pipeline) of 5 year USD-300 million -due 07.05.18	Effective from 27.03.2013	Guarantee amount (₹20,104.58 million)	20,104.58	237th Meeting	
36	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation for USD Bond for acquisition of (2.7213% PI of Hess Corporation in ACG filed and 2.36% in BTC pipeline) of 10 years USD 500 million-due 28.02.19	Effective from 27.03.2013	Guarantee amount (₹33,673.95 million)	33,673.95	237th Meeting	

Sl. no.	(a) Name (s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any :		(e) Date (s) of approval by the Board, if any:	(f) Amount paid as advances, if any
	Name	Relationship			Salient terms	Transaction value (₹ in million)		
37	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation for Long term Loan of USD 1,775 Million for acquisition of R-2 10% PI from Anadarko-Due 28.02.19	Effective from 08.02.2014	Guarantee amount (₹ 1,17,781.60 million)	1,17,781.60	249th Board Meeting	
38	ONGC Videsh Ltd	Subsidiary	Guarantee in respect of Block SS-04, Bangladesh dated 27/03/2014 in favour of M/s PETROBANGLA in respect of the Company's obligations as set forth in the Production Sharing Contract.	Effective from 27.03.2014	Guarantee amount (₹1,273.92 million)	1,273.92	254th Board Meeting	
39	ONGC Videsh Ltd	Subsidiary	Guarantee in respect of Block SS-09, Bangladesh dated 27/03/2014 in favour of M/s PETROBANGLA in respect of the Company's obligations as set forth in the Production Sharing Contract.	Effective from 27.03.2014	Guarantee amount (₹2,149.74 million)	2,149.74	254th Board Meeting	
40	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation for Mozambiq. BREML Videocon 6% USD 750 Million - Due 15July19	Effective from 15.07.2014	Guarantee amount (₹50,104.60 million)	50,104.60	249th Meeting	
41	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation for Mozambiq. BREML Videocon 6% USD 750 Million - Due 5July24	Effective from 15.07.2014	Guarantee amount (₹50,249.38 million)	50,249.38	249th Meeting	
42	ONGC Videsh Ltd	Subsidiary	Guarantees for financial obligation for Mozambiq. OVL Anadrako 10% Euro 525 Million - Due 15July21	Effective from 15.07.2014	Guarantee amount (₹40,131.14 million)	40,131.14	249th Meeting	
43	ONGC Videsh Ltd	Subsidiary	Performance Guarantees under the contract in respect of Sakhalin Project in favour of Exxon Neftgas Ltd., Rosneft-S, SMNG-S and RN-Astra	Effective from 23.06.2001			79th Board Meeting	
44	ONGC Videsh Ltd	Subsidiary	Performance Guarantees under the contract in respect of PI in Azeri and Chirag Fields and Gunashli Field in favour of State Oil Company of Azerbaijan Republic	Effective from 28.03.2013			237th Board Meeting	
45	MRPL	Subsidiary	Guarantees executed in favor of Saudi Aramco	Effective from 01.09.2014	USD 225 Million	10,269.62	258th Board Meeting	
46	MRPL	Subsidiary	Guarantees executed in favor of Sociedade National De Aggola	valid upto 31.03.2016	USD 250 Million	0	246th Board Meeting	
47	ONGC CSSS TRUST	Trust	Remittance of CSSS payment of ONGC employee	FY 15-16	Actual	1,285.50		
48	ONGC SAHYOG TRUST	Trust	Remittance of Shayog payment - ONGC employee	FY 15-16	Actual	29		
49	ONGC PRBS TRUST	Trust	Remittance to PRBS Trust	FY 15-16	Actual	9,268.25		
50	ONGC CPF Trust	Trust	Remittance to CPF Trust	FY 15-16	Actual	10,464.92		
51	ONGC GRATUITY FUND	Trust	Reimbursement of Gratuity Payment	FY 15-16	Actuarial valuation	1,880.20		
52	ONGC ENERGY CENTER TRUST	Trust	Contribution to Energy center for R&D	FY 15-16	Actual	156.96		
53	ONGC FOUNDATION	Trust	Contribution to ONGC foundation	FY 15-16	Actual	4.00		

Annexure - C

Annual Report on CSR Activities 2015-16

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

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

It shall apply to all CSR Projects / Programmes undertaken by ONGC as per liberal interpretation of activities listed in Schedule-VII of the Act, within the geographical limits of India alone, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

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

i. Need Based Assessment / Baseline survey / Study where considered necessary / feasible;
ii. Identification of specific and measurable objectives / goals in identified sectors and geographies;
iii. Formation of the project and preparation of Detailed Project Report (DPR);
iv. Identification of time lines – clear specification of start date and end date;
v. Specification of annual financial allocation;
vi. Clear identification of beneficiaries (by name where possible);
vii. Clear identification of milestones for the complete duration of the Project / programme;
viii. Preparation and signing of agreement with Implementing Agencies;
ix. Preparation and implementation of a comprehensive and concurrent documentation procedure;
x. Robust, periodic review & monitoring;
xi. Evaluation & Assessment, preferably both concurrent and final (wherever possible, by a competent third party);
xii. Mandatory Reporting

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

Sl.	Sector of Activity	Indicative Budget allocation
1	Promoting health care including preventative health care and sanitation and making available safe drinking water.	approx. 20% of CSR budget
2	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	approx. 20% of CSR budget
3	Ensuring environmental sustainability, ecological balance, protections of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.	approx. 20% of CSR budget
4	Rural development projects.	approx. 20% of CSR budget
5	(1) Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and other such facilities for senior citizens (2) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts (3) Training to promote rural sports, regionally recognised sports, Paralympics sports and Olympic sports (4) Other areas mentioned in Schedule - VII	approx. 20% of CSR budget

The 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.

Q2. The composition of the CSR Committee

Ans. ONGC CSR committee comprises of the following members

- Shri Ajai Malhotra, Independent Director – Chairman of the Committee
- Shri K M Padmanabhan, Independent Director – Member
- Shri Dinesh K. Sarraf, CMD-ONGC – Member
- Shri D. D. Misra, Director (HR)-ONGC – Member
- Shri A. K. Srinivasan, Director (Finance) – Member

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

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

₹ In Million

Particulars	2012-13	2013-14	2014-15
Profit as per Sec 198	319,352.70	307,188.60	264,002.70
Average profit u/s 135 for the last three years		**296,848**	

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

Ans. The prescribed CSR expenditure for FY 2015-16 is ₹ 5,937 million (2% of the average profit u/s 135 for the last three years).

Q 5. Details of CSR spent during the financial year

Ans. Out of the CSR Budget of ₹ 5,937 million, ONGC spent an amount of ₹ 4,210 million in FY 2015-16. This translates to overall utilization of 71% of the CSR Budget.

The details are enclosed in Annexure-I

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

Ans. Around 71% of CSR budget has been spent during the financial year 2015-16 wherein major PAN India CSR initiatives and work centre specific projects have been implemented successfully. Major flagship CSR projects have a project duration of more than one year with milestone based payment spread in different fiscals. Additionally, a number of CSR projects were in the formulation and approving stage. Against the carry forward budget of ₹ 13,482 million from balance of CSR unspent funds of previous years, ₹ 10,601 million has been committed as on date towards these various ongoing projects and projects under approving stage. Expenditure against these will be met in the financial years 2016-17 onwards.

Responsibility Statement

This is to certify that the implementation and monitoring of the CSR Policy in respect of all projects/programs covered under CSR initiatives for the year 2015-16, is in compliance with CSR objectives and Policy of the company

Sd/-
(Dinesh K. Sarraf)
CMD
Member, CSR & SD Committee

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

Enclosure to Annexure - C

Sl. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Project or Program		Amount outlay (budget) project or program wise (₹ in Crore)	Amount spent on the project or program		Cumulative expenditure upto the reporting period (₹ in Crore)	Amount spent: Direct or through Implementing agency (IA) (₹ in Crore)
			Local/ Other	State and District where project or program was undertaken		Direct expenditure (₹ in Crore)	Overheads (₹ in Crore)		
01	Contribution towards LPG Scheme	Rural Development	Other	All India	159.94	159.94		159.94	IOCL
02	Swachh Vidyalaya Abhiyan	Sanitation	Local / other	Orissa, Andhra Pradesh	125.70	101.794		101.794	Sulabh International Social Service, Govt. of Meghalaya and Auroville Unity Fund
03	Swachh Bharat Abhiyan	Sanitation	Local / other	Gujarat, Uttarakhand, Andhra Pradesh, Tripura, TN, Assam, Delhi, J&K, Maharashtra, UP, Rajasthan, Jharkhand	2.652	1.947		1.947	Various implementing Agencies
04	Varisthta Swasth Sewa Abhiyan	Healthcare	Local	Operational area including the States of Operations	16.506	3.231		3.231	Help Age India
05	Health Infrastructure CSR Projects	Healthcare	Local / other	Karnataka, Assam, UP, Gujarat, MP, Delhi, HP, Arunachal Pradesh, Bihar, Uttarakhand	22.738	5.542		5.542	IA
06	Preventive Health Initiatives	Healthcare	Local / other	Uttarakhand, Rajasthan, Karnataka, TN, UP, Bihar, Haryana, Delhi, Andhra Pradesh, Maharashtra, Orissa	6.246	3.368		3.368	IA
07	Education & Skill Development Projects	Education & Skill Development	Local / other	Orissa, Delhi, Uttarakhand, Maharashtra, Haryana, Assam, Arunachal Pradesh, Tripura, UP, Goa, J&K, Gujarat, Kerala, Karnataka, Jharkhand	46.865	24.27		24.27	IA
08	Support to KV Schools of ONGC	Education	Local	Maharashtra, Gujarat, Uttarakhand, Tripura, Assam, Andhra Pradesh, Pondicherry	37.119	37.027		37.027	Kendriya Vidyalaya

Sl. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Project or Program		Amount outlay (budget) project or program wise (₹ in Crore)	Amount spent on the project or program		Cumulative expenditure upto the reporting period (₹ in Crore)	Amount spent: Direct or through Implementing agency (IA) (₹ in Crore)
			Local/ Other	State and District where project or program was undertaken		Direct expenditure (₹ in Crore)	Overheads (₹ in Crore)		
09	Rural Development CSR Programmes	Rural Development	Local/ other	Uttarakhand, Maharashtra, Delhi, UP, Goa, TN, Arunachal Pradesh	1.736	1.484		1.484	IA
10	CSR Project for Promotion of Samskrit Language	Culture	Local / other	All India	5.700	1.141		1.141	Samskrit Promotion Foundation
11	Environment Protection CSR Project	Environment Sustainability	Local / other	Punjab, Gujarat, Delhi, Uttarakhand, HP, UP, Arunachal Pradesh	3.756	2.92		2.92	IA
12	Projects for promotion of Sports	Promotion of Sports	Local / other	Delhi, Uttarakhand, Chandigarh, Orissa, Maharashtra, Punjab, HP, Goa, TN, West Bengal, Kerala, UP, Rajasthan, Haryana, Andaman & Nicobar, Assam, Karnataka, Andhra Pradesh, Manipur, Gujarat, MP	12.463	7.668		7.668	IA
13	Preservation of Monuments	Preservation of Heritage	Local / other	Kerala, Uttarakhand, Delhi	2.051	1.312		1.312	IA
14	ONGC Foundation	Schedule VII of the Companies Act	Other	Delhi	0.400	0.40		0.40	ONGC Foundation
15	CSR projects for welfare of SCs/STs	-do-	Local	Operational area including the States of Operations	6.201	6.032		6.032	Direct/ IA
16	Women Empowerment & Entrepreneurship CSR Projects	Skill Development	Local / other	Delhi, MP, Uttarakhand, Kerala, Bihar, Orissa, Assam	3.626	2.034		2.034	IA
17	CSR Projects for promotion of Art and Culture	Art & Culture	Local / other	Delhi, Uttarakhand, Maharashtra, Gujarat, UP, West Bengal, Orissa	3.462	2.169		2.169	IA
18	CSR Projects of Onshore Asset/ Basin	Schedule VII of the Companies Act	Local	Operational area including the States of Operations	63.217	42.053		42.053	IA
19	CSR Projects of Offshore Asset/ Basin	-do-	Local	Operational area including the States of Operations	3.516	3.182		3.182	IA
20	CSR Projects of Plants	-do-	Local	Operational area including the States of Operations	1.816	1.492		1.492	IA
					525.71	**409.006**	**10.060**	**419.066**	

In addition to the above expenditure for FY 2015-16, Company has identified/approved projects worth Rs. 60 Crore in March, 2016 for which provision has been made for utilisation during the coming months.



ONGC Petro - additions Limited (OPaL): A mega petrochemical project at Dahej SEZ utilises in-house produced C2-C3 and Naphtha from various units of ONGC with its first product out planned in Q2, FY'17

Annexure - D
Awards & Recognitions 2015-16

Corporate Awards

1) ONGC moves up 4 notches in Platts Global ranking

As per the Platts ranking released recently, ONGC is placed 17th among the global energy majors based on net worth, revenues, profits and return on invested capital. ONGC has improved its Platts 250 global ranking of "World's Best Oil & Gas Exploration & Production Companies" by 4 notches in 2015. ONGC is the 7th in the Asia Pacific (APAC) Region, marginally down from 5th in 2014. ONGC maintains its 2nd position in E & P industry in the Asia Pacific, after CNOOC.

2) ONGC is Maharatna of the Year: Dalal Street PSU Awards

ONGC has secured the 'Maharatna of the year' award in the Non-Manufacturing category in the 'Dalal Street Investment Journal Public Sector Undertaking Awards 2014'. DSIJ PSU Awards 2014 are based on assessment of productivity, efficiency, efficacy, profitability, corporate social responsibility etc.

3) ONGC bags the Prestigious Jamnalal Bajaj Award

ONGC was the proud recipient of the Jamnalal Bajaj Award for Fair Business Practices 2014. The award instituted by the Council for Fair Business Practices was given by the Former President of India, Dr. ARJ Abdul Kalam, on the 10th of March, 2015 at Mumbai.

4) ONGC gets Dainik Bhaskar India Pride Award for 'Excellence in Oil & Gas sector'

ONGC bagged the India's Pride Award, instituted by Dainik Bhaskar, for excellence in the oil & gas sector on June 4, 2015. Hon'ble Minister for Finance, Corporate Affairs and Information & Broadcasting Mr. Arun Jaitley gave away the awards.

5) MRPL wins Best Exporter Award

Federation of Karnataka Chambers of Commerce & Industry (FKCCI) conferred the Best Exporter award for 2013-14 in the Medium/Large category to MRPL in recognition of its ₹ 35,392 crores worth of exports for the period. This Award has been won by MRPL for the 5th consecutive time.

6) ONGC is positioned at 220 in Forbes 2000 list, 18th in Oil & Gas

ONGC is positioned 220 in Forbes Global 2000 list published in May'2016. But ONGC has improved its 'Oil & Gas Operations' sector rank to 18, up from 21 last year.

7) Uran Plant and IEOT won Golden Peacock National Quality Awards

Uran Plant and IEOT have been conferred with the Golden Peacock National Quality Award 2015 during the '25th World Congress on Leadership for Business Excellence & Innovation', held between 20-22 April at Dubai. Uran Plant won for outstanding achievement in Quality Management and IEOT won for reassessment methodology for Life Extension of fixed offshore platform where pile/ soil data are missing.

8) ONGC the Most Sustainable Company of India

ONGC was presented with the 'Most Sustainable Company of India' citation on 26th November 2015 at Mumbai. The citation was conferred on ONGC for doing extraordinary work by incorporating and following Corporate Sustainability Practices.

9) ONGC recognized as the 'Most Valuable PSU'

ONGC has been declared as the 'Best Eco Friendly Company' and 'Most Valuable Company' in the Maharatna category, by the India Today Group's Survey of India's best Central Public Sector Undertakings, 2015.

10) ONGC bags Governance Now PSU Awards 2015

ONGC received Governance Now PSU Awards 2015 under four categories, 'Strategic Performance', 'HR Initiatives', 'Green Initiatives' and 'ICT Initiatives' for excellent performance in the Maharatna category.

11) ONGC receives Conservation Award

The Hon'ble Minister of State (I/C) MoP&NG Shri. Dharmendra Pradhan presented conservation award to ONGC on the occasion of Oil & Gas Conservation Fortnight-16 in New Delhi on 18th January, 2016 for ONGC's role in spreading message of oil & gas conservation.

12) ONGC Videsh conferred with PM's Merit Certificate

ONGC Videsh Ltd., the largest stakeholder in Block 06.1 was awarded Prime Minister's Merit Certificate in recognition of its contribution to the development of hydrocarbon industry in Vietnam and 13 years of safe operations. Block 06.1 Project in Vietnam achieved the landmark of 300 million barrels of oil equivalent production.

13) ONGC bags Oil Industry Safety awards 2013-14 awards in multiple categories

ONGC received three awards of Oil Industry Safety Awards 2013-14, which were presented by the Minister of State for Petroleum & Natural Gas, Shri Dharmendra Pradhan, at New Delhi on 4th August 2015. Rajahmundry Asset bagged the 'Oil Industry Safety award 2013-14' for Onshore Asset category, while B193 platform received for Offshore Asset category and Uran Plant received the safety award in 'Gas processing Plants' category.

14) ONGC among top 10 Indian Brands

A recent study by Brand Finance has found ONGC to be among the top 10 Most Valuable Brands in India. The top ten brands also include State Bank of India, LIC, Reliance Industries, Indian Oil Corporation, Infosys, L&T and HCL.

15) ONGC ranks at 449 in Fortune Global 500 Companies

ONGC continues to be part of the elite group at the forefront of business ranked at 449 in the Fortune Global 500 companies list of 2014. The ranking is based on the revenue. ONGC is among the seven companies from India.

16) ONGC bags PetroFed awards in multiple categories

ONGC bagged awards in multiple categories at the Annual PetroFed Oil & Gas Industry Awards 2014 excellence in performance. ONGC won the awards in two categories: (i) Exploration & Production – Company of the Year and (ii) Project Management (₹ 500-2000 crore)- Company of the Year. The award for Project Management was for the Cluster-7 project. The awards were presented by the Hon'ble Minister of State (I/C) for Petroleum & Natural Gas, Shri. Dharmendra Pradhan in New Delhi on 15th July, 2015.

17) MRPL bags 'Top Exporter Premier Trading House' award in Non-MSME category

MRPL bagged the 'Top Exporter Premier Trading House award in Non- MSME category' at the Export Excellence Awards by Western Region of Federation of Indian Export Organizations (FIEO) held on 22nd July, 2015 at Mumbai.

18) ONGC bags 'Best Maharatna' and 'E&P Company' award at Dun & Bradstreet PSU awards 2015

On 23rd July, 2015, ONGC was adjudged as the 'Best Maharatna' and 'E&P Company' award at Dun & Bradstreet PSU Excellence Awards 2015 for its stellar management and leadership.

19) ONGC Videsh wins 'Best Miniratna' at Dun & Bradstreet PSU awards 2015

On 23rd July, 2015, ONGC Videsh was also adjudged as the 'Best Miniratna' at Dun & Bradstreet PSU Excellence Awards 2015.

20) Uran Plant bags Greentech Safety Award 2015 under Gold Category

Uran Plant has received 'Greentech Safety Award 2015' under Gold Category during the 14th Annual Greentech Occupational Health Safety & Fire Conference 2015 held at Goa during 24-25 July, 2015.

21) Hazira Plant receives 'Golden Peacock Environment Management Award 2015'

Hazira Plant won coveted 'Golden Peacock Environment Management Award- 2015'. The award was presented by Hon'ble Minister of Environment & Forests and Climate Change Shri Prakash Javadekar at New Delhi on the 11th July, 2015.

22) ONGC Portal wins top international award for internal communication initiatives

ONGC internal communications website ONGC Reports secured an international award for 'Online Internal Communications' from the prestigious 'Society for New Communications Research' [SNCR], New York, USA. The 2016 SNCR Excellence in New Communications Awards were publicly announced by the Society for New Communications Research at New York on 18 May 2016. ONGC secured the Top award under the category: Internal Social/Online Internal Communications and Communities, Government Division.

Individual Awards/Accolades

ONGC Fire Services Personnel earns National Level recognition

ONGC Fire Services personnel are on the list of awardees of the prestigious Fire Service Medal for meritorious services announced by the Hon'ble President of India on the occasion of Republic Day 2016. Mr. A K Tripathi, DGM (FS), Ankleshwar Asset, Mr. V T Koli, Sr. Fire Officer, Cambay Asset and Mr. K K Gogoi, ACI (Fire), Assam Asset are the privileged recipients of the medal.

Awards and Accolades



ONGC CMD, Shri Dinesh K. Sarraf receiving the 'Scope Excellence Award' under Maharatna category from President of India Shri Pranab Mukherjee at Delhi on occasion of the 7th Public Sector Day

Awards and Accolades



ONGC bagged 'Exploration & Production - Company of the year' and Project Management (₹ 500-2000 crore) at the PetroFed Oil & Gas Industry Awards - 2014. The awards were presented by the Hon'ble Minister of State (I/C), Petroleum & Natural Gas, Shri Dharmendra Pradhan and Secretary, MoPNG Shri K. D. Tripathi was the Guest of Honour at the award ceremony

Annexure - E

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

i **CIN: -** L74899DL1993GOI054155

ii) **Registration Date:** 23rd day of June, 1993

iii) **Name of the Company:** Oil and Natural Gas Corporation Limited

iv) **Category / Sub-Category of the Company:** Government Company

v) **Address of the Registered office and contact details:** Jeevan Bharti Building, Tower-II, 124 Indira Chowk New Delhi-110001. Ph: 23310156, Fax: 23311326

vi) **Whether listed company Yes / No: Yes**

vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:** M/s Alankit Assignments Limited, Alankit Heights, 1E/13 Jhandewalan Extension,New Delhi – 110055 Tel: 91-11-4254 1234/1960, Fax: 91-11-42541201/23552001,www.alankit.com, rsmaurya@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% total turnover of the company
1	Crude Oil	27090000	66.53%
2	Natural Gas	27112100	23.42%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN /GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of Shares Held	Applicable Section
1.	ONGC Videsh Limited 6th Floor, Kailash Building, 26, Kasturba Gandhi Marg, New Delhi-110001	U74899DL1965GOI004343	Subsidiary	100	2(87)
2.	Mangalore Refinery and Petrochemicals Limited Mudapada Kuthethur P.O., Via Katipalla, Mangalore-575030	L85110KA1988GOI008959	Subsidiary	71.63	2(87)
3.	ONGC Mangalore Petrochemicals Limited Mangalore Special Economic Zone Permude, Mangalore – 574 509	U40107KA2006PLC041258	Subsidiary	48.99	2(87)
4	ONGC Petro additions Ltd. 1st floor, Omkara Building, Sai Chowkri, Manjalpur, Vadodara-390011	U23209GJ2006PLC060282	Joint Venture	49.36	2(6)
5	ONGC Tripura Power Co. Ltd. ONGC Tripura Asset, Badarghat Complex, Agartala, Tripura- 799014	U40101TR2004PLC007544	Joint Venture	50	2(6)
6	Mangalore SEZ Limited Al-Latheef, 1st Floor, No.2 Union Street , off Infantry Road , Bangalore Karnataka 560001	U45209KA2006PLC038590	Joint Venture	26.82	2(6)
7	Petronet MHB Limited No. 332, Darussalam Building, First Floor, Queen's Road, Bangalore-560052	U85110KA1998PLC024020	Joint Venture	28.77	2(6)

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN /GLN	HOLDING / SUBSIDIARY/ ASSOCIATE	% of Shares Held	Applicable Section
8	Dahej SEZ Limited Block No.14, 3rd Floor, Udyog Bhavan, Sector-11 Gandhinagar- 382017, Gujrat	U45209GJ2004PLC044779	Joint Venture	50	2(6)
9	ONGC TERI Biotech Ltd TERI Complex, Darbari Seth Block, IHC Complex, Lodhi Road, New Delhi – 110003	U74120DL2007PLC161117	Joint Venture	9.98	2(6)
10	Petronet LNG Limited World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi-110001	L74899DL1998PLC093073	Joint Venture	12.50	2(6)
11	Pawan Hans Limited Safdarjung Airport, South Delhi , New Delhi-110003	U62200DL1985GOI022233	Associate	49	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. **Promoters**									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	5897760333	0	5897760333	68.94	5897676260	0	5897676260	68.93	(0.01)
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other…	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1):-	5897760333	0	5897760333	68.94	5897676260	0	5897676260	68.93	(0.01)
(2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other…	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	5897760333	0	5897760333	68.94	5897676260	0	5897676260	68.93	-0.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	78851027	6300	78857327	0.92	115253433	6300	115259733	1.35	0.43
b) Banks/FI	102832805	60	102832865	1.2	117821934	60	117821994	1.38	0.18
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	709625175	5700	709630875	8.29	780393335	5700	780399035	9.12	0.83
g) FIIs	614286761	0	614286761	7.18	479237485	0	479237485	5.6	-1.58
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
I Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1):-	1505595768	12060	1505607828	17.59	1492706187	12060	1492718247	17.45	-0.14



Director (T&FS), Shri Shashi Shanker inspecting activities on the Rig Floor at Offshore

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas	995168127	9889	995178016	11.63	989273503	9889	989283392	11.56	(0.07)
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	131937061	6154696	138091757	1.61	142623442	794643	143418085	1.67	0.06
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6009935	0	6009935	0.07	13595117	0	13595117	0.16	0.09
c) Others(specify)									
Non Resident Indians	4065652	38594	4104246	0.05	4901154	38594	4939748	0.06	0.01
Clearing Members/others	3153654	0	3153654	0.04	82299	5024158	5106457	0.06	0.02
Trusts	5581811	0	5581811	0.07	8749798	0	8749798	0.10	0.03
Foreign Nationals	2540	0	2540	0.00	3016	0	3016	0.00	0.00
Sub-total (B)(2):-	1145918780	6203179	1152121959	13.47	1159228329	5867284	1165095613	13.62	0.15
Total Public Shareholding (B)=(B)(1)+(B)(2)	2651514548	6215239	2657729787	31.06	2651934516	5879344	2657813860	31.07	0.01
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**8549274881**	**6215239**	**8555490120**	**100.00**	**8549610776**	**5879344**	**8555490120**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sl No.	Share holder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumberd to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumberd to total shares	% change in shareholding during the year
1	President of India	5897760333	68.94%	---	5897676260	68.93%	--	(0.01)%
	Total	**5897760333**	**68.94%**	**---**	**5897676260**	**68.93%**	**--**	**(0.01)%**

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

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	5897760333	68.94%		
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	84,073 equity (Off market Transaction) on 10.04.2015	0.0009%	5897676260	68.93%
	At the end of the year			5897676260	68.93%

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

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the top 10 shareholders	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	**Details are placed at Annexure-A**			
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

v) Shareholding of Directors and Key Managerial Personnel (KMP) :

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Directors and KMP	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	(A) At the beginning of the year				
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				
	(C) At the End of the year				
1.	**Shri Dinesh K. Sarraf (CMD)**				
	(A)	3192	0.000037	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	3192	0.000037
2.	**Shri A. K. Banerjee, Director (Finance)**				
	(A)	3172			
	(B)	----	----	NIL	NIL
	(C) superannuated on 30.04.2015		3172	0.000037	
3.	**Shri Shashi Shanker, Director (T&FS)**				
	(A)	3712	0.000043	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	3712	0.000043
4.	**Shri Tapas Kumar Sengupta, Director (Offshore)**				
	(A)	3672	0.000043	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	3672	0.000043
5.	**Shri Ashok Varma, Director (Onshore)**				
	(A)	NIL	NIL	----	----
	(B)	----	----	NIL	NIL
	(C) superannuated on 31.07.2015	----	----	NIL	NIL
6.	**Shri Desh Deepak Misra, Director (HR)**				
	(A)	1700	0.000020	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	1700	0.000020
7.	**Shri Ajay Kumar Dwivedi, Director (Exploration)**				
	(A)	820	0.000010	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	820	0.000010
8.	**Shri Ved Prakash Mahawar, Director (Onshore)**				
	(A) appointed w.e.f 01.08.2015	1272	0.000015	----	----
	(B)			NIL	NIL
	(C)			1272	0.000015
9.	**Shri Adapa Krishnarao Srinivasan, Director (Finance)**				
	(A) appointed w.e.f 23.09.2015	5752	0.000067	----	----
	(B)	----	----	NIL	NIL
	(C)	----	----	5752	0.000067

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10.	**Shri Upendra Prasad Singh, Govt. Nominee Director**				
	(A)	**NIL**	**NIL**	----	----
	(B)	----	----	**NIL**	**NIL**
	(C)	----	----	**NIL**	**NIL**
11.	**Ms. Atreyee Das, Govt. Nominee Director**				
	(A)	**NIL**	**NIL**	----	----
	(B)	----	----	**NIL**	**NIL**
	(C) ceased w.e.f 02.01.2016	----	----	**NIL**	**NIL**
12.	**Shri Ajay Prakash Sawhney , Govt. Nominee Director**				
	(A) appointed w.e.f.02.01.2016	**NIL**	**NIL**	----	----
	(B)	----	----	**NIL**	**NIL**
	(C)	----	----	**NIL**	**NIL**
13.	Shri K.N. Murthy, Independent Director				
	(A)	**NIL**	**NIL**	----	----
	(B)	----	----	**NIL**	**NIL**
	(C) ceased w.e.f 21.03.2016	----	----	**NIL**	**NIL**
14.	**Shri Ajai Malhotra, Independent Director**				
	(A) appointed w.e.f. 20.11.2015	---	----	----	----
	(B)	**1100**	**0.000013**	----	----
	(C)	----	----	**1100**	**0.000013**
15.	**Prof. Shireesh Balwant Kedare, Independent Director** (A) appointed w.e.f. 20.11.2015				
	(B)	**NIL**	**NIL**		
	(C)	----	----	**NIL**	**NIL**
16.	**Shri K.M. Padmanabhan, Independent Director**				
	(A) appointed w.e.f. 20.11.2015				
	(B)	**NIL**	**NIL**		
	(C)	----	----	**NIL**	**NIL**
17.	**Shri N.K. Sinha, Company Secretary**				
	(A)	**NIL**	**NIL**	----	----
	(B)	----	----	**NIL**	**NIL**
	(C) superannuated on 30.06.2015	----	----	**NIL**	**NIL**
18.	**Shri V.N. Murthy, Company Secretary**				
	(A) appointed w.e.f 01.07.2015	**NIL**	**NIL**	----	----
	(B) ----	----	**NIL**	**NIL**	
	(C) ----	----	**NIL**	**NIL**	

v) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
I Principal Amount	13,93,00,00,000	NIL	NIL	13,93,00,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**
Change in Indebtedness during the financial year				
• Additions				
• Reduction	13,93,00,00,000	NIL	NIL	13,93,00,00,000
Net Change	**13,93,00,00,000**	**NIL**	**NIL**	**13,93,00,00,000**
Indebtedness at the end of the financial year				
I Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**

vi) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and / or Manager : (Figures in ₹)

Particulars of Remuneration	Name of MD/WTD / Manager									Total Amount
	Shri Dinesh K. Sarraf	Shri A.K. Banerjee Upto 30.04.2015	Shri Shashi Shanker	Shri Tapas Kumar Sengupta	Shri Ashok Varma Upto 31.07.2015	Shri Desh Deepak Misra	Shri A.K. Dwivedi	Shri Ved Prakash Mahawar Upto 01.08.2015	Shri A.K Srinivasan Upto 23.09.2015	
	CMD	Director (Finance)	Director (T&FS)	Director (Offshore)	Director (Onshore)	Director (HR)	Director (Exploration)	Director (Onshore)	Director (Finance)	
Gross salary										
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	50,84,849	36,06,174	28,75,831	30,76,478	36,38,185	32,04,779	29,82,097	22,41,150	15,94,178	2,83,03,721
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,82,334	74,622	5,82,627	7,17,271	30,837	7,08,832	6,72,922	1,74,403	4,29,846	36,73,694
© Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-	-		
Stock Option	-	-	-	-	-	-	-	-		
Sweat Equity	-	-	-	-	-	-	-	-		
Commission	-	-	-	-	-	-	-	-		
- As % of profit	-	-	-	-	-	-	-	-		
- Others, specify..	-	-	-	-	-	-	-	-		
Others, please specify	-	-	-	-	-	-	-	-	-	
5. Others-Provision for PRP, gratuity ,leave encashment under AS-15, Contribution to CSSS,PF, EPS, reimbursement of employer paid taxes, reimbursements not included under 17(2)	6,74,936	(7,99,908)	5,86,330	8,55,920	(2,80,004)	8,58,207	16,05,709	10,96,605	9,32,429	55,30,224
Total (A)	60,42,119	28,80,888	40,44,788	46,49,669	33,89,018	47,71,818	52,60,728	35,12,158	29,56,453	3,75,07,639
Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies.									

B. Remuneration to other directors:

(Figures in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri K.N. Murthy Ceased w.e.f 21.03.2016	**Shri Ajai Malhotra** appointed w.e.f 20.11.2015	**Prof. Shireesh Balwant Kedare** appointed w.e.f 20.11.2015	**Shri K.M. Padmanabhan** appointed w.e.f 20.11.2015	
1	Independent Directors					
	• Fee for attending board committee meetings	18,70,000	6,30,000	4,80,000	5,30,000	35,10,000
	· Commission	NIL	NIL	NIL	NIL	NIL
	· Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	18,70,000	6,30,000	4,80,000	5,30,000	35,10,000
2	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	**18,70,000**	**6,30,000**	**4,80,000**	**5,30,000**	**35,10,000**
	Total Managerial Remuneration	18,70,000	6,30,000	4,80,000	5,30,000	35,10,000
	Ceiling as per the Act	Not applicable as section 197 of Companies Act, 2013 shall not apply to Government Companies.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Figures in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	Company Secretary	CFO	
			Shri N.K. Sinha upto 30.06.2015	**Shri V.N. Murthy** w.e.f 01.07.2015		
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		30,33,982	21,46,514		51,80,496
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		59,175	1,86,755		2,45,930
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - As % of profit - Others, specify.					
5.	Others-Provision for PRP,Provisions under AS-15,Contribution to CSSS,PF,EPS , reimbursement of employer paid taxes, reimbursements not included under 17(2)		(2,08,336)	8,05,823		5,97,487
	Total		**28,84,821**	**31,39,092**		**60,23,91**

vii) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fee imposed	Authority (RD/NCLT/ NCLT/COURT)	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding	NIL	NIL	NIL	NIL	NIL



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APPENDIX

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

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	LIFE INSURANCE CORPORATION OF INDIA		No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year		677,182,291	7.92		
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
	Date	Reason				
	7/31/2015	Purchase	1,842,975		679,025,266	7.94
	8/7/2015	Purchase	1,380,943		680,406,209	7.95
	8/14/2015	Purchase	919,976		681,326,185	7.96
	8/21/2015	Purchase	2,834,214		684,160,399	8.00
	8/28/2015	Purchase	2,682,625		686,843,024	8.03
	9/11/2015	Purchase	4,268,250		691,111,274	8.08
	9/18/2015	Purchase	2,767,564		693,878,838	8.11
	9/25/2015	Purchase	2,684,099		696,562,937	8.14
	9/30/2015	Purchase	2,993,399		699,556,336	8.18
	10/2/2015	Purchase	708,135		700,264,471	8.18
	10/9/2015	Purchase	826,628		701,091,099	8.19
	12/4/2015	Purchase	700,000		701,791,099	8.20
	12/11/2015	Purchase	3,547,302		705,338,401	8.24
	12/18/2015	Purchase	4,680,525		710,018,926	8.30
	12/25/2015	Purchase	1,733,825		711,752,751	8.32
	12/31/2015	Purchase	3,463,398		715,216,149	8.36
	1/1/2016	Purchase	1,195,244		716,411,393	8.37
	1/8/2016	Purchase	301,501		716,712,894	8.38
	1/15/2016	Purchase	1,884,210		718,597,104	8.40
	1/22/2016	Purchase	4,316,088		722,913,192	8.45
	1/29/2016	Purchase	2,882,529		725,795,721	8.48
	2/5/2016	Purchase	1,036,865		726,832,586	8.50
	2/12/2016	Purchase	2,133,372		728,965,958	8.52
	3/18/2016	Purchase	4,545,609		733,511,567	8.57
	3/25/2016	Purchase	2,998,900		736,510,467	8.61
	3/31/2016	Purchase	4,457,767		740,968,234	8.66
	(C) at the end of the year(or on the date of separation if separated during the year)				740,968,234	8.66

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2.	INDIAN OIL CORPORATION LIMITED	No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year	657,923,428	7.69		
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	_	_		
	(C) at the end of the year(or on the date of separation if separated during the year)	_	_	657,923,428	7.69

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3.	GAIL INDIA LIMITED	No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year	205,601,068	2.40		
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	_	_		
	(C) at the end of the year(or on the date of separation if separated during the year)	_	_	205,601,068	2.40

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
4.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.		No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year		37,140,388	0.43	----	----
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
	Date	Reason				
	4/10/2015	Purchase	873,331		38,013,719	0.44
	4/17/2015	Purchase	126,606		38,140,325	0.45
	4/24/2015	Purchase	58,786		38,199,111	0.45
	5/1/2015	Sale	-299,426		37,899,685	0.44
	5/8/2015	Sale	-46,499		37,853,186	0.44

	5/15/2015	Purchase	185,303		38,038,489	0.44
	5/22/2015	Purchase	91,163		38,129,652	0.45
	5/29/2015	Sale	-159,136		37,970,516	0.44
	6/5/2015	Purchase	19,038		37,989,554	0.44
	6/12/2015	Sale	-22,319		37,967,235	0.44
	6/19/2015	Purchase	101,930		38,069,165	0.44
	6/26/2015	Sale	-34,947		38,034,218	0.44
	6/30/2015	Purchase	12,035		38,046,253	0.44
	7/3/2015	Purchase	79,390		38,125,643	0.45
	7/10/2015	Purchase	260,167		38,385,810	0.45
	7/17/2015	Purchase	271,018		38,656,828	0.45
	7/24/2015	Purchase	234,971		38,891,799	0.45
	7/31/2015	Purchase	1,000,000		39,891,799	0.47
	8/7/2015	Purchase	847,161		40,738,960	0.48
	8/14/2015	Purchase	1,472,256		42,211,216	0.49
	8/21/2015	Purchase	957,947		43,169,163	0.50
	8/28/2015	Purchase	1,853,094		45,022,257	0.53
	9/4/2015	Purchase	899,988		45,922,245	0.54
	9/11/2015	Purchase	1,107,906		47,030,151	0.55
	9/18/2015	Purchase	181,760		47,211,911	0.55
	9/25/2015	Purchase	257,442		47,469,353	0.55
	30/092015	Sale	-89,618		47,379,735	0.55
	10/2/2015	Purchase	232,793		47,612,528	0.56
	10/9/2015	Purchase	658,323		48,270,851	0.56
	10/16/2015	Purchase	27,501		48,298,352	0.56
	10/23/2015	Sale	-18,916		48,279,436	0.56
	10/30/2015	Purchase	108,784		48,388,220	0.57
	11/6/2015	Sale	-21,317		48,366,903	0.57
	11/13/2015	Purchase	358,490		48,725,393	0.57
	11/20/2015	Purchase	259,473		48,984,866	0.57
	11/27/2015	Purchase	439,060		49,423,926	0.58
	12/4/2015	Purchase	247,713		49,671,639	0.58
	12/11/2015	Purchase	131,841		49,803,480	0.58
	12/18/2015	Purchase	849,229		50,652,709	0.59
	12/25/2015	Sale	-28,412		50,624,297	0.59
	12/31/2015	Purchase	155,870		50,780,167	0.59
	1/1/2016	Sale	-399,685		50,380,482	0.59
	1/8/2016	Sale	-52,757		50,327,725	0.59
	1/15/2016	Purchase	67,770		50,395,495	0.59
	1/22/2016	Purchase	636,096		51,031,591	0.60
	1/29/2016	Purchase	1,199,072		52,230,663	0.61
	2/5/2016	Purchase	832,650		53,063,313	0.62
	2/12/2016	Purchase	720,563		53,783,876	0.63
	2/19/2016	Purchase	753,118		54,536,994	0.64
	2/26/2016	Purchase	169,734		54,706,728	0.64
	3/4/2016	Sale	-374,850		54,331,878	0.64

	3/11/2016	Sale	-290,162		54,041,716	0.63
	3/18/2016	Purchase	26,717		54,068,433	0.63
	3/25/2016	Purchase	495,158		54,563,591	0.64
	3/31/2016	Purchase	60,353		54,623,944	0.64
	(C) at the end of the year(or on the date of separation if separated during the year)				54,623,944	0.64

Sl. No.	FRANKLIN TEMPLETON INVESTMENT FUNDS		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
5.			No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year		73,193,580	0.86		
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
	Date	Reason				
	6/5/2015	Purchase	210,700		73,404,280	0.86
	6/12/2015	Purchase	284,800		73,689,080	0.86
	6/19/2015	Purchase	96,500		73,785,580	0.86
	7/31/2015	Sale	-4,072,000		69,713,580	0.81
	8/28/2015	Sale	-5,155,662		64,557,918	0.75
	9/4/2015	Sale	-4,583,489		59,974,429	0.70
	9/11/2015	Sale	-1,681,021		58,293,408	0.68
	9/18/2015	Sale	-1,818,090		56,475,318	0.66
	9/30/2015	Sale	-4,284,514		52,190,804	0.61
	10/2/2015	Sale	-1,315,000		50,875,804	0.59
	10/9/2015	Sale	-1,173,819		49,701,985	0.58
	10/16/2015	Purchase	20,484		49,722,469	0.58
	10/30/2015	Sale	-2,713,600		47,008,869	0.55
	11/13/2015	Sale	-19,600		46,989,269	0.55
	11/20/2015	Sale	-3,553,900		43,435,369	0.51
	12/4/2015	Sale	-2,854,228		40,581,141	0.47
	12/11/2015	Sale	-489,872		40,091,269	0.47
	12/18/2015	Sale	-1,305,800		38,785,469	0.45
	2/19/2016	Purchase	953,600		39,739,069	0.46
	2/26/2016	Purchase	404,010		40,143,079	0.47
	3/4/2016	Purchase	547,700		40,690,779	0.48
	3/11/2016		1,724,600		42,415,379	0.50
	(C) at the end of the year(or on the date of separation if separated during the year)				42,415,379	0.50

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
6.	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE		No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year		37,374,692	0.44		
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
	Date	Reason				
	5/1/2015	Purchase	109,010		37,483,702	0.44
	5/8/2015	Purchase	123,875		37,607,577	0.44
	6/26/2015	Sale	-318,027		37,289,550	0.44
	7/24/2015	Purchase	201,902		37,491,452	0.44
	8/14/2015	Sale	-116,900		37,374,552	0.44
	8/21/2015	Sale	-280,560		37,093,992	0.43
	8/28/2015	Sale	-547,092		36,546,900	0.43
	9/4/2015	Sale	-748,160		35,798,740	0.42
	9/11/2015	Sale	-392,784		35,405,956	0.41
	9/25/2015	Sale	-102,872		35,303,084	0.41
	9/30/2015	Sale	-308,616		34,994,468	0.41
	10/30/2015	Sale	-342,102		34,652,366	0.41
	11/6/2015	Sale	-110,122		34,542,244	0.40
	11/20/2015	Sale	-170,547		34,371,697	0.40
	11/27/2015	Sale	-39,795		34,331,902	0.40
	12/4/2015	Sale	-145,533		34,186,369	0.40
	12/18/2015	Sale	-285,738		33,900,631	0.40
	12/25/2015	Sale	-357,577		33,543,054	0.39
	12/31/2015	Sale	-181,095		33,361,959	0.39
	1/15/2016	Sale	-209,818		33,152,141	0.39
	1/22/2016	Sale	-237,930		32,914,211	0.38
	1/29/2016	Sale	-197,054		32,717,157	0.38
	2/5/2016	Sale	-443,070		32,274,087	0.38
	2/12/2016	Sale	-150,605		32,123,482	0.38
	2/26/2016	Sale	-253,997		31,869,485	0.37
	3/4/2016	Sale	-273,850		31,595,635	0.37
	3/11/2016	Purchase	84,360		31,679,995	0.37
	3/18/2016	Sale	-83,562		31,596,433	0.37
	3/25/2016	Sale	-135,606		31,460,827	0.37
	(C) at the end of the year(or on the date of separation if separated during the year)				31,460,827	0.37

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
7.	LIC OF INDIA MARKET PLUS 1 GROWTH FUND		No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year		7,144,422	0.08		
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
	Date	Reason				
	7/31/2015	Purchase	1,241,071		8,385,493	0.10
	8/7/2015	Purchase	911,569		9,297,062	0.11
	8/14/2015	Purchase	251,498		9,548,560	0.11
	8/21/2015	Purchase	1,449,215		10,997,775	0.13
	8/28/2015	Purchase	145,574		11,143,349	0.13
	9/11/2015	Purchase	698,031		11,841,380	0.14
	9/18/2015	Purchase	884,231		12,725,611	0.15
	9/25/2015	Purchase	1,957,977		14,683,588	0.17
	9/30/2015	Purchase	779,500		15,463,088	0.18
	10/30/2015	Purchase	1,598,997		17,062,085	0.20
	11/6/2015	Purchase	3,221,838		20,283,923	0.24
	11/13/2015	Purchase	1,800,000		22,083,923	0.26
	11/20/2015	Purchase	2,786,939		24,870,862	0.29
	11/27/2015	Purchase	546,171		25,417,033	0.30
	(C) at the end of the year(or on the date of separation if separated during the year)				25,417,033	0.30

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
8.	GOVERNMENT PENSION FUND GLOBAL		No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year			24,757,906	0.29	
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
	Date	Reason				
	29/05/2015	Sale	-123,786		24,634,120	0.29
	05/06/2015	Sale	-83,214		24,550,906	0.29
	13/11/2015	Purchase	259,798		24,810,704	0.29
	(C) at the end of the year(or on the date of separation if separated during the year)				24,810,704	0.29

Sl. No.	CPSE ETF		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
9.			No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year		15,975,672	0.19		
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
	Date	Reason				
	4/3/2015	Sale	-1,742		15,973,930	0.19
	4/10/2015	Purchase	183,495		16,157,425	0.19
	4/17/2015	Sale	-90,584		16,066,841	0.19
	4/24/2015	Sale	-41,808		16,025,033	0.19
	5/1/2015	Purchase	1,672,272		17,697,305	0.21
	5/8/2015	Sale	-24,908		17,672,397	0.21
	5/15/2015	Sale	-393,517		17,278,880	0.20
	5/22/2015	Sale	-217,848		17,061,032	0.20
	5/29/2015	Sale	-26,292		17,034,740	0.20
	6/5/2015	Sale	-15,024		17,019,716	0.20
	6/12/2015	Sale	-13,146		17,006,570	0.20
	6/19/2015	Sale	-16,902		16,989,668	0.20
	6/26/2015	Sale	-56,340		16,933,328	0.20
	6/30/2015	Sale	-45,072		16,888,256	0.20
	7/3/2015	Sale	-38,967		16,849,289	0.20
	7/10/2015	Sale	-20,648		16,828,641	0.20
	7/17/2015	Sale	-28,155		16,800,486	0.20
	7/24/2015	Sale	-3,754		16,796,732	0.20
	7/31/2015	Purchase	11,262		16,807,994	0.20
	8/7/2015	Purchase	161,422		16,969,416	0.20
	8/14/2015	Purchase	3,387,617		20,357,033	0.24
	8/21/2015	Purchase	60,291		20,417,324	0.24
	8/28/2015	Sale	-203,203		20,214,121	0.24
	9/4/2015	Purchase	37,961		20,252,082	0.24
	9/11/2015	Purchase	256,558		20,508,640	0.24
	9/18/2015	Purchase	40,338		20,548,978	0.24
	9/25/2015	Purchase	92,669		20,641,647	0.24
	9/30/2015	Purchase	17,960		20,659,607	0.24
	10/2/2015	Purchase	22,450		20,682,057	0.24
	10/9/2015	Purchase	121,226		20,803,283	0.24
	10/16/2015	Purchase	40,500		20,843,783	0.24
	10/30/2015	Sale	-6,750		20,837,033	0.24
	11/6/2015	Sale	-6,750		20,830,283	0.24
	11/13/2015	Sale	-1,176,988		19,653,295	0.23
	11/20/2015	Purchase	106,118		19,759,413	0.23
	11/27/2015	Purchase	4,270		19,763,683	0.23
	12/4/2015	Sale	-19,215		19,744,468	0.23
	12/11/2015	Purchase	4,270		19,748,738	0.23
	12/18/2015	Purchase	2,135		19,750,873	0.23

	2/26/2016	Sale	-74,054		19,676,819	0.23
	04/03/2016	Purchase	801,885		20,478,704	0.24
	11/03/2016	Sale	-2,224		20,476,480	0.24
	18/03/2016	Sale	-2,224		20,474,256	0.24
	25/03/2016	Purchase	969,716		21,443,972	0.25
	31/03/2016	Purchase	136,290		21,580,262	0.25
	(C) at the end of the year(or on the date of separation if separated during the year)				21,580,262	0.25

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10.	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND		No. of shares	% of total share of the company	No. of shares	% of total share of the company
	(A) At the beginning of the year		14,433,637	0.17		
	(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
	Date	Reason				
	10/04/2015	Purchase	247,893		14,681,530	0.17
	17/04/2015	Purchase	178,602		14,860,132	0.17
	24/04/2015	Purchase	65,826		14,925,958	0.17
	01/05/2015	Purchase	216,397		15,142,355	0.18
	08/05/2015	Purchase	124,022		15,266,377	0.18
	15/05/2015	Purchase	60,818		15,327,195	0.18
	22/05/2015	Purchase	161,765		15,488,960	0.18
	29/05/2015	Purchase	196,669		15,685,629	0.18
	05/06/2015	Purchase	194,733		15,880,362	0.19
	12/06/2015	Purchase	104,645		15,985,007	0.19
	19/06/2015	Purchase	106,054		16,091,061	0.19
	26/06/2015	Purchase	99,768		16,190,829	0.19
	03/07/2015	Purchase	116,242		16,307,071	0.19
	10/07/2015	Purchase	205,558		16,512,629	0.19
	17/07/2015	Purchase	344,940		16,857,569	0.20
	24/07/2015	Purchase	239,794		17,097,363	0.20
	31/07/2015	Purchase	345,707		17,443,070	0.20
	07/08/2015	Purchase	362,522		17,805,592	0.21
	14/08/2015	Purchase	234,153		18,039,745	0.21
	21/08/2015	Purchase	243,987		18,283,732	0.21

	28/08/2015	Purchase	271,431		18,555,163	0.22
	04/09/2015	Purchase	147,073		18,702,236	0.22
	11/09/2015	Purchase	146,975		18,849,211	0.22
	25/09/2015	Purchase	137,469		18,986,680	0.22
	09/10/2015	Purchase	145,633		19,132,313	0.22
	30/10/2015	Purchase	125,625		19,257,938	0.23
	06/11/2015	Purchase	132,549		19,390,487	0.23
	20/11/2015	Purchase	140,142		19,530,629	0.23
	04/12/2015	Purchase	131,403		19,662,032	0.23
	11/12/2015	Purchase	10,931		19,672,963	0.23
	18/12/2015	Purchase	154,105		19,827,068	0.23
	08/01/2016	Purchase	140,085		19,967,153	0.23
	15/01/2016	Purchase	282,573		20,249,726	0.24
	22/01/2016	Purchase	149,686		20,399,412	0.24
	29/01/2016	Purchase	311,554		20,710,966	0.24
	19/02/2016	Purchase	155,776		20,866,742	0.24
	26/02/2016	Purchase	171,043		21,037,785	0.25
	3/4/2016	Purchase	159,049		21,196,834	0.25
	3/18/2016	Purchase	1,481		21,198,315	0.25
	3/31/2016	Purchase	155,394		21,353,709	0.25
	(C) at the end of the year(or on the date of separation if separated during the year)				21,353,709	0.25



Panoramic daytime view of Mangalore Refinery

Annexure - F

A. ENERGY CONSERVATION

The following measures were taken towards energy conservation during FY'16

Measures taken earlier contributing to energy savings

- Revised policy guideline on usage of LED lights for all types of lighting applications across ONGC has been formulated and got approved by Management.
- During the year LED Retrofit tube lights (20W) were replaced in place of conventional 36W/40W tubelights having power consumption of approx. 50W at many locations.
- 25 KW Roof top Solar Plant was installed at KDMIPE which is feeding power to Streetlights of KDMIPE.
- Use of Solar power is envisaged for electricity generation of 50-60 KW at CEWELL to take care of about half of CEWELL consumption of electricity. The project is to be completed by 2nd quarter of Fy'17.
- Installed 10 KW Solar PV power plant LED lighting system for area lighting installed on work-over Rigs at Ankleshwar and Mehsana Asset Officer's club, Dehradun.
- Installation of 22500 LPD Solar Water Heating System at CISF Colony, Dehradun is in progress.
- Uran Plant has installed a 125 KW Solar Power Plant.
- IEOT is working on 1 MW Solar Power Generation Project at ONGC Complex, Ph-II, Panvel. Techno Feasibility study of the project has been submitted to Maharashtra State Electricity Distribution Company.
- Hazira Plant has replaced five Air Handling Units which were 25 years old with technological advanced units resulting in substantial energy savings.
- LP gas compressor package for recovering flare gas commissioned at North Kadi GGS-IV, Mehsana Asset as a result low pressure gas flaring has been substantially reduced. The compressor package has not only helped to recover low pressure gas but also helped the Asset in reducing its carbon footprint.
- Hired Gas compressor of 1 LCMD capacity commissioned at CTF in Ankleshwar Asset on 11th March'16. This will help in reducing gas flaring in Ankleshwar Asset by 50%.
- Implementation of Energy Management System - ISO 50001 at Uran Plant, Ahmedabad Asset (GGS-II & GCP Kalol) and IDT Dehradun.
- As per prevalent practice, all the offshore rigs / platforms are audited every year where as onshore rigs / installations/ buildings are audited every alternate year. The energy auditor based on the electrical energy audit and its findings with respect to the rig/ installation, raises observations in the form of suggestions for improvement in energy efficiency. Total 205 no. of Energy Audits were carried out during 2015-16.

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

The energy conservation measures taken as above have resulted in significant saving. Further, the above measures have resulted in reduction of significant quantity of fuel/power consumption (HSD, Natural Gas and electricity).

B. RESEARCH AND DEVELOPMENT

ONGC has entered into an agreement with the Pan-IIT forum, comprising of seven IITs, for carrying out research in jointly identified areas with pooled resources of both ONGC institutes and IITs.

To begin with, seven thematic research areas in the domain of geoscience, reservoir characterization, enhanced production of oil and gas, exploiting unconventional sources of hydrocarbons, software development, engineering solutions and alternate energy resources have been identified.

Specific areas in which R&D was carried out

- Sediment dispersal pattern and high resolution biostratigraphy in East Coast Basins.
- Understanding the role of faults in Hydrocarbon distribution in Kutch Offshore Basin.
- Identification of mineralogical suites in sedimentary rocks for low resistivity.
- Multispectral remote sensing in Ankleshwar field and Kosamba area, South Cambay Basin using LANDSAT 8 data for locating hydrocarbon-induced alteration of soils and sediments on the surface.
- Petroleum System Modeling in Cambay, Cauvery and Bengal basins.
- Gravity Magnetic for Mesozoic sediment in Cambay Basin.
- Project on R&D Expedition National Gas Hydrate Program- 02.
- Testing of Reverse Time migration application using Geovation S/W on data of Nandej-Nawagaon SIG-481,469 of WON basin.
- Testing of 3D SRME (Water bottom multiple attenuation in marine seismic data) application using OMEGA S/W on test data set and establish the workflow.
- Testing of 3D MPFI (Data regularization using MPFI technique) in OMEGA S/W on a data set of Sisodara-Kosamba area of WON basin and establish the workflow.
- To establish Tomo facilitator workflow for velocity updation using PARADIGM S/W.
- Feasibility study for thin reservoir characterization of Lynch pay in Lynch- Nandasan area in Cambay Basin.
- Shale gas sweet spot identification in Jambusar area using seismic and well data (Pilot study).
- Discrimination of siliciclastic from volcanoclastic in synrift sequence in GS-29, Godavari PML and KG-DWN-98/2, KG offshore area(Pilot study).

- Shale Gas reservoir evaluation: Log based evaluation of Shale Gas prospectivity in all Basins of ONGC which includes:
- Designing optimum log suits and prescribing special lab studies.
- Developing new technique for TOC (total organic carbon) based on well logs & geochemical data, and customizing it for specific Basin/Formation for quick & reliable shale gas evaluation in Indian Basins. An application for patenting this innovative technique has been made.
- Continuously analyzing the data being acquired from wells drilled exclusively for shale gas by Basement evaluation including fracture network in basements.
- Petrophysical evaluation of Basements of Cauvery Basin (Pundi, Madanam, Mattur, Neduvasal, Vadatheru) using Boyeldieu Winchester, Productivity Index (PI), P1/2 Method.
- To decipher present day stress direction through borehole breakouts from new generation logs in basements of Cauvery Basin.
- Geo-mechanical studies in KG-OSN-2004/1, Cauvery basin fields, KG-DWN-98/2 and one for fracture susceptibility of Shale Gas prospective layers.
- Petrophysical evaluation / revisit of logs of different basins for production enhancement.
- Reservoir Characterization / Depositional model & Geological model.
- Inputs for GCMs study of Sobhasan and Lakwa-Lakmani field.
- Standardization of Petrophysical Parameters of different fields of ONGC.
- Inversion of Russian Lateral resistivity logs for true resistivity determination of different fields of ONGC.
- Performance monitoring, EOR processes, Lab design and simulation, Reservoir characterization, productivity enhancement projects and basic laboratory data generation for various fields of ONGC.
- A collaborative R & D project is undertaken with M/s Super-Wave Technology Pvt. Ltd. (SWTPL) Bangalore, for developing Shock Wave Assisted Fracking Technology, an alternate to the conventional hydraulic fracturing. The Technology if proven effective as a substitute to hydraulic fracturing, in particular for shale gas exploitation, will be a game changer for the oil & gas industry.
- No. of patents filed during the year 2015-16 was 13.

Field Development

- Integrated Reservoir Simulation of Heera field carried out.
- Simulation study of B-192 carried out.
- Simulation study of B-173A field integrating with NW of B-173A prospect carried out for early monetization of newly discovered Area.
- Study on Development Strategy for Daman sands of B-12-17 and B-12-18 structures carried out to integrate the production with Mega Daman.
- Comprehensive development scheme of NBP field-Part II (Dynamic model) carried out.
- Development Plan for Mukta & Bassein Pays of B-147 Structure studied.
- Preparation of Geological Model and Feasibility of development of L-I layer in MH South field carried out.
- Simulation study of S1 Reservoir on updated Geocellular Model (GCM) of Mumbai High studied.
- Generation/updation of production profiles for oil & gas fields in KG-DWN-98/2 were carried out.
- Exploitation Strategy for GS-29 field studied.
- Exploitation strategy and development plan for sand 8A, 8&7 and sand PS-V of Kamalapuram field carried out.
- Simulation study for full field plan for Malleswaram field carried out.
- Integrated simulation studies of all pay sands based on GCM of Nawagam / Nandej carried out.
- Simulation studies of Block of G-12 of GS-12M sand and Block of G-134 of GS-1 sand of Gandhar field carried out.
- Simulatiom study of GS-11 sand of Gandhar field (Block of G-686) carried out.
- Simulation study of EP-I Sand of Anklav field studied.
- Review of Geological Structure of middle productive group of sands in the Eastern part of Ankleshwar field to identify infill locations study carried out.
- Simulation study of BMS sand of Rudrasagar field based on GCM and Simulation study of Kopili sand of Geleki field carried out to generate infill locations.
- Comprehensive development of LBS-1 sand of Banamail field studied.
- Simulation study of LBS-II & LBS-V of Kuargaon field studied.
- Development plan for realization of volumes in place as inputs to DOC of Khubal discoveries studied.
- Generation of gas production profile at low THP for designing booster compressor for Baramura field carried out.
- Revised Geological Modelling and simulation study of KP-55 pay sand of Konaban field carried out.
- Production profiles were generated for NELP fields Madanam, Pandanallur, Tirunagari and KG-OSN-2004/1. Which will be used preparation of FDP/ DOC. FDP approved for Madanam and Tirunagari and FDP submitted for Pandanallur.

Enhanced Oil Recovery

- Simulation of Chemical EOR process in Bechraji field was carried out on pilot scale.
- Simulation studies of Chemical EOR process in Kalol Sand of North Kadi field.
- Simulation study for Alkali-Surfactant flood process in K-VA of Kalol field.
- Simulation studies of WAG injection in Sand GS-9 and GS-11 of Central Block of Gandhar field carried out.
- Monitoring of ongoing Jhalora and Kalol (K-XII Sand) ASP Pilots.

- Monitoring of Ongoing Polymer Flood Project in Sanand.
- Online Monitoring of In-situ combustion.
- Carried out proposed pilot test of Cyclic Steam Stimulation in Heavy Oil fields of Mehsana.

Laboratory Studies

- ASP Flooding for KS-1 sand of North Kadi field (Northern Part) carried out.
- Laboratory Investigation of Immiscible Displacement of Oil by Nitrogen Injection in Geleki field carried out.
- Laboratory Evaluation for CO2 miscible process as an EOR Technique for K-VIII Pay sand of Wadu Paliyad field carried out.
- Laboratory displacement studies for immiscible nitrogen injection in S3+4 reservoirs of Ankleshwar field carried out.
- Laboratory evaluation of air injection in Wasna field carried out.
- Laboratory studies to improve recovery using hybrid technique, hot water followed by air injection in Lanwa field carried out.
- Evaluation of combustion performance with changing fluid characteristics during ISC process in Santhal-Phase V & VI completed.
- Lab studies, field Implementation and Monitoring of IWTT in Sobhasan (SS-2 Sand), Santhal (KS-I Sand) and Gandhar (GS-11 sand) fields were carried out.
- Evaluation of back wash samples of polymer injectors of Sanand Field carried out.
- Water control and profile modification jobs using inhouse chemical formulations in fields of Ahmedabad, Mehsana, Ankleshwar and Neelam-Heera Assets.
- Application of MEOR processes viz. MEOR in huff-n-puff mode, PDB jobs for paraffin degradation in tubulars in Mehsana & Ankleshwar Assets.
- Reservoir Petrography and Microfacies studies on core samples of Well B-192#10 in Western Offshore Basin were carried out.
- Offshore Environment Monitoring in Western Offshore and Eastern Offshore (Deep Water); first time project in the country.
- Comparative study of produced water with ground-water of Mehsana Asset with reference to Heavy metals.
- Impact of E&P operations on ground-water with respect to heavy metals in Jharia fields of CBM Project, Bokaro.
- Trace metal characterization study of Shale Gas drill cuttings.
- EIA reports of for re-development plan of Mumbai High South fields Phase-III.
- EIA reports for acquisition of 3D Seismic Data for South and South West Mumbai High.
- Study and analysis of Technological Drilling challenges and Best Practices in Drilling of Horizontal shale gas wells in ONGC.
- Well Engineering, Planning and Designing of the High Temperature well # GARIBPUR-A (TD- 6000 m)
- Well Planning for HP-HT well #KMD-AA of Rajahmundry, KG Basin (5500 m).
- Drilling of well # ROAH_SUB : Design of DWOP.
- Formulation of specifications of High Temperature modified starch.
- Development of environmental friendly inhibitive drilling fluid for frontier Basin.
- "Formulation of Tentative Specification of Liquid Silica Fume".
- Formulation of weighted spacer system compatible with "Polymer and K-Lignite mud system".
- Preparation of integrated Geocellular models of Gandhar (GS-3A, 3B, 5C, 8 and 11), Limbodra, NBP (Revisit), B-192, G-1 fields were completed.
- Life extension and recertification of the offshore jacket platforms in western offshore, which have outlived their design lives, through a collaborative project with M/s DNV GL.
- Deep water drilling riser & Mooring system.
- Risk based inspection planning for offshore structures in western offshore.
- "Corrosion audit of Subsea pipelines of BHS Process Complex, water injection plant at Gamij-Ahmedabad Asset".
- Study of modes of failure methods to prevent the failures and repair procedures to enhance reliability of GRE/Spoolable GRE pipelines for onshore hydrocarbon application.
- Review of Material of Construction of well casing pipe, tubing, packer, well head and X-mas tree for Farzad Block in Persian Gulf in Iranian Waters", a project under ONGC Videsh Limited.
- Application of Field vane shear Test in offshore geotechnics.
- Characterization and Evaluation of Gas and Water Permeability in Hydrate Bearing Sediments of KG Basin Project - Collaborative project with IIT Bombay.
- Studies on the feasibility of gas production from gas hydrate bearing reservoirs using molecular substitution technique.

Patenting R&D Work

One Patent proposal of IRS, Ahmedabad on "Development of Microbial process for EOR in Heavy Oil Reservoirs" has been submitted to Centralized Intellectual Property Cell (CIPC), KDMIPE in Oct' 2015.

Benefits derived as result of above R&D:

The R&D projects undertaken by your Company facilitated speedier and effective E&P activities of the Company.

Expenditure on Research & Development

(₹ in million)

	2015-16	**2014-15**
Capital	243.77	302.25
Recurring	3875.75	4,023.62
Total	**4119.52**	**4325.87**
Total R&D Expenditure as a percentage of Total Turnover	0.52%	0.52%

C. Technology Absorption

- **Segmented completion with Swell Packer & Sliding Sleeve:** Segmented completions with swell packer & sliding sleeve is being used in wells of Western Offshore to isolate water bearing zones/zones not to be comingled using open-hole swell packers and allowing flow through sliding sleeves / inflow control valves.
- **Multi Finger Imaging (MIT) tool:** A survey tool deployed in tubing to know its condition w.r.t. corrosion. This helps in implementing mitigation measures at the early stages to avoid well down time.
- Proppant Hydro-fracturing of Basal Clastics and Basement has been successfully implemented in Western Offshore wells and similar jobs are planned for other wells in Basal Clastics layer.
- Encapsulated Acid Emulsion Dispersant System (EAEDS) has been successfully implemented in Offshore for deep penetration in the reservoir and subsequently releasing the encapsulated acid in pores resulting in improved well productivity.
- **Acid fracture by Emulsified Gelled Acid Emulsion Dispersion System (EGAEDS):** Gelled acid is being used to transmit hydraulic power to the formation, creating deep fractures and wormholes by releasing acid. Technology has resulted in revival of wells in B-193 Cluster fields in Offshore.
- **StethoScope 825:** StethoScope 825, a new generation Formation Pressure While Drilling (FPWD) tool introduced in Mumbai offshore, allows optimising the mud weight to ensure safe and efficient drilling and in turn the well bore stability.
- **CO2 tracer survey:** New technologies for Gas lift surveillance "CO2 tracer survey" from M/s. Weatherford has been introduced in Western Offshore. This technology provides a simple, more efficient, non-intervening method for trouble shooting a gas lift well system.
- **Surface Controlled Auto Gas Lift System (SCAGL):** The system provided variation of Gas Lift Valve (GLV) opening from surface control for activating the wells initially with required gas quantity. This system helps in early activation of wells and also enables to sustain production through optimization of required gas injection quantity.
- **Directional Drilling Technologies:** Technologies like MWD, LWD and periscope related to directional drilling, are being employed in Offshore & Onshore fields to target the right. In addition to this Rotary Steerable System (RSS) is being deployed for controlled drilling and placement of well.
- **Multi-lateral Completions:** To enhance productivity of multi-layered reservoir, Multilateral completion with surface controlled/wire line controlled sliding sleeves is being used. Technology allows selective flow of layers without rig based interventions.
- **Electrical Submersible pump (ESP):** Installation of ESP has been very useful in reviving sub-optimal wells where reservoir pressure as well as GOR is low and gas lift not feasible, but wells have good inflow potential. Use of ESP has been successful in NBP field and resulted in substantial oil gain.
- **Y–tool completion:** Stimulation in ESP wells is a challenge. Y-tools is a useful technology for safe and effective stimulation job/ coil tubing job, flow back after acid job, well intervention like PLT job, MPBT job etc in ESP wells. This has recently been used in NBP field in Western Offshore.
- **Float over method of platform installation:** ONGC has adopted state-of-the-art "Float-Over Technology" for Offshore platform installation, resulting in saving of offshore construction time. B-193-AP & HRD process platforms have been installed in Dec'12 and Jan'2015 respectively using Float-Over method.
- **Floating Production, Storage and Offloading (FPSO):** To develop isolated marginal fields, ONGC has deployed FPSO in Western Offshore. First FPSO has been commissioned in NBP field in April'13 and subsequently in Cluster-7 marginal fields during March'15.
- **Solvent along with wettability alteration:** A specific solvent formulation for treatment of reservoirs having asphaltene propensity has been developed and successfully applied in wells of B-193 cluster.
- **Stimulation of long drain-holes:** Effective Stimulation of long-drain holes in heterogeneous carbonate reservoirs is being done by designing acid treatment jobs with diversion ability.
- Collapse module of SACS Software has been inducted by IEOT, an ONGC institute, for pushover analysis of fixed offshore structures. This software is used for ultimate strength analysis of offshore jacket structures and to assess structural integrity of existing platforms, prior to deciding additional facilities such as additional clamp-on wells & risers.
- For the 1st time in Onshore Assets, multiple hydro-frac job carried out in wells GMIT and GMIS of Gamij field in Ahmedabad Asset with the help of M/s Baker Huges. Substantial increase in productivity is anticipated w.r.t to conventional completion. Two more wells GMMH and GMMG are also lined up for multiple HF job
- Ankleshwar Asset has successfully drilled well no. GGAJ_Z with highest ever horizontal drift of 2167 m, by utilizing best recommended practices for drilling, wells fluids and round the clock real time SCADA monitoring.
- For the 1st time, shale gas well in Jambusar#55 (JMSGA) was hydro-fractured using in-house

resources. Experience gained will help in producing oil and gas from shale.

- Successfully tested HP-HT exploratory well WPGAA of West Penugonda field in Rajahmundry Asset with clear fluid (Calcium Bromide and Zinc Bromide) for the first time in ONGC. The well produced gas @ 71275m3/d through 6mm. Earlier, attempts made with regular fluids (mud) in nine HPHT wells had been mostly been failure with limited success in 2 wells only.
- For the first time in ONGC, Rajahmundry Asset executed High Rate Water Pack (HRWP) job for Gravel pack completion in Well KV#29 of Kesavadaspalem field for containing production of sand from the reservoir. The GP job was completed using Weatherford –WFX style BlackCat GP Packer system.
- **Microwave Offshore Backbone on P2P radios:** Mumbai Offshore is the key contributors to ONGC's crude and gas production. However as it is at least 45 Kms away into the sea, there is no other data and voice connection option available other than satellite based systems. ONGC has taken up the project of implementing Microwave backbone project which would provide 32 Mbps bandwidth upto BPB platform from Mumbai using terrestrial Microwave Radio links. The Project is nearing completion now.

D. Information regarding Imported Technology for last five years

S.No.	Technology Imported	Year of Import
A	**TECHNOLOGY**	
(i)	• Radial 3D Saturn Probe-used for pressure measurements, downhole fluid analysis and and fluid sampling in extremely low mobility reservoir sections. • Radial Cutter Torch (RCT) used to retrieve the 3 ½" tubing which is clamped with ESP cable in 9 5/8" casing. The thermal Generator System initiates the RCT tool and directs the molten plasma for cutting the pipe. • Multi sample Porosimeter-Permeameter KEYPHI-used for measurement of petrophysical parameters at variable confining pressure. • UV-Vis Spectrophotometer Lambda-35 (PerkinElmer) is useful in the genetic correlation, depositional environment and maturity of crude oils and source sequences. • Thermo Fisher Nicolet iS5 FT-IR Spectrophotometer used for the study of structural group analysis of complex hydrocarbon mixtures, genetic correlation of crude oils & bitumen and oil shale & kerogen analysis. • The e-Permit system to Work (PTW): offers the distinct advantage of a standardized PTW template across the organization and ensures faster permit access to the end user. • Air Hammer Drilling-used for the first time in ONGC in well Jabera-3, Vindhyan Basin. The technology is based on the under balanced drilling and has an option for change-over to conventional mud system to meet the operational, safety and testing requirements.	2013-14
(ii)	• Broadband seismic technology have been used in Mumbai High Field identification of porosity sweet spots in carbonate reservoirs and thin bed identification within the clastic reservoirs and also the broadband data is expected to help in Basement imaging for prospectivity within locales of intense fracture development. • Micros Seismics surveys are performed to monitor hydraulic fracturing. Initiative has been taken with in-house efforts for acquiring data. Feasibility study for monitoring the progress of hydrofracturing using Microseismics is under progress in Cambay Basin. • Drill bit Seismics technique uses the vibrations produced by a drill bit while drilling as a down hole seismic energy source.The seismic data has been acquired around a well in Gandhar area of Cambay Basin using 3C sensors and drill bit as a source. • Advance NGS system: It allows simultaneous display and management of different spectra for desired presentation and effective management of data file. It has latest digital signal processor (Orion) and MCA (Multi Channel Analyser) which will improve the data acquisition, analysis process and enrich the interpretation capabilities. • New Modules in MOVE suite Geomechanical Modeling (GM), Fracture Modeling (FM) and Stress Analysis tools have been added in MOVE suite: GM creates 3D restoration models and affords advanced structural systems analysis capabilities. Data generated will be used in fracture modeling and generation of discrete fracture networks (DFN) whereas	2014-15

	FM generates non deterministic 3D Discrete Fracture Network (DFN) models that allows the characterization of fracture networks and generates direct outputs for reservoir simulation. The stress analysis tool uses graphical method for analyzing fault and fracture systems under a user defined 3D stress state. The tool computes stress attributes for Slip Tendency, Dilation Tendency, Fracture Stability and Slip Stability of planes • 2D long-offset seismic data reprocessing tool using TGS software: This tool will Improve the image by using linear transform (SMELT) module and proprietory software CLARI-FI. This tool has helped in understanding the Basin architecture , Sedimentation History and in identifying prospective locales for Mesozoic exploration of Kutch and Kerala-Konkan Basin. • Scale-Out NAS 378 TB storage, 40 TB SAN storage and 10G OM3 Fibre based direct Workstation connectivity through IPV6 ready CORE Switch. • Server virtualization through Rack server & associated Software and induction of Work Stations and Thin Clients. • Network connectivity has been upgraded from existing 1G to 10G on Fiber Net work. • **Gas Sweeting Facilities at Offshore** B193 Process Platform commissioned in Nov'14 under Development of B193 Cluster fields having high H2S gas concentrations. It is for the first time that sour gas processing & sweetening facilities have been installed and being operated at Offshore installation. • **Float over method installation:** HRD process platform has been installed in Jan'2015 by using state-of-the-art "Float-Over Technology" resulting in saving of offshore construction time for installation. Earlier the successful installation of B-193 AP Deck of B&S Asset, in Dec'12 using the Float Over method was the first endeavor of ONGC in this direction. • **Floating Production, Storage and Offloading (FPSO):** FPSO (Armada Sterling-II) a floating oil production system successfully commissioned in Mar'15 in western offshore to produce oil and gas from Cluster-7 fields. It is to mention that ONGC has earlier for the first time has deployed FPSO in April'13 to produce oil from NBP field of Western offshore. • **WiMax based point to multipoint broadband communication system:** The systems have been deployed in Western Onshore & Western Offshore assets & work centers to provide voice & data connectivity to remote installations. Technology is adapted to suit organizational requirements, but not acquired by ONGC and does not intend to manufacture WiMax based communications systems.The WiMax technology is also overtaken by a new technology LTE (Long Term Evolution) which is planned to be deployed in other regions. • Enterprise wide SCADA (Supervisory Control & Data Acquisition) system: The system have been deployed across the organisation to provide real time production & drilling field parameters to operators, managers & top management. Technology is adapted to suit organizational requirements but not acquired by ONGC and does not intend to manufacture SCADA systems.	
(iii)	• Digital multi-array tools for VSP data Acquisition enables in Multi-level VSP acquisition with better fidelity. • Anisotropic Migration in seismic data processing technology has proved to be more reliable imaging by analysis of the Spatial and temporal variation of anisotropic parameters while PSDM. • Litho Scanner-High Definition Spectroscopy on Demo basis in Shale gas wells of Cambay Basin. It was recorded in exploratory well GNSGC (G-710) for better evaluation in terms of TOC of shale gas prospects in Cambay shale formation of Gandhar field. • Post Perforation dynamic Under balance Production (PE) Enhancement technology (Rigless P3 perforation) was done at well B-193A-3 in May, 2015 in B&S Asset. Excellent dynamic drawdown of around 1200 and 1000 PSI was achieved resulting in production enhancement of 1000 bopd. • Magnetic Resonance (MR) While Drilling: MR through LWD (Mag Trak) was recorded for the first time in the exploratory well B-127N-A along with other LWD logs. Fluid type was identified with the help of Mag Trak log.	2015-16

	• Induction of Surface Tension Analysis Technology will be helpful in carrying out studies related to the production of surface active agents by microbes (bio surfactants). It will be beneficial in selection of better microbial culture and can be utilized for surface tension and interfacial tension reduction measurement due to chemical surfactants. • New suite of Petroleum System Modeling solution consisting of Petrel and PetroMod software's technology which enables to perform the Risk Assessment workflow with better accuracy by integrating seismic, well and geological information in advanced Petroleum System Modeling simulator. • TOMO FACILITATOR from M/S Paradigm used for velocity modeling and refinement. • Network Attached Storage (NAS) environment upgraded to 25 TB from Storage Area Network (SAN) environment helped in Workload distribution for optimum resource utilization with higher efficiency from Storage Area Network (SAN) environment has helped in Workload distribution for optimum resource utilization with higher efficiency. • Inductively Coupled plasma-mass spectrometry (ICP-MS) for carrying out heavy metal analysis in Sea water, Sediment samples, Fish samples, Benthos, Drill cuttings, Oil samples, etc. It will be beneficial in taking corrective measures and increasing efficiency of effluent treatment plant to safeguard and protect the marine environment. • **Microwave Digestion System:** The samples like sediment, drill cuttings, soil samples from different Oil & Gas fields being received before analyzing for heavy metal concentration using ICP-OES/ICP-MS as per EPA methods, 3051A & 3052. Pre-treatment of sample before chemical analyses is an important step, particularly if the sample exists in solid form., are to be digested using Microwave Digestion System. The system has helped in protecting the complete decomposition/loss and contamination of the matrix, reduction of handling and process time, etc.	
B-Has the technology been fully absorbed?		**Yes**
C-If not fully absorbed- areas where this has not taken place, reason thereof, and future plans of action.		**Not applicable**

E. Information on Foreign Exchange Earnings and Outgo

(₹ in millions)

	2015-16	**2014-15**
Foreign Exchange Earnings	**30,332.05**	50,227.99
Foreign Exchange Outgo	**216,988.51**	175,420.96

Steps taken by Company for utilising alternate sources of energy

The measures taken by ONGC with regard to development and utilisation of alternate sources of energy have been brought out in the Board Report under the heading "Unconventional sources of energy" and "Carbon Management & Sustainability Development".



Annexure - G

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT,2013 ON THE FINANCIAL STATEMENTS OF OIL AND NATURAL GAS CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2016 AND MANAGEMENT REPLY THERETO:

Comments	Management's Reply
The preparation of financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 May, 2016. I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(a) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.	Statement of fact
COMMENTS ON FINANCIAL POSITION BALANCE SHEET Intangible Assets under Development (Note 16) - ₹ 172,246.11 million The above does not include ₹ 8979.6 million being the amount written back from impairment provision made in respect of Cluster I and III of KG-DWN-98/2	1.1 The company had acquired, 90% participating Interest in exploration Block KG-DWN-98/2 from M/s Cairn Energy India Limited in FY 2004-05.

Block during the year 2015-16. The Company created the impairment provision during the period from 2007-08 to 2014-15 based on the fact that the Declaration of Commerciality (DOC) for these two Clusters was pending. As such, no material event occurred to indicate that the Company was in possession of DOC as on 31 March 2016, which could have justified the reversal of the impairment provision.

Thus, due to ineligible reversal of impairment provision, the above head stands understated with corresponding overstatement of profit for the year by ₹ 8979.6 million.

Further, in FY 2012-13, the company had acquired the remaining 10% participating interest in the block. Initial in-place reserves were established in this block and adhering to the original PSC time lines, a Declaration of commerciality (DOC) with a conceptual cluster development plan was submitted on 21.12.2009 for Southern Discovery Area and on 15.07.2010 for Northern Discovery Area.

1.2 The provision amounting to ₹ 1,5482.32 million in respect of KG DWN 98/2 block (Cluster I, II and III), was created over the period 2007-08 to 2012-13, in view of the then prevailing guidance note on accounting for Oil & Gas Producing Activities issued by the Institute of Chartered Accountants of India (ICAI) which didn't allow carryover of such wells for more than 2 years from the date of completion under Exploratory Wells in Progress (EWIP) despite the fact that this block had gas bearing wells with provision for re-entry. However, the time limit of carry-over of such wells of two years has been done away with in the revised guidance note issued by ICAI in the year 2013.

2. There have been significant positive developments in the FY 2015-16 as compared to FY 2014-15 as enumerated below:-

2.1 The Government of India (GoI) vide notification no. O-22013/27/2012-ONG-D-V (Vol-II) dated 21.03.2016 notified Marketing including pricing freedom for the gas to be produced from discoveries in Deep water, ultra-deep water and high pressure-high temperature areas in case of already discovered fields which are yet to commence commercial production as on 01.01.2016 and to all future discoveries in such areas.

2.2 The company had tested two wells and successfully completed in September to November 2015 based on the criteria set out in the letter issued by GoI vide letter no. O-19025/11/2007-ONG-D-V dated 13.05.2015 on policy on testing requirements which was a contractual as well as technical requirement for evaluation of DOC. These testing results

gave required additional data and the confidence for commerciality which were used for generating production profile of the block considered in DOC of cluster I and III.

3. Field Development Plan (FDP) for the Cluster II has already been approved by Management Committee (MC) on 31.03.2016.

4. Company has carried out impairment test in respect of wells-(intangible Assets under development) of the block KG-DWN-98/2 applying the criteria given in para 39 of the revised Guidance note issued by ICAI in 2013. Based on the impairment test considering total carrying amount of exploratory cost of the block, no impairment provision is called for.

5. Further, DOC for cluster I & III was submitted to DGH on 27.04.2016. Actions for preparation of FDP has already been initiated for clusters I & III. While implementing cluster II Development, Company has taken measures for optimising the facilities to take care of the production from cluster I. However, Development of cluster III is planned on standalone basis by adopting technologies available in similar water depths globally.

In view of above, the provision of ₹ 8,979.60 million in respect of cluster I and III of KG-DWN-98/2 Block created in the earlier years was reversed in the year 2015-16. Hence there is no overstatement of Profit for the year 2015-16.

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

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit &
ex-officio Member, Audit Board-II

Place : Mumbai
Date : 25th July, 2016

For and on behalf of
Oil And Natural Gas Corporation Limited

Sd/-
Dinesh K. Sarraf
Chairman & Managing Director

Place : New Delhi
Date : 28th July 2016

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF OIL AND NATURAL GAS CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of consolidated financial statements of **Oil and Natural Gas Corporation Limited** for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 26 May 2016 excluding ONGC Petro additions Limited and Pawan Hans Limited whose audited accounts were not available on that date.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of **Oil and Natural Gas Corporation Limited** for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of Oil and Natural Gas Corporation Limited and its subsidiaries (Annexure –I) for the year ended on that date. Further, section 139(5) and 143 (6) (b) of the Act are not applicable to (Annexure-II) being private entities/entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Sd/-
Tanuja Mittal
Principal Director of Commercial Audit &
ex-officio Member Audit Board-II, Mumbai

Place : Mumbai
Date : 29th July, 2016

Annexure – I

Subsidiaries

1 ONGC Videsh Limited

2 Mangalore Refinery and Petrochemicals Limited

3 ONGC Mangalore Petrochemicals Limited

Joint Venture Entities

1 Petronet MHB Limited

2 North East Transmission Company Limited

Annexure – II

Subsidiaries

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

Joint Venture Entities

1. Petronet LNG Limited
2. Mangalore SEZ Limited
3. ONGC Tripura Power Company Limited
4. ONGC Teri Biotech Limited
5. Dahej SEZ Limited
6. Shell MRPL Aviation Fuels & Services Limited
7. Mangalam Retail Services Limited
8. Mangalor STP Limited
9. MSEZ Power Limited
10. Adani Petronet Dahej Port Pvt. Limited

Management Discussion & Analysis Report

Corporate Governance Report

Auditors Certificate on Corporate Governance



Geophysical Services Field Party GP-16 Team seen at ONGC Western Onshore Basin, Vadodara

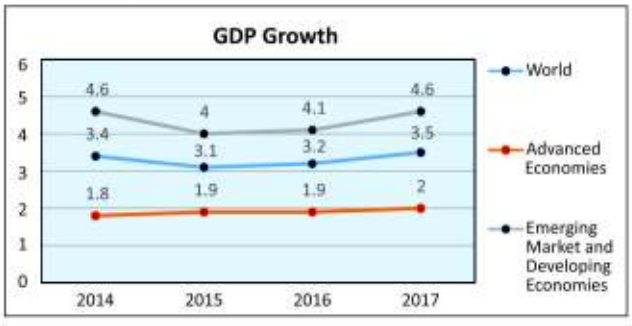


FPSO at Western Offshore

Management Discussion and Analysis Report

1. Global Economy

The world economy in 2015 was expected to inch its way out of the stage of deceleration that it had moved into in 2014 and early part of 2015. However, for most part, 2015 was 2014 redux and some more. There were eerily similar manifestations of the anemic appetite for near-term investment and constrained optimism about future growth. Not the plunge in global commodity prices, neither crude oil nor even the tangible signs of the macro-parameters that indicated the US economy was assuredly out of the trenches of the global financial crisis proved enough to provide a sustained stimulus to the growth barometer in international markets. In fact, global GDP slumped further in 2015 relative to 2014 from 3.4 percent to 3.1 percent, according to the April 2016 edition of the World Economic Outlook published by the International Monetary Fund. Prima facie, there are no extremely spooky events that connote a very real and near-term possibility of another economic tailspin that the world could be sucked into but nonetheless there is a sense of gloom and deep-seated skepticism that has descended on the global trade and investment landscape.



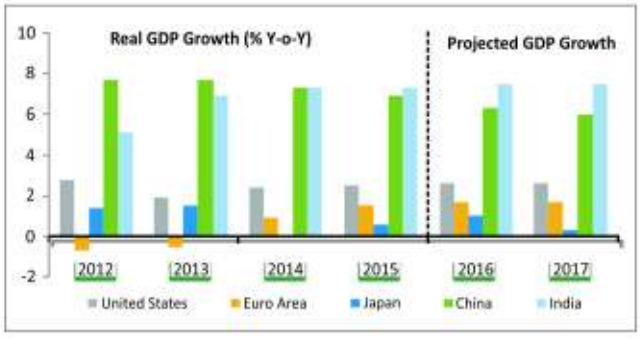
Needless to say, the recovery that many had hoped for, in the aftermath of the debacle and subsequent slowdown that was 2008 financial crisis, to come on in strong torrents will be a much more protracted and a painfully gradual process interjected with occasional periods of stall, recessionary tempo or negative growth even in major centers of growth. Possibly, this current period of lethargy in international economy could well be interpreted as a necessary interlude that facilitates transition into a more modest but sustainable growth paradigm from the exuberant and dangerously bullish one that characterized most of the pre-2008 era of the current millennium as most of the major economies focus on recalibrating and adapting their sovereign economic agendas with a view to achieving long-term development goals instead of temporary stretches of high-decibel growth.

The headline-grabbing event of the dramatic plunge in global crude oil prices, with inception in mid-2014, that swamped economic models of energy companies and countries around the globe and weighed heavily on wide-ranging international discussions on matters political, economic and social alike of the last two years, did not resuscitate global demand in a manner that was expected based on previous price cycles. The fact that price-elasticity of demand has not played out in the usual manner in this episode of depressed global crude prices is another tell-tale marker that there, indeed, is a structural slowdown underway in world markets. Furthermore, this could also be a signal for the future and a sign of things to come, where engines of economic growth might not necessarily require to be as oil-intense in their consumption pattern as they used to be in the past.

The slowdown has come in the wake of global asset market volatility, some loss of growth momentum in the advanced economies and continuing headwinds for emerging market economies and lower-income countries. In addition to these, there are also other growing sources of stress of non-economic origin that continue to weigh down on the prospects of any immediate inflection point toward a more reliable period of uptick in economic fundamentals.

Among all these essential constituents the biggest contributor to this dampening of global demand sentiment is the marked slowdown in China, now the world's largest economy on purchasing power parity basis.

In terms of real numbers, Chinese economy grew at 6.9 percent, the lowest in over 25 years. Looking ahead, the picture gets even more subdued as IMF projects the country growth to slip further to 6.5 percent in 2016 and 6.2 percent in 2017.



Coming back to the secular issue of the drop in commodities headlined by crude oil, as already mentioned, the expected spurt in growth-spurring activity on the back of increased consumption with rise in higher disposable incomes in the importing countries have not materially translated along expected lines. Average crude oil prices for Dated Brent in 2015 fell by close to 50 percent over 2014 levels; however, as per the latest IMF WEO 2016, 'the windfall losses for oil-exporting countries were larger than the windfall benefits for oil importing countries'. Simply put, the low resource prices have not had the desired expansionary effect on global economy despite transfer of wealth from producers to consumers. Part of the explanation could be that demand shocks have slowed overall economic activity, while also contributing to decline in crude prices. But there are more factors at work that explain the muted effect of low prices on world economy. The extended nature of the current dip in prices has significantly impaired the demand outlook in the producing countries.

In certain emerging economies, there also has been a low pass-through of spot oil prices to retail prices owing to a concurrent move by governments to pare subsidies or increase taxation, or even higher profit margins for refiners. Demand has risen in the advanced economies but less strongly than in former such episodes as there now is an increased focus on deleveraging the economy to mitigate the rise in debt-laden outlays prior to the price crash. What this has resulted in consequence is that there has been a significant downward revisions of planned capital expenditure programs of firms operating in the mining and energy sector, for e.g., in the US.

The near-term outlook on the economy is also hampered by the continuing and, worryingly enough, growing uncertainty around the sanctity and integrity of Eurozone trade relationships. Hailed as a breakthrough experiment in implementing the concept of a borderless regional trade and economic bloc, the confederate Euro-Area received, arguably, a most remarkable setback when the UK on June 23 decided in a landmark referendum to exit the EU. Already dubbed by many economists and political analysts as the most 'historic' event of recent years that will have far-reaching ramifications across the global economic community in the years to come, the decision further plunges the fate of economic openness and integration deeper into the trenches of uncertainty. UK's decision to leave the EU compounds the future outlook of the block which already was contending with unrelenting financial troubles in some of the weaker members and the issue of rehabilitation of immigrants from disturbed regions. Many fear it will stoke voices of 'secession' among the other countries in the continent. What these symptoms of distress have brought to fore are the inherent disparities in the economic models and fortunes of the constituent states. In some cases, it also can be looked at as a clash of political and social ideologies that govern the individual countries.

Apart from the ever-present issues of geopolitical friction (Russia-Ukraine), civilian and political turmoil (Libya, Yemen, Syria), one of the biggest sources of non-economic stress in recent times is the large-scale refugee inflows into European mainland that practically has Europe split right through the middle, as mentioned already before. A development that originally emerged as a fundamental humanitarian crisis on account of war-ravaged territories is now posing the biggest socio-economic challenge to some of Europe's strongest and most stable states as there is a growing urgency to integrate the migrant population into the economic mainstream with minimal disruption in order to allay populist concerns surrounding the influx of substantial number of foreigners.

The Euro Area as a whole registered a GDP growth rate of 1.6 percent in 2015 during which the OECD or the advanced economies grew by 1.9 percent led by modest yet consistent US growth of 2.4 percent.

The sentiment in the United States is one of relief and measured caution rather than exuberance despite the return of a semblance of stability and confidence in domestic markets. Even as recent data confirm strong labour market participation and continued drop in rates of unemployment, it must be weighed against increasing concerns surrounding income inequality and a significant drop in capital activity in the domestic energy arena as plunging crude oil prices have seriously hampered the earnings outlook in one of the most innovative and enterprising sectors of its economy. As per IMF WEO 2016, the US GDP growth is projected to flat-line in 2016 and 2017, at 1.9 percent and 2.0 percent respectively.

Among other advanced economies, Japan's growth came out significantly lower than expected during the fourth quarter, reflecting in particular a sharp drop in private consumption. In places like Hong Kong and Taiwan, growth was restrained by a softer global market for exports. Overall, considering the institutional durability of its market structures and the steady strength of dollar-denominated trade, for the world economy at large, the solidity and health of the US economy is, arguably, the best possible buffer in the face of any potential turmoil or volatility in the markets.

The trend of increasing capital outflows, which began in early part of the decade and gathered greater steam in real terms in 2014, further consolidated in 2015. This has coincided with improved growth sentiment buoyed by a marked and tangible upgrade in the

fundamentals of the US market, still for many international investors, the mecca of reliable and transparent capital formation. The weakening foreign currency inflows, and growth in capital flight, in a way, then points to the narrowing differential in growth prospects between emerging markets. Moreover, what ails the emerging markets in the current period is the low level of investment and domestic capital activity subsequent to the income losses arising out of slump in crude prices in the producer countries such as Russia, Brazil, Nigeria and Indonesia. The fallout is borne by the GDP numbers as the composite block of Emerging Market and Developing economies experienced a fifth consecutive year of slowdown in terms of output, with a 4.0 percent GDP growth compared to 4.6 percent in 2014.

2. Indian Economy

Among the group of major emerging economies, India, in keeping with the general assumption about its relatively stronger footing on account of its vibrant and domestic demand-biased economy, overtook China as the world's fastest growing major economy. Its GDP growth in 2015 was 7.3 percent. This showing, while reaffirming the country's potential for growth and providing the much needed optimism in an otherwise inanimate global economic climate, provides a greater incentive for it to undertake an even more proactive stance on implementing structural reforms that will further debottleneck the choke-points of the economy, setting the stage for an even better and, more importantly, sustainable period of growth for the country.

The confidence in the country's growth outlook essentially stems from a market-oriented yet balanced approach to policy reforms as well as the low commodity prices which have resulted in meaningful reductions in its import-related outgo. Particularly, the slide in global crude prices has had a positive impact on the country's inflationary tendencies. Consumer Price Index (CPI) for FY'16 was 5 percent (provisional) compared to 6 percent in FY'15. The low prices of commodities and raw materials in international markets is projected to continue providing support to the economy in the current fiscal as well as CPI for FY'17 is estimated to remain stable at 5 percent.

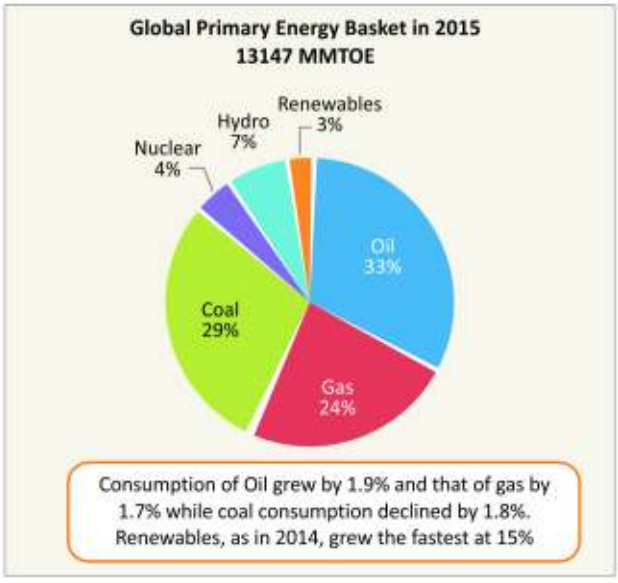
Speaking of the country's trade numbers, for fiscal 2016, exports fell a cumulative 15.8% compared with a 1.3% decline in fiscal 2015. Imports fell 15.3% after staying flat the previous fiscal. The shrinkage in trade deficit - about $20 billion in fiscal 2016 to $117.9 billion – has mainly come through a fall in the net oil trade deficit as oil prices halved, while the non-oil trade deficit has continued to expand.

India's growth also salvages, to an extent, the reputation of the emerging block of economies affected as they have been in recent years by a perceptible dip in attractiveness relative to the more developed regions on account of their still-evolving regulatory and fiscal regime.

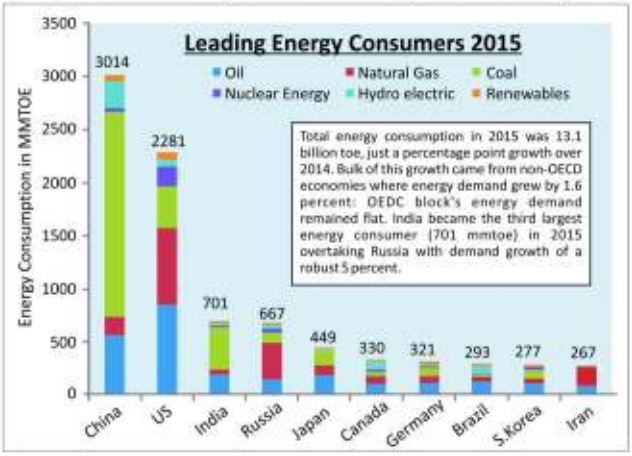
Despite the positive turn of things, there still remains sufficient room for improvement as the numbers mostly are a result of private consumption and public investment and mask the lack of strong impetus on the front of private investment and corporate capital formation in 2015 which are pre-requisites for plugging the country's huge infrastructure gaps and effecting a more comprehensive economic turnaround. In view of this requirement, Government's initiatives such as Make in India, Digital India and Skill India are laudable campaigns that are geared to accelerate the country's transition to a more robust, competent and globally-integrated economy, balancing the need for stronger foreign participation along with imperatives of nationally-relevant improvement in key development parameters. In all these, what should continue to bode well for the country and its aspirations for growth over the longer run is that, within the next 15 years, India will have the largest and among the youngest workforces in the world.

3. Global Energy Snapshot

In terms of global primary energy consumption in 2015, total global primary energy consumption stood at 13.1 billion tonnes of oil equivalent compared to 12.9 Btoe in the previous year. Fossil fuels, despite the growing and increasingly relevant theme of a more diversified and sustainable world energy mix, still accounted for a lion's share of world energy supplies (86 percent). Among fossil fuels, liquids (which include biofuels, GTL, CTL, etc.) accounted for 33 percent, Coal 29 percent and Natural Gas 24 percent of the energy basket. The non-OECD economies were the

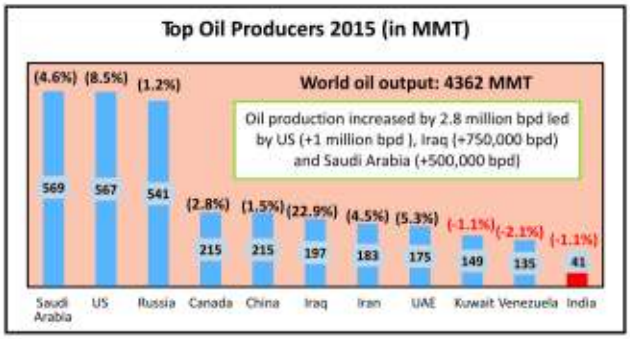


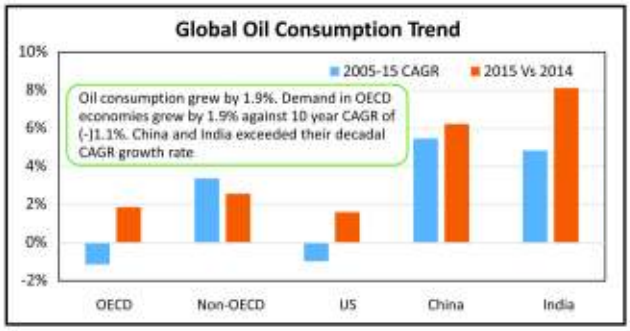
major energy consumers, responsible for 57 percent of total world energy demand. Looking out to 2035, their contribution to global energy demand growth is expected to further consolidate as in 2035 this group is seen accounting for 67 percent of global energy consumption led by strong growth in Asian powerhouses. (Source BP Energy Outlook 2035)



If there was one story, or even a picture, that defined and captured the mood of international energy markets for the better part of the last two years more than any other event, it was the one concerning the continued decline in global crude oil prices (or, the snapshot of the trajectory of its fall over the last two years) the uncertainty of which has either roiled or kept on tenterhooks every meaningfully invested stakeholder of the energy universe – be it sovereign governments, policymakers, oil and gas producers or importers, energy companies, traders, consumers and market analysts alike. The slump which began in June 2014 is nowhere near to staging a sustained recovery to levels that would, at least, make most major oil and gas extraction projects, which currently remain shelved or are bleeding, cash-neutral.

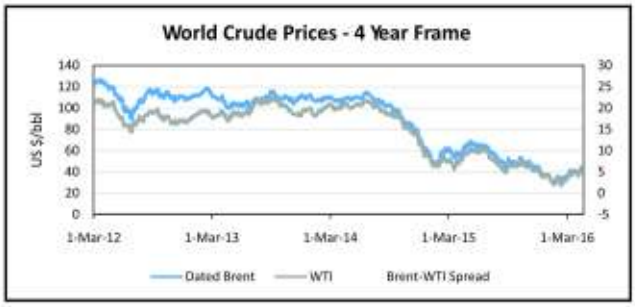
To briefly recap, after sliding into the $40s in early 2015, crude oil gained back some lost ground by summer, reclaiming the $60-a-barrel level. But as supply kept coming and demand remained sluggish, prices saw renewed pressure. The Organization of the Petroleum Exporting Countries (OPEC) for the second year in a row refused to limit production. Oil futures, in 2015, easily had to endure losses in excess of 30 percent, and that's on top of a 50% loss in 2014. Come 2016, prices slid to their lowest in over 12 years when a barrel of Brent in the January spot market fetched just a shade over $30. Although, prices have regained by around 65 percent from the trough of January in recent times (Average May 2016), it will be difficult for any rational market observer to call this recovery a permanent development toward a higher price regime as it has, evidently, been aided more by supply disruptions of temporary (Canadian oil sands shut-in due to forest fires) or usual (Nigeria output cutbacks due to militant activity) nature rather than any major change to the fundamentals of global demand and supply as key players, Saudi Arabia and US, continue to pump oil at a rate above their 3-year rolling averages.

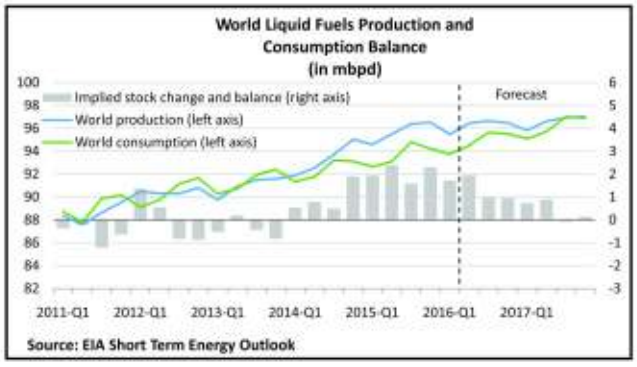


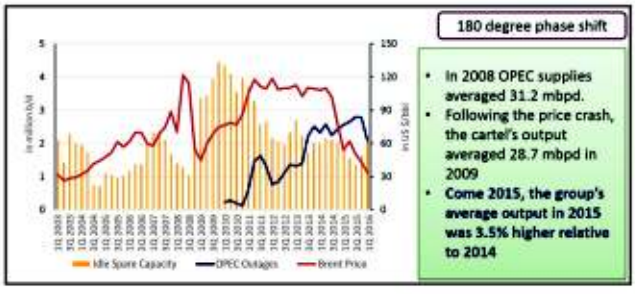


The November 2014 OPEC decision to discard their policy of price support through imposition of voluntary production cuts in favour of protection of market share by even higher output as per respective spare capacities continues to play a vital role in shaping the market sentiment centering the outlook on crude prices. The group's output averaged 32.89 million bpd in the first quarter of 2016. In 2015, the group cranked out crude supplies at the rate of 31.84 million bpd.

This has introduced an interesting dynamic within and outside of the group. Production cutbacks in US onshore unconventional – i.e. tight oil, one of the principal reasons for the global oversupply in liquids that precipitated the price crash, and assumed to be among the higher-cost suppliers in the global market, have not materialized in the manner that would justify the sustained over-production from OPEC. US production in 2015 averaged 9.31 million bpd while tight oil output in the major areas averaged 5.33 million bpd. Numbers for 2014 were 8.54 million bpd and 4.66 million bpd. Although production has dipped in the first few months of 2016 as companies across the board have slashed capital outlays and taken rigs off drill sites, given the nature of production of US shale industry with its quicker turnaround times that ensure swifter return to production for capped wells, any brief







recovery in prices should prove enough to bring idled rigs back into the market.

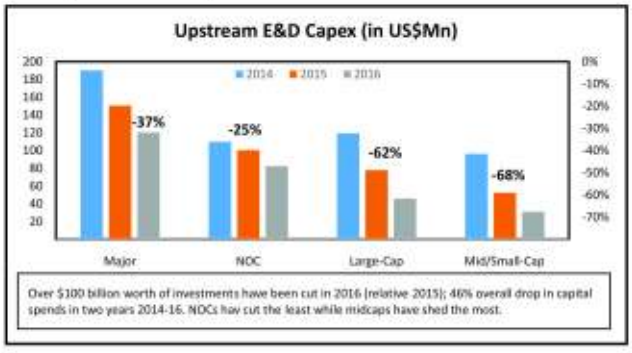
However, although OPEC's strategy shift has not been able to sufficiently nullify the productivity and drilling efficiencies in US domestic upstream sector, the key factors behind its production resilience, the resultant losses of sovereign revenues in this extended period have, instead, inflicted greater damage to other producing regions such as Brazil and Russia, and more significantly, OPEC's own member states. Countries with weak capital reserves and a higher fiscal breakeven price for crude oil (Venezuela, Libya) on account of budgets that are overburdened with populist measures, dirt-cheap energy prices and enormous subsidies, have suffered the most. Even among the stronger countries within the group, there were sizeable depletions in its financial reserves in the last one year. A mid-April 2016 meeting between OPEC and other major non-OPEC producers, esp. Russia, that was expected to drive consensus on freezing production at January 2016 levels with a view to setting a floor to the falling crude prices also failed to yield any desired outcome on the issue of Iran's non-participation in the meeting.

As per recent reports from US Energy Information Administration (EIA) and International Energy Agency (IEA), the supply overhang in global crude markets is not expected to go away anytime earlier than 2017. Supplies exceeded demand by an average of 1.49 million bpd through 2014 and 2015 and projections for 2016 also point to an excess of anywhere between 0.7 to 1.4 million bpd, barring any major sustained disruptions.

Iran's imminent return to the world crude market after over 4 years of being out in the cold following the complete removal of all its nuclear program-related international sanctions is another exciting development to keep an eye on going forward in respect of demand-supply balance and its geopolitical undertone. Its return, irrespective of the volumes it manages to bring into the market in the short term, already poses a real threat to the fate of the anxious and cash-strapped producing community as it could push out further into the future any real hopes of a meaningful recovery in crude prices in the next 1-2 years. Despite operating within the ambit of OPEC, Iran has, historically, shared an uneasy relationship with the group's dominant producer Saudi Arabia. This, in combination with the growing domestic restlessness surrounding the state of its energy exports-driven economy, one which requires substantial inputs of capital for revival, makes the return of Iranian barrels only a question of time. The country has set itself aggressive targets – aiming to regain pre-sanctions market share, and secondly to produce 5.7 million bpd of crude oil by 2020. The country has already started to make its presence felt, having increased its crude exports to around 1.3 million bpd in Q1 2016 from an average of 1.05 million bpd in 2015.

Beyond the negative impact the plunge in crude oil prices has had on the export revenues of countries, there also has been a significant erosion in the cashflows of international oil and gas operators in the wake of the current downturn. The combined upstream earnings of majors fell from just over $80 bn in 2014 to around $11 bn in 2015. The drop in earnings could have been much worse had it not been for the improved performance of the downstream units of these integrated majors as lower crude prices provided a major boost to their refining margins. Pure-play upstream companies and independents remained much more vulnerable: on one front they lacked the buffer of downstream operations, and also that, many of these companies over-extended themselves during the commodity price boom with higher outlays relative

to cash flows. Many of these highly leveraged, debt-laden companies now carry the burden of a distressed portfolio with serious difficulties in meeting their operational expenditure let alone break-evens.



To stay afloat in this challenging operating environment, companies are slashing capital spend in 2016 in response to the dramatic collapse in oil prices. As per a recent report by energy consultants Wood Mackenzie on capital guidance for upstream companies, US$102 billion (27%) has been cut relative to 2015 from the 2016 upstream budgets of companies. Cuts have trended deeper as time has progressed and the oil and gas-price outlooks have weakened. US-based companies, many of which hold flexible portfolios of unconventional assets, have cut more than most (39%). On a 2 year basis, the mid/small cap companies have executed the highest average cuts (68%) in spending while NOCs have registered the least cuts (35%) as their business models and incentives are markedly different than those of most private oil and gas enterprises.

Direct fallout of this downsizing in budgetary allocations and a bleak near to medium term earnings outlook is a substantial deferment in terms of capital investment and project approvals. Although estimates vary, this reduction in expenditure translates to a delay of anywhere between $500 billion to $2 trillion worth of upstream projects over the next 5 years.

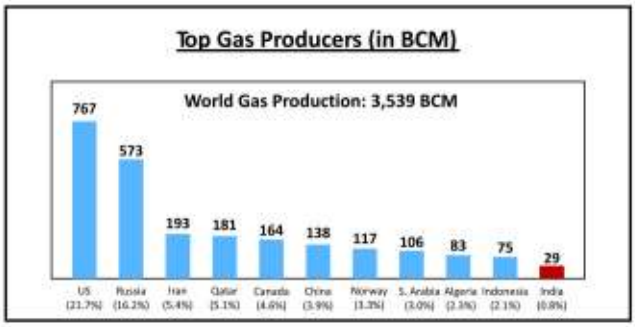
Deepwater projects, a most-favoured theme during the era of buoyant crude prices, have been hit the hardest with the highest amount of postponements. Requirement of higher upfront capital investment could be one of the possible reasons that deepwater is now deemed lower in priority than other equally capital intensive areas such as oil sands. Taken together, project deferrals over the next 5 years are projected to affect incremental output of close to 3 million bpd. Upstream exploration has also been affected. Global Exploration & Appraisal (E&A) spends are projected to be more than 50 percent lower in 2016 than in 2014 as companies forego high-cost high-risk frontier areas such as Arctic and Ultra-deepwater while dedicating greater focus on more near-field and appraisal work following exploration drilling successes and limiting exploration activity to familiar basins with remunerative fiscal regimes.

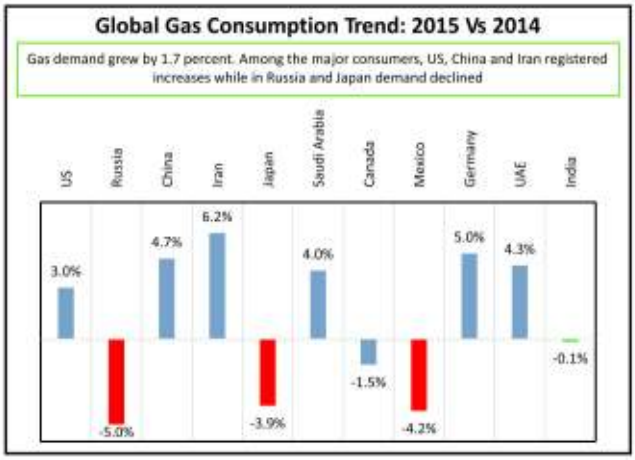
A lack of universal consensus about the outlook for the timeline and trajectory of the global crude prices has queered the pitch for strong M&A activity even as was expected in the aftermath of the damage that was wrought on the books of many oil and gas companies, big and small alike. In that context, Shell's $53 billion takeover of BG Group was an outlier as global upstream deal count plunged to a 10-year low in 2015 even as vast inventory of upstream M&A buyout prospects worth over $200 billion was available in the market. Disconnect between buyers and sellers was highlighted by the fact that there were more than $60 billion in unsolicited corporate takeover bids that were rejected by unwilling targets.

Influence of geopolitics, inter and intra-regional rivalries and civilian tensions, those extraneous yet critical factors that have mostly been responsible for those sudden spurts in crude prices as precious barrels were taken off markets on account of supply disruptions in affected areas, have seemingly waned in recent times as the slide in crude prices continued unabated through the better part of the last two years even as volumes of unplanned outages touched close to 3 million bpd. On the face of it, the perception that external disturbances are losing their edge in terms of capacity to determine the trajectory of prices may sound plausible; however, we cannot also discount the possibility that the supply overhang could have been much worse, thereby pushing down prices further lower, without those many barrels offline on account of those forced disruptions. Situation in places like Libya, Syria and Sudan/South Sudan continue to elude any chance of a return to normalcy in the foreseeable future. Nigeria, recently, has again been hit by a fresh spate of terrorist activity which has forced out as many as 800,000 barrels.

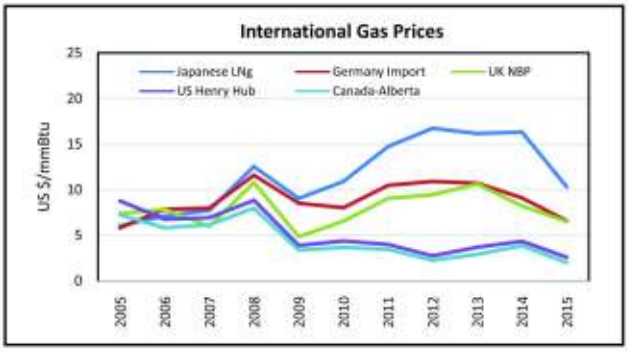
Historically, crude oil have been the major draw in international oil and gas markets, and that has been further reinforced by the spectacular drop in prices which ensured oil-related news made more headlines in the last two years compared to developments in the natural gas market. However, moving beyond the price turbulence in crude markets, there is a growing agreement in energy circles that importance of gas is rising – be it for its cleaner profile, or the fact that some of the most promising hydrocarbon discoveries in recent times have been gas finds (Leviathan in Israel, Aphrodite in Cyprus, Zohr in Egypt or Rovuma in Mozambique), or the surge of activity in the global LNG sector.

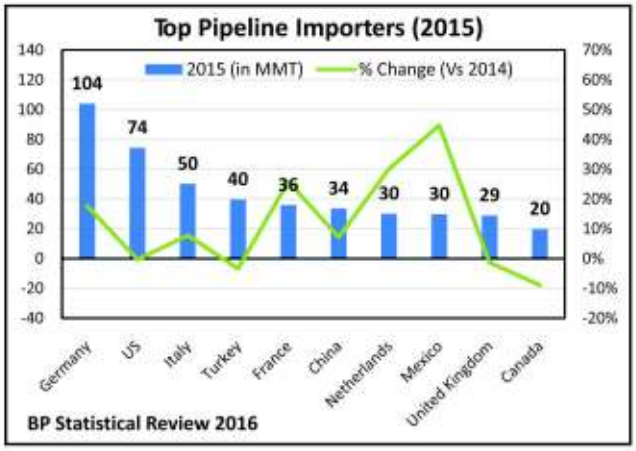
In the US, for example, in April 2015, for the first time ever in recorded history, natural gas trumped coal as the top source of electric power generation. It's a

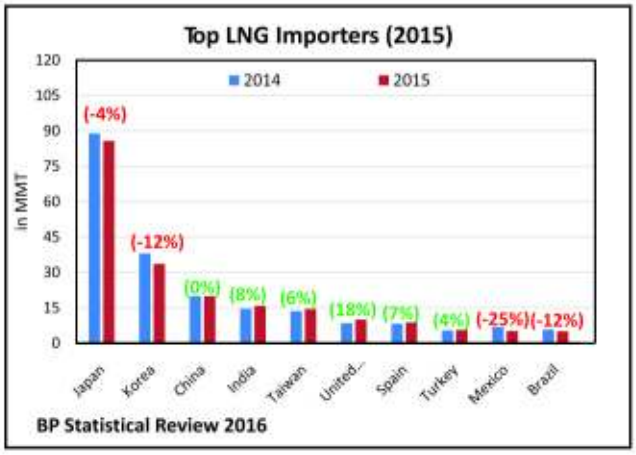




dramatic difference from April 2010, when coal accounted for 44 percent of the mix and natural gas just 22 percent. Although the trend did not sustain through the rest of the year as coal still continues to prove to be cost-competitive even in a market like US where Henry Hub spot prices for natural gas have also come down significantly in the last 2 years (from $6/mmBtu to $1.92/mmBtu in April 2016), the shift towards greater usage of natural gas in power and industrial segments is irreversible. In fact, within this year, as per EIA projections, natural will upstage coal in power generation for the first time on an annual basis. Globally, too, among the fossil fuels, consumption of natural gas has posted the highest gains on a year-on-year basis. In 1990, gas' share in the total primary energy basket was 22 percent while that of oil was 39 percent and coal was 27 percent. Looking ahead, as per the BP Energy Outlook 2035, its share in the 2035 energy basket goes upto 26 percent while that of oil and coal drops to 30 percent and 25 percent respectively.

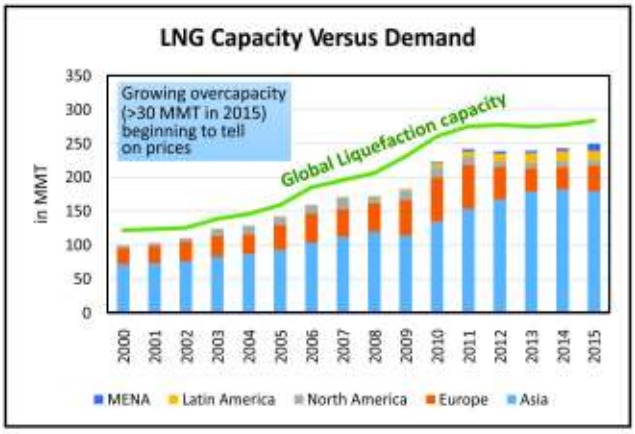






In LNG, total LNG trade reached 244.8 MMT in 2015, up 4.7 MMT from 2014. This marks the largest year ever for LNG trade, surpassing the previous high of 241.5 MMT set in 2011. The startup of several new projects in Australia and Indonesia drove higher supply, ramping up significantly enough to offset outages in Yemen, Egypt and Angola. The outlook of the sector is quite robust with significant supply side additions as a host of liquefaction plants, primarily in the US and Australia, are projected to come up in the next 5 years. Liquefaction capacity is projected to grow from 283 MMT to 411 MMT in 2020. This strong buildup of capacity provides unprecedented scope of supply options for LNG buyers, especially the large Asian economies, allowing them sufficient room to negotiate for more favourable contract terms. Global LNG prices, which traded on high levels during 2010-14, came under pressure in 2015 due to the steep drop in crude prices as well as weakness in key markets (Japan,

S. Korea). Price markers fell in 2015, from an average $15.60/MMBtu in 2014, to $9.77/MMBtu, and they have continued to trend lower in early 2016 as well. For example, average Japanese LNG price in Q1 2016 slipped to $6.64/mmBtu from $9.78/mmBtu in 2015.



A geopolitical machination is not the sole preserve of the crude oil markets. Global gas markets too experience their share of geopolitical stress. The Russia-Europe strain over Ukraine in 2014 that resulted in intensification of Europe's efforts to diversify its gas import sources and Russia's proactive pivoting towards the East with mega-billion gas deals with energy hungry China is an example of those tendencies. In 2015, although no significant deals were signed, efforts were initiated to build alternative pipeline infrastructure that would eliminate the need for Russian gas deliveries to Europe to transit Ukraine. But cancellations and stalling of South Stream (to Bulgaria) and Nord Stream 2 (to Germany) projects highlight the magnitude of challenges of involved when commercial interests, sovereign and regional strategic objectives and energy security become part of the same negotiating table. And now with the recent start of construction of the Trans Adriatic Pipeline, which is expected to bring natural gas from the Caspian Sea to Europe and ease reliance on Russian gas imports, adds another layer of complexity to the extremely fluid intra-continental energy relationships in Eurasia. Rapid development of LNG markets, more crucially, the introduction of US as a key player on the back of surging domestic gas supplies, present another unique challenge to Russian plans to reinforce their dominance in global gas markets.

Climate change was the elephant in the room for the oil industry for a decade or more. Six months on from Paris in December 2015, things are changing. Many companies see COP21 as a potential turning point. Most Majors have dabbled in power and renewables through time. What's happening now is very different. The profile and status of renewables in the Majors' integrated business model is suddenly being elevated. Total, Statoil and Shell have created new business units reporting directly to senior management. A viable and implementable 'greening' strategy for upstream players starts with committing more capital to gas, the least carbon – intensive fuel on the fossil fuel spectrum. Energy efficiency is another aspect of the evolving paradigm on sustainable energy although it has mostly been applied to activities that relate mostly to the end consumer. Upstream companies, too, can focus on carrying out regular energy audits with a view to making the business of extraction and production of oil and gas more energy efficient. In this context, the biggest risk for oil companies is to do nothing, and be left exposed to sudden market disruptions that bring with them the worrying possibility of substantially impairing the relevance of the hydrocarbon sector in the long-term energy blueprint of the world. (Reference: Wood Mackenzie)

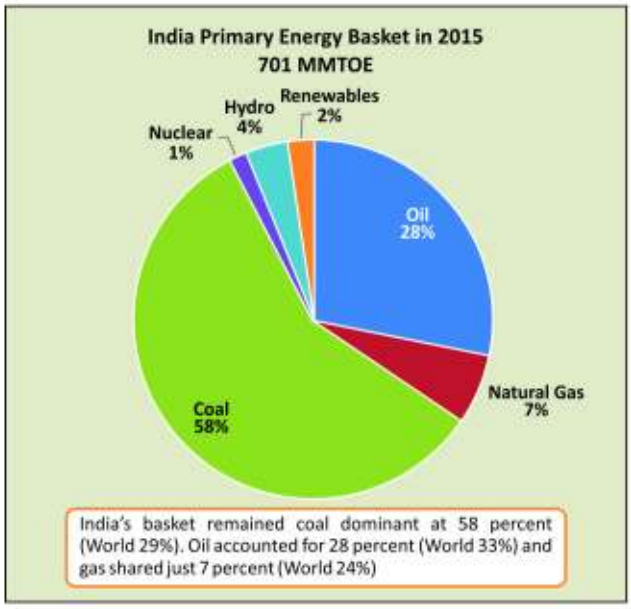
4. India Energy Snapshot

Global demand for liquid petroleum products grew by just a single percentage point in 2015. Even demand growth in the US, world's biggest oil consumer, in a year when the performance of its economy provided further proof of the country's gradual, and more importantly reassuring, return to greater market stability, was no better. China, by far the most energy-hungry country in terms of demand growth in the last two decades, registered exactly the same gains in oil demand, and that was a huge aberration considering the country, in the 10 years preceding 2015, had seen its oil consumption gallop by a remarkable 5 percent on an annualized basis.

This is where India assumes such a significant position in the global energy landscape. Make in India, '24X7 Power to All' and Smart Cities project, provides enough confidence to international energy markets even in a period of overall slowdown. The country's energy appetite is a well-established fact and the sharp drop in global prices of commodities, especially crude oil, a resource which the country imports to the extent of 80 percent of its domestic requirements, bolstered it further as crude oil imports in FY'16 surged by a whopping 10.9 percent. Compare this with import growth in FY'13 (7.6%), FY'14 (2.4%) and FY'15 (0.1%), and it's not difficult to fathom why many believe that, after China, India could be the next big force in global oil and gas markets. FY'16 also witnessed a marked increase (13.6%) in the country's LNG imports as the country capitalized on depressed global spot LNG prices. Beyond hydrocarbons, in 2015, the country also overtook China as the largest importer of seaborne coal. Coal continues to be the dominant resource in the country's energy basket with a share of close to 57 percent.

It is not without sound reason: the country, despite being the fourth largest primary energy consumer in

the world, significantly lags others in terms of per capita energy consumption (0.602 toe/capita vs 1.9 toe/capita for the world). Out of the 1.3 billion populations, an estimated 240 million are still without access to electricity. With respect to more urban parameters, India's car ownership per 1000 persons is a lowly 18 compared to the global average of around 220. The deficit in energy, thus, is huge. If the country makes the right policy decisions based on its requirements and creates an environment that is suitable for growth-enhancing activities, there will be



runaway growth in energy consumption, even if one factors in successful implementation of energy efficiency programs and prudent demand management.

The most recent BP Energy Outlook 2035 estimates total energy requirement in the country to shoot to over 1500 MMtoe in 2035 from around 665 MMtoe in 2015 at a CAGR of close to 4.2 percent. Its demand growth (126%) is more than double the non-OECD average (54%) and outpaces that of the other BRIC countries. This stellar rise in demand has significant implications and presents a very strong case for a more engaged relationship with the country for global energy producers. Demand for crude oil goes through the roof. IEA's latest country outlook estimates demand for the resource increases by more than in any other country, approaching 10 mbpd by 2040. Natural gas consumption also triples to 175 bcm (although, at 8% in 2040, it still plays a relatively limited role in the overall energy mix). But this could play out differently in reality as the country has set forth a vision of a 'gas-based' economy and also, in the last one year, taken crucial steps with a view to incentivize greater domestic gas production.

Prospects of growing crude oil imports into the country, a reason for enthusiasm among international oil exporters, presents a scenario of significant concern for the country going forward for the degree of vulnerability it presupposes on the basis of the possibility of sudden supply shocks on account of disruptions in source countries/regions and the considerable financial strain it exerts on the country's exchequer, especially in terms of fiscal and trade deficit numbers. The former issue requires a careful and considered approach to devising the country's energy security strategy through a balanced approach focused primarily on supply diversification and greater indigenous production. It is, however, the latter that has been of real capital consequence over the last decade until the deep slide in international crude prices.

Although the last two years of low global crude prices have provided relief to the government as well as upstream players through a reduction in both forex outgo due to imports and the subsidy liability on account of the under-recoveries of the public sector Oil Marketing Companies (OMCs), a price recovery in the global arena has the capacity to quickly nullify the gains made in the interim. Value of crude imports has grown from US$ 38.7 bn in FY'06 to US$ 63.9 bn in FY'16. However, if we look at the number for FY'14, prior to the fall in prices, which is US$ 142.9 bn, and works out to a CAGR of 17.74% over the 8 year period against a CAGR volume growth of 8.38% during the same timeframe, the magnitude of potential risk in the event of an upside in prices becomes much clearer. So much so that, the Hon'ble Prime Minister, in recognition of the severity of the situation, has laid out an ambitious agenda to implement a 10 percent reduction in our crude imports by 2022.

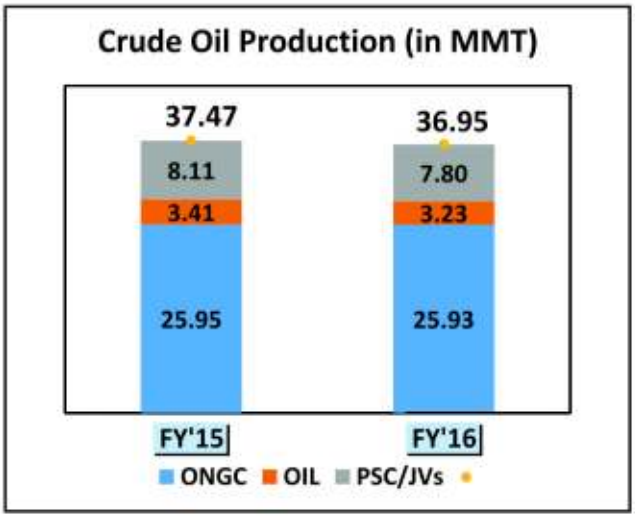
Considering the fact that the country houses 16% of the world population, its current proved oil reserves of 5.7 billion barrels (0.3% of world total) and gas reserves of 50.4 tcf (0.8% of world total) are hugely inadequate to meet the country's current and future energy needs, especially in oil where its annual crude requirement already is 1.4 billion barrels and rising every year (Source: BP Statistical Review 2015, IEA India Outlook). Despite the bleak outlook, with the advances in seismic and oil and gas production technologies, there remain strong possibilities of a meaningful uptick in domestic oil and gas output. Moreover, over 70 percent of the country's 3.14 million sq. km hydrocarbon area spread across 26 sedimentary basins, suffer from poor exploratory coverage. Also, of the prognosticated resource base of 28 billion toe, only about 11 billion toe has been established so far (as on 1st April 2015, DGH Annual Report 2014-15). The promising hydrocarbon finds in the deepwater of Krishna-Godavari Basin in the

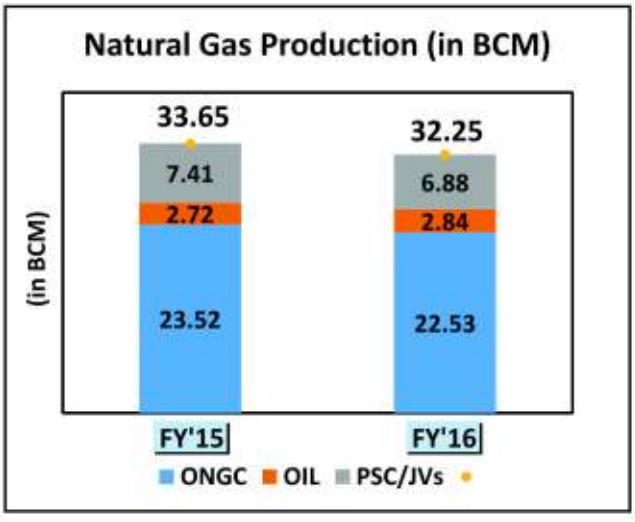
country's Eastern offshore further reinforce the prospect of 'sizeable' discoveries in the domestic basins. In recent times, the government has taken meaningful steps to correct this anomaly. Beyond announcement of policy decisions that are geared towards promoting greater investment in the country's domestic basins to enhance production, it has emphasized on urgent reappraisal of the country's hydrocarbon resource potential through an aggressive approach for collection of geo-scientific data in poorly explored and unexplored areas.

Crude Oil & Natural Gas production

Crude oil production in FY'2015-16 was slightly less than the previous year at 36.95 million metric tonnes (MMT) compared to 37.47 MMT of the previous financial year. However, despite natural decline of the matured fields, from which the majority of its output accrues, ONGC's standalone production registered an increase for the second consecutive year (22.36 MMT vs 22.26 MMT in FY'15). Production from Oil India ltd and Pvt Companies/PSC Joint Ventures saw dips in their output relative to FY'15.

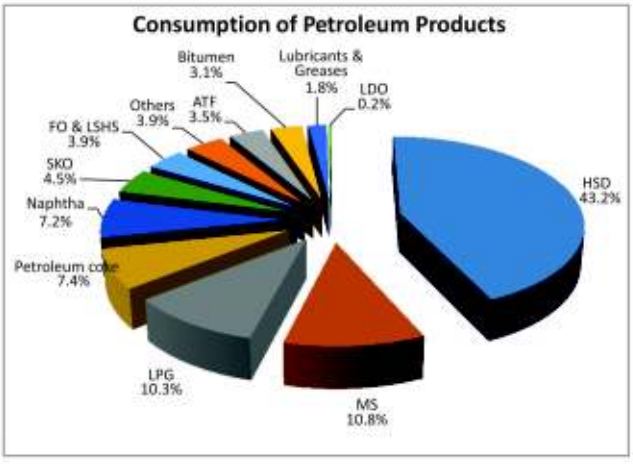
Natural Gas output in FY'2015-16 was 32.25 billion cubic metres (BCM), a 4.2% decrease from FY'2014-15 output of 33.65 BCM. Output of ONGC and PSC-JVs declined by 3.8% and 7.6% respectively, compared to the previous fiscal. Whereas production from OIL-operated fields increased by 4.3%.





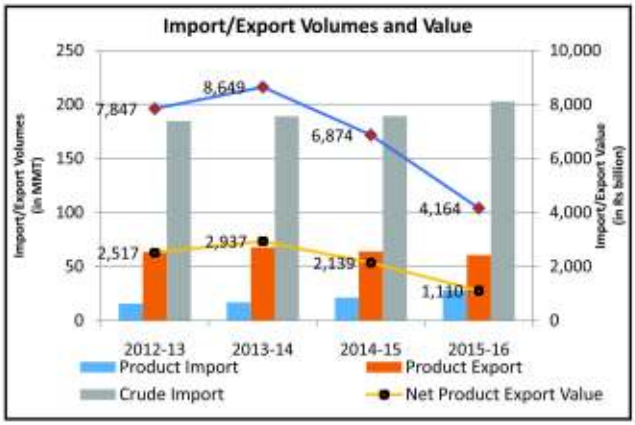
Consumption of Petroleum Products

Consumption of Domestic petroleum products registered remarkable growth during FY 2015-16 (183 MMT), clocking an 11 percent rise y-o-y against FY 2014-15 (165 MMT). Four major products i.e., HSD (43% of total consumption), Motors Spirit (11%), LPG (10%) and Petroleum Coke (7%) accounted for over 70 per cent of total petroleum products consumption. Among these, MS posted a very impressive cumulative growth of 14.5% in FY'16 relative to FY'15, largely aided by the narrowing price gap between diesel and petrol. This has resulted in a shift towards petrol driven cars. Diesel continues to be the most consumed petroleum product and in FY'16 the fuel registered a growth of 7.5%, a major improvement from the 1.5% growth witnessed by the commercial fuel in FY'15. Strong commercial vehicle sales and improvement in road infrastructure has led to this spurt. For the two transport fuels, low retails prices also was a major factor in boosting domestic demand. LPG also experienced a strong growth of 8.6% in the last financial year. On the other hand, consumption of SKO declined by 3.7% as more and more people move away from Kerosene towards LPG.



Import and Export

After negligible growth in crude imports in FY'15, imports of crude oil grew by a solid 7% in FY'16 spurred by low global crude prices and strong domestic demand. In terms of volume, imports stood

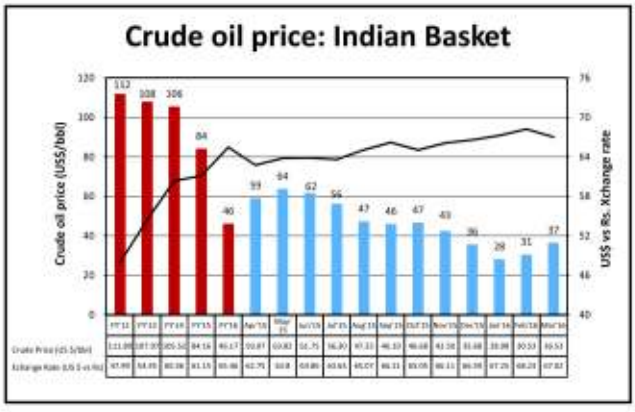


at 202.85 MMT in FY'16 (189.43 MMT in FY'15. Petroleum products imports (28.3 MMT) sustained their trend of robust growth with 32.8% increase over FY'15 volumes, mainly on account of increase in import of LPG, Naphtha, Petrol, and other products like - Aviation gas, Pet Coke etc. Petroleum products export declined for the second year running. Exports dipped by 5.3% on account of low global demand and higher market supply as new refineries in the Middle-East kicked into production during the year.

Total import (crude and petroleum products) combined with total products export of 60.54 MMT translates to a net import volume of 170 MMT for FY 2015-16, a 16.2% rise over import volumes of FY'15. Net import bill for crude oil during FY 2015-16 was Rs 4,163.61 billion (US$ 63.96 billion) against ₹6,874.16 billion (US$ 112.74 billion) during FY 2014-15. In the two year period, from FY'14 to FY'16, value of crude imports have gone down by close to 52% in rupee terms and by over 55% in dollar terms as international crude prices slid by over 50%.

Crude oil Price: Indian Basket

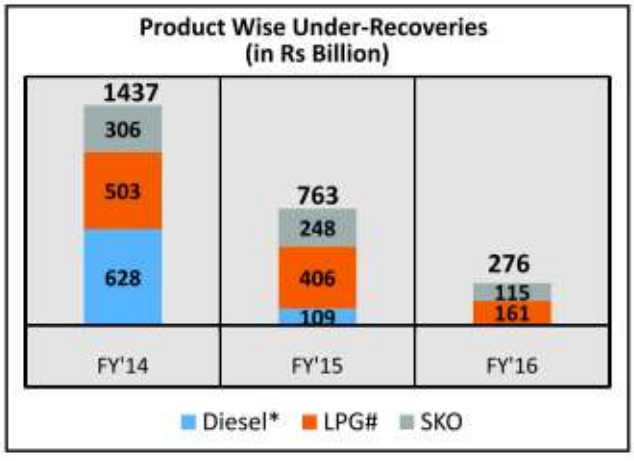
Crude oil price of the Indian basket averaged US$ 46.17 per barrel (₹3,022 per barrel) during FY 2015-16 compared to US$ 84.16 per barrel (₹5,146 per barrel) in the previous fiscal (FY 2014-15); a massive decrease

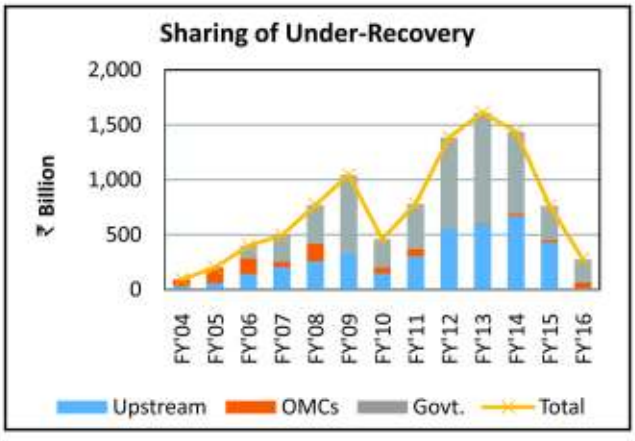


of 45.1 per cent in dollar terms (41.3 per cent in Rupee terms). Slide in oil prices started from August 2014 and recorded a 12 year low in January 2016 when it dropped to below $30 a barrel. However, in recent times, prices have recovered to an extent having averaged around US$ 44-45 per barrel during April 2016.

Under recoveries on sensitive products

Beyond the decontrol of diesel prices which was executed in October 2014, the government, with a view to rationalize the method of subsidy disbursement to consumers, in FY 2015-16 also implemented important steps towards bringing down the overall under-recoveries on account of discount provided by OMCs on certain petroleum products. Notable among





them are 'PAHAL' (direct transfer of subsidy amount to bank accounts) and 'Give It Up' (voluntary relinquishment of subsidy benefits by the more economically well-off). While the first scheme is intended to plug the leakages in the system by a process of disintermediation and removal of 'middle-men', the latter is an aim to make everyone a stakeholder in the country's growth story.

Under-recovery on sensitive fuels (SKO & LPG) for the fiscal FY'2015-6 has been ₹275.71 billion; 63.9% lower than the fiscal FY'2013-14 (₹762.85 billion). Under-recovery declined for consecutive two years mainly on account of lower prices of Indian crude oil basket. Also, the decontrol of diesel prices have continued to generate massive savings – under-recovery on account of diesel was ₹ 628.37 billion in FY 2013-14; it came down to Rs 109.35 billion in the subsequent fiscal, before being completely eliminated as a source of under-recovery in FY'16.

Out of total under-recovery of ₹275.71 billion in FY'2015-16, the upstream companies shared ₹12.51 billion (4.5 per cent) compared to ₹428.23 billion (59.2 per cent) during FY'2014-15. The Government's contribution has been Rs 207.60 billion (75.3 per cent) against ₹312.79 billion (41 per cent during FY'2014-15); while Oil Marketing Companies (OMCs) contribution was ₹55.59 billion (20.2 per cent) compared to 21.83 billion (3.0 per cent of the total in FY'2014-15).

Domestic Gas Prices

The revision of domestic gas prices was implemented by the Government on October 19, 2014. The much-awaited move, which was positive news for upstream players, had then signalled the possibility of ramping up investments in the sector with the objective of not only monetizing undeveloped gas reserves but also to revitalizing mature hydrocarbon properties. However, with the continuous decline of global crude prices, to which gas prices are linked, from the time of implementation of this measure, all subsequent gas price revisions subsequent to the first instance have resulted in prices that have trended only lower relative to the existing price point. The latest round of revision to the gas prices, which were implemented on March 31, 2016, pegged domestic gas prices at $3.06 per mmBtu on a Gross Calorific Value (GCV) basis for the period April-September 2016.

Gas Prices before Revision	$4.2/mmBtu
Prices – Post Revision (on GCV basis)	
1st Nov 14 – 31st Mar 15	$5.05/mmBtu
1st Apr 15 – 30th Sep 15	$4.66/mmBtu
1st Oct 15 – 31st Mar 16	$3.82/mmBtu
1st Apr 16 – 30th Sep 16	$3.06/mmBtu

Hydrocarbon Exploration Licensing Policy (HELP): In a landmark move heralding the Government's intent to overhaul the regulatory and fiscal policy framework of the domestic oil and gas E&P sector in order to facilitate on augmentation of indigenous E&P activity and creating a simpler operational environment, in March 2016, a new exploration and licensing policy - **Hydrocarbon Exploration and Licensing Policy (HELP)** – was unveiled, one that will supercede the existing NELP regime. What sets this new contractual model apart from NELP is the introduction of policy elements that was long viewed as necessary to sufficiently incentivizing E&P activity within the country in view of the country's limited prospectivity, surging oil and gas demand, growth of unconventional hydrocarbons as part of mainstream operations and costly nature of E&P operations, to name a few. Among these new policy provisions, some like Open Acreage Licensing and a single, Uniform License for all forms of hydrocarbons have persistently featured in the demand-list of upstream operators in the past.

Essentially, the four main facets of this policy are:

- uniform license for exploration and production of all forms of hydrocarbon,
- an open acreage policy,
- easy to administer revenue sharing model and
- marketing and pricing freedom for the crude oil and natural gas produced.

The uniform licence will enable the contractor to explore conventional as well as unconventional oil and gas resources including CBM, shale gas/oil, tight gas and gas hydrates under a single license. The concept of Open Acreage Policy will enable E&P companies choose the blocks from the designated area.

The switch of the fiscal system to a revenue sharing model from the production sharing (of NELP) based on Investment Multiple and cost recovery /production linked payment is aimed at reducing the scale of government discretion and intervention in projects. The earlier cost recovery model that required regular scrutiny/audits on incurred costs, often had resulted in unnecessary delays and complications in project execution.

A graded system of royalty, rates decreases from shallow water (7.5%) to deepwater (5% after 7 years) and ultra-deep water (2% after 7 years), has also been introduced in recognition of the cpaital intensive and risk-prone nature of E&P operations. As part of the new system, the government also freed gas pricing from the new blocks and existing discoveries which are yet to commence production. However, to protect user industries from any unexpected spikes in gas prices, the government is imposing a price cap linked to the opportunity cost of imported fuels.

Premium Prices for gas produced from difficult areas: Another significant policy move of the last financial year, FY'16, was the allowance of marketing and pricing freedom for gas produced from High Pressure High Temperature, Deepwater and Ultra Deepwater areas. However, the marketing freedom so granted would be capped by a ceiling price arrived at on the basis of landed price of alternative fuels. The policy guidelines would be applicable to future discoveries as well as existing discoveries which are yet to commence commercial production as on 1.1.2016.

The ceiling price in US $ per mmBtu (GCV) shall be the, lowest of the (i) Fuel oil import landed price (ii) Weighted average import landed price of substitute fuels (0.3 x price of coal + 0.4 x price of fuel oil + 0.3 x price of naphtha) and (iii) LNG import landed price, whichever is lower.

The decision is expected to improve the viability of some of the discoveries already made in such areas and also would lead to monetization of future discoveries as well. The reserves which are expected to get monetized are of the order of 6.75 tcf or 190 BCM or around 35 mmscmd considering a production profile of 15 years. It certainly bodes well for all deep and ultra-deepwater discoveries of the country, especially in the Eastern offshore, where substantial gas deposits have been established. ONGC's KG-DWN-98/2 deepwater project, which was approved in FY'16 at a cost of Rs 340,120 Million (~US $5 bn), stands to benefit meaningfully from this move.

As per the formula, the price ceiling for gas produced from such aforementioned areas, for the period 1st April 2016 to 30th September 2016, is set at US $6.61/mmBtu on GCV basis.

Marginal Field Policy: In September 2015, the government announced the Marginal Field Policy (MFP) geared toward providing an attractive framework for the monetization of many fields that were undeveloped on account of multiple reasons – location, size, technologies, costs, fiscal regime etc. Some of the key aspects of this new small field package are uniform license for mining of all hydrocarbons, no restriction of exploration activity during contract period, freedom to price oil and gas so produced in the domestic markets on an arm's length basis and no application of cess. The MFP, in its first round of auctions, will be applicable to 69 marginal fields that were previously owned by state-owned oil and gas E&P companies, including ONGC.

Although the current term of low crude prices may deter investors from any immediate plans of investment commitment in these fields considering the limited resource pool of these fields, the exemption of cess, freedom to price the produce and a minimum time frame of 2 years (required for project development) beyond which the outlook on prices could be better have ensured the current terms are certainly better than what was on offer previously and works well to interest important stakeholders of the E&P arena.

Revision of Cess: The sovereign budget of FY 2016-17 carried an important announcement pertaining to levy of cess on domestically produced crude oil, especially in the context of depressed crude prices, and the inherent volatility of crude markets, which made the imposition of a flat tariff untenable. The Finance Minister in the Budget for 2016-17 changed the cess on crude oil to 20 per cent of the prevailing oil price as compared to ₹ 4,500 per ton currently. At US $35/bbl, the cess works out to around Rs 3500 per ton; however, cess outgo goes beyond ₹ 4,500 per ton for prices above $45/bbl which raises valid concerns for upstream player in a high oil price scenario as cess incurred by producers is not recoverable from refineries and thus, forms part of cost of production of crude oil.

Operational Performance

Fy'16 saw yet again the improved performance in bringing the planned and anticipated oil & gas volume on the surface. Oil & Gas production of ONGC Group, including PSC-JVs and from overseas Assets for FY'16 has been 57.38 MMtoe (against 58.33 MMtoe during FY'15). There were meaningful increments in Western offshore arena and overseas equity oil and gas output.

Out of the total crude oil production of 31.44 MMT, 71.2 per cent production came from the ONGC operated domestic fields, 17.5 per cent from the overseas assets and balance 11.3 per cent from domestic joint ventures. As far as natural gas production is concerned majority of production (81.7 per cent) came from ONGC operated domestic fields and of the the remaining, 13.1 per cent came from overseas assets and 5.2 per cent from domestic joint ventures.

Oil and gas production profile from domestic as well as overseas assets during last five years are as given below:

Oil and gas production	FY'16	FY'15	FY'14	FY'13	FY'12
Crude Oil Production (MMT)	**31.44**	**31.47**	**31.49**	**30.47**	**33.13**
ONGC	22.36	22.26	22.25	22.56	23.71
ONGC's share in JV	3.57	3.68	3.75	3.57	3.21
ONGC Videsh	5.51	5.53	5.49	4.34	6.21
Natural Gas Production (BCM)	**25.94**	**26.86**	**27.72**	**28.25**	**28.05**
ONGC	21.18	22.02	23.29	23.55	23.32
ONGC's share in JV	1.35	1.50	1.56	1.78	2.19
ONGC Videsh	3.41	3.34	2.87	2.92	2.54

Proved reserves

During the year 2015-16, ONGC has made 17 Oil and gas discoveries in domestic acreages (operated by ONGC). Out of 17, 10 discoveries are in Offshore and 7 in Onshore; 8 discoveries were made in the new prospects whereas 9 were new pool discoveries. 7 discoveries were made in NELP blocks and 10 in nomination blocks. Out of the discoveries made this year, 7 discoveries are oil and gas bearing and 10 are gas bearing. Position of proved reserves of your company is as below:

Proved Reserves (MMTOE)	FY'16	FY'15	FY'14	FY'13	FY'12
Estimated Net Proved O+OEG Reserves	**911.57**	**936.44**	**961.91**	**968.81**	**963.86**
ONGC	691.28	711.24	724.13	741.00	737.36
JV share	18.59	22.56	30.65	31.39	33.12
ONGC Videsh	201.70	202.34	207.13	196.42	193.38

Financial performance: ONGC (Standalone)

(₹ Million)

Particulars	FY'16	FY'15	% Increase/ (Decrease)
Revenue:			
Crude Oil	518,863	536,638	(3.31)
Natural Gas	182,663	187,381	(2.52)
Value Added Products	78,360	99,469	(21.22)
Other Operating revenue	5,765	7,447	(22.59)
Total Revenue from Operations:	**785,651**	**830,935**	**(5.45)**
Other Income	61,922	53,666	15.38
EBIDTA	381,591	380,164	0.38
PBT	233,903	265,552	(11.92)
PAT	**160,036**	**177,330**	**(9.75)**
EPS	18.71	20.73	(9.74)
Dividend per share	8.50	9.50	(10.53)
Net Worth	1,510,225	1,436,229	5.15
% Return on net worth	10.60	12.35	(14.17)
Capital Employed	1,132,742	1,144,995	(1.07)
% Return on capital employed	33.70	33.20	1.51
Capital Expenditure	301,104	299,975	0.38

ONGC Group

Particulars	FY'16	FY'15	% Increase/ (Decrease)
Revenue:			
Crude Oil	587,208	662,845	(11.41)
Natural Gas	200,825	204,306	(1.70)
Value Added Products	619,039	778,335	(20.47)
Other Operating revenue	22,199	18,402	20.63
Total Revenue from Operations:	**1,429,271**	**1,663,888**	**(14.10)**
Other Income	70,228	59,253	18.52
EBIDTA	490,733	482,671	1.67
PBT	227,179	273,704	(17.00)
PAT	**141,238**	**183,335**	**(22.96)**
EPS	16.51	21.43	(22.96)
Net Worth	1,839,121	1,794,742	2.47
% Return on net worth	7.68	10.22	(24.85)
Capital Employed	1,745,056	1,781,995	(2.07)
% Return on capital employed	28.12	27.09	3.80

5. Peer Review

In FY'16 also your Company has been the largest producer of oil and gas in the country (from its domestic operations) contributing 70% per cent of oil and 70 per cent of natural gas production.

Your Company's financial performance compared to performance of Oil India Limited (OIL) in FY'16 is as below:

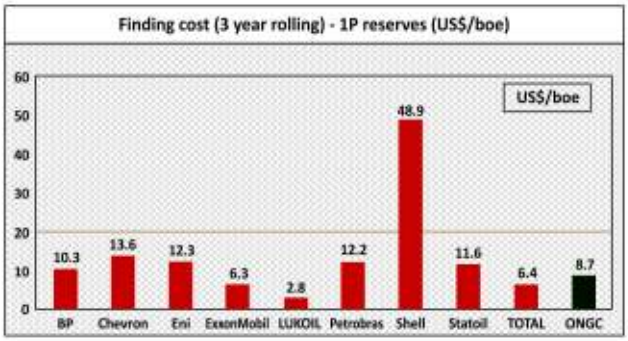
(₹ million)

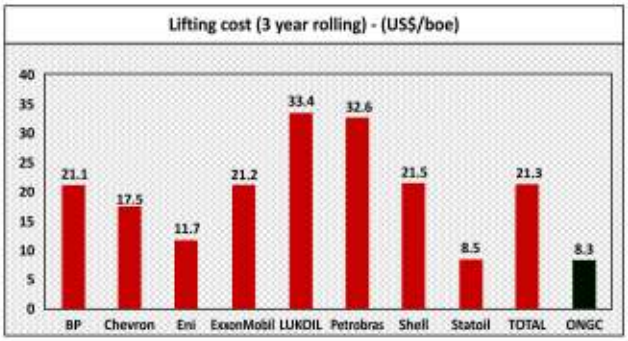
Particulars	ONGC	OIL
Revenue	783,681	97,649
Profit After Tax (PAT)	160,036	23,301
Net worth	1,510,225	223,162

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

Rolling average of Finding cost ($/boe) for 3 years in respect of ONGC has been 8.7 US$/bbl well comparable with the other oil majors.

ONGC's lifting cost (including royalty) US$ 12/boe (3 years' rolling average up to 2014) has been well competitive with respect to the global peers.





6. Opportunities & Threats

Regardless of the extreme slump in crude oil prices that the industry witnessed over the last two years, that also produced a concomitant negative drag on prices of gas and LNG subsequently, the energy sector operates on a necessary diet of optimism that is essentially borne of the sector's criticality in the global context. So, as we look ahead, from within the operating environment and the business realities of the day, although the potential traps for any oil and gas company are quite evident there are also meaningful opportunities to be tapped into for stimulating growth amid the industry's characteristic uncertainty.

The biggest threat that low oil prices pose to companies is in the realm of sustaining their capital expenditure plans. Companies have slashed capital spend in 2016 in response to the dramatic collapse in oil prices. As per a Wood Mackenzie Report, companies have executed close to 30 percent cuts to their upstream budgets relative to 2015. Cuts have trended deeper as time has progressed and the oil- and gas-price outlooks have weakened. Even as prices have recovered from their low of early 2016, there is a lack of wide-ranging consensus around the strength and stability of this recovery as demand growth for oil in 2016 and 2017 is projected to be less than what was registered in 2015 at between 1.1-1.3 mbpd, as per the IEA's Oil Market Report.

However, despite the paring of budgets, many companies are showcasing their ability to do more with less by growing or holding production flat while cutting spend. As per Wood Mackenzie, the companies that had announced production guidance for 2016 expect to produce just 333,000 boe/d (1%) less than 2015. This shows the opportunity to be had in terms of sustaining base production profiles through improved productivity and higher operational efficiency through better utilisation of technology and taking advantage of less service and hiring costs prevailing in the industry.

But materialization of future production pipeline is in real danger as companies focus on current streams while wither canceling or deferring projects that are yet to reach the FID-stage. This is in stark contrast to the $100 a barrel price regime when the upstream development segment was flush with approvals for even the most challenging of projects. Due to these, global production will be down 3% (5 mmboe/d) in 2016 and 4% (6 mmboe/d) in 2017 against projected output, with onshore US accounting for 70% of the drop. Deep and ultra-deepwater and oil-sands have suffered in the wake of this downturn. Near-term spend on deepwater and ultra-deepwater projects has dropped US$67 billion (39%) mostly in places like Angola, Brazil and Gulf of Mexico. Oil sands expenses is also expected to contract by over 20 percent in 2016-17.

In this grim environment for upstream operators, on a more positive note for operators, cost deflation has also played a major role in helping companies sustain core production-related operations as well as approve the most promising of field development programs. Conventional pre-FID greenfield projects have had an average 10% reduction in capex/boe (dollar terms) from 2014 levels. But some regions have gone much further, with average deflation in Latin America, Europe, North and West Africa and South East Asia all exceeding 20%.

On top of diminished costs by way of supply chain savings (drilling, construction etc.), there is also substantial room for improving a project's economic profile by way of project optimisation through redesign and efficiency gains in operations. Here, the onus of leveraging this opportunity rests with the operator. Re-working field development plans, optimising project design and more innovative approaches to project management will all play important parts in determining how well companies, especially upstream oil and gas companies, are able to introduce operational elements that provide them with long-term benefits while cushioning the short-term negative impact. Shell's Appomattox deepwater field in the Gulf of Mexico, which was approved in the second half of 2015, shows what's achievable. Total project costs were reduced by 20%, of which US$1.6 billion (or 75%) was related to project scope and efficiency gains. But the deflationary pressures on costs are expected to ease in 2016 as service sector capacity dwindles and oil prices recover, providing a narrow window for companies to lock in these savings while firming project investment plans.

Companies cannot afford to compromise the prospects of long-term growth by instituting measures that essentially cater to near-term cyclicality of prices and so they will have to hedge their risks in terms of targeting to consolidate their core areas while curtailing marginal focus areas.

For ONGC, the challenges that a portfolio which is predominantly mature poses to its aspirations of strong future growth is a veritable concern among all its stakeholders. Close to 70 percent of our indigenous crude production is accounted for by fields with a minimum vintage of 25 years. It is a major reason behind the strong emphasis of redevelopment projects geared towards realizing higher recoveries from our mature fields. In FY'16, over 30 percent of our production was realized via the incremental supplies of these IOR projects. While sustenance of these projects is no-brainer for the company in terms of value derived from the enhanced quantities of oil and gas, their economic implications on the company's books, especially, in a low oil price period because of their costly nature is a source of future threat.

As per BP Energy Outlook 2035 (published in January 2016), global energy consumption is expected to be 34 percent higher in 2035 than 2014 levels. Virtually, all of this growth in energy demand is slated to come from non-OECD countries (96 per cent). India's energy consumption growth of 4.2 percent p.a. is projected to beat that of all the major economies in the globe. Overall, India's energy production rises by 123% to 2035 while consumption grows by 136%.

Although the country's primary energy basket is expected to remain coal-dominant such a substantial increase in overall energy requirements also translates to significantly high demands for oil and natural gas as well. The country has already become the world's third largest oil consumer of the world in 2015, overtaking Japan. Demand for oil is anticipated to expand by 118 percent while that for gas sees a growth of 155 percent.

Such a steep rise in energy demand as well as our country's increasing reliance on energy imports has motivated the company work with greater sense of urgency to implement new projects on the ground, in addition to continuing its successful offshore redevelopment projects. So, in FY'16, contrary to the global trend of reduced project approvals, ONGC approved projects worth over USD 7 bn, the most significant of them being the development of its fields in the deepwater of KG Basin in eastern offshore at an estimated cost of USD 5 bn. Implementation of these projects translate to over 95 MMToe of additional oil and gas over the entire project lifecycle.

Although execution of deepwater projects has been a challenge in recent times because of the technological complexity as well as the front-loaded nature of capital investments, development of Cluster 2 fields in KG-DWN-98/2 block has been possible due to the convergence of a few key factors – decrease in service and hiring costs in the sector, better understanding of the sub-surface geology, government's decision to allow premium pricing for gas developed in difficult areas, and, crucially, the discovery of liquid plays in an area that was earlier believed to be primarily gas-bearing.

Herein lies the enormous opportunity for all the stakeholders in the energy sector in India. Of the country's 26 sedimentary basins, only seven are in Category 1 with proven commerciality and over two-thirds of the 3.14 million sq. km of basin area remains under-explored. So, although existing prospectivity and resource potential may not offer any potential avenue for near-term revenue generation, possibility of meaningful hydrocarbon finds cannot be entirely ruled out either as only 12 btoe of the 27 btoe of prognosticated hydrocarbon resources has been established so far. The task is huge for Indian companies particularly for your company, ONGC, the flagship energy company in this highly strategic and nationally critical sector.

What has really aided the growth of the sector and motivated oil and gas operators across the globe to persist in the pursuit of all current and emergent opportunities is the technology evolution in the industry over the past few years as companies have consistently extended the boundaries of frontier exploration and successfully realized volumes from resources that were hitherto deemed commercially unviable or geologically difficult. The remarkable 'unconventional' shale revolution in North America is a result of those advances. Although the present low oil price regime, with companies having executed an average of 30 per cent capex cuts, makes riskier upstream projects and aggressive exploratory targets less viable, the companies that continue to judiciously invest in upgrading their technological base and improving their efficiencies in technology application will remain better positioned than others to weather the ongoing downturn in prices.

It must not be forgotten that, despite the oil price blip of the last 2 years, the industry has generally witnessed strong returns from frontier exploration (@13%), from mature fields (@16%) and from emerging basins (@15%) in the years preceding that. So, once the prices recover, the push for projects that bring new oil into the market will return with even greater thrust and focus. Till such time when prices stage a sustainable recovery, companies, in view of the high breakeven costs and shareholder pressure over profitability and dividend returns, are most likely to defer high-cost drilling in favour of lower-cost, lower-risk options.

As such, E&P companies are likely to persist with their activity in basins with running room where geology is better understood and infrastructure is in place, which both reduce cycle times. The time is right for 'STRONG EXPLORERS' to capitalize and "do more with less", increasing their drilling in high-impact plays.

What this period of relatively lean exploration also offers is the opportunity for geoscientists and geologists perform more rigorous analysis of data and thereby improve the quality of the prospect pipeline. The 2010/2011 drilling moratorium in Gulf of Mexico region had a similar effect and arguably led to a stronger prospect inventory and healthier results in the past two years. In fact, from 2000 to 2014, a higher percentage of annual reserve growth has come via field growth in discoveries made in earlier years through better interpretation and understanding than completely new finds.

Despite big finds such as East-African gas discoveries, Brazilian pre-salt or promising Mediterranean discoveries (Zohr in Egypt and Leviathan in Israel) in recent times, a common source of concern among upstream players in the last 15 years has been the diminishing size of upstream discoveries. But as per a report from IHS Energy, it does not necessarily mean

smaller fields become complete non-starters – close to 20% of fields in the size range of 20 to 500 Mmboe have been producing for over 50 years. Part of the reason for that is the steady evolution of technology and its effective deployment has resulted in extending field lifecycles. IHS estimates that potentially upwards of 140 bboe remains in existing, low-quality oil fields, based on a high-level assessment. And existing reserves are being continually revised upwards as new API tools and techniques become mainstream and are integrated in current models. Right there, that's a substantial opportunity for oil and gas companies.

Your Company's time-bound and technology-intensive IOR/EOR schemes and clustered approach to development of marginal fields are a proof of the additional value that can be commercially unlocked from existing producing pools or standing reserves.

However, for financially stretched companies, these are certainly difficult times to do business in. Many of the companies, set up during the price boom period, and mostly in the US onshore segment, are highly leveraged with overall operating costs that are above current prices. Some of these companies, depending on the strength of their asset portfolio, are expected to be targets of market-driven acquisition for companies seeking to plug gaps in their portfolio, or bolster existing positions.

At a more macro level, another source of threat in ongoing depression in global crude prices is how host governments in resource-rich countries are going to respond in terms of fiscal and regulatory policies as their revenues dwindle in the current onslaught. Breakeven oil prices for the sovereign budgets of many of the major host countries such as Venezuela and Russia, with substantial deposits of oil and gas, are conspicuously higher than current prices. Although governments, under current set of circumstances, are under mounting pressure to act to maximise oil investment and revenues, their ability to change upstream investment terms depends on the maturity of assets, the current investment framework, and the competitor mix. Also, the fact that many of these countries require the sustained infusion of foreign investment to support their domestic business could also be a hurdle to adopting any aggressive stance in terms of higher government take. That being said, countries like Kazakhstan and Ecuador have changed fiscal terms that has resulted in a higher payout from the investor. So, the threat of dispute with host governments will remain so long as we are operating in a period where prices are uncomfortably low.

In response, companies will want to rationalize their expenses and planned investment, which means it is not merely the size of the resource base, although that will remain a major factor, that will determine where companies choose to make their commitments. Policy transparency and stability will play equally important roles in influencing where companies choose to make a capital commitment, especially in respect of countries where political and economic regimes are either in a state of flux or transition. The delays witnessed in the development of new oil and gas projects, be it deepwater or greenfield LNG projects, in emerging hotspots in the African continent is an example of that phenomenon.

Coming to LNG, the pressure of oversupply, lower prices and the huge capex requirements is starting to tell on the LNG sector, and, as per Wood Mackenzie, 2016-17 investment in the sector has been cut by 6%. Pre-FID projects have been badly impacted - with Woodside's US$26 billion Browse project in Australia the highest profile casualty. A number of proposed US projects are also expected to be pushed back, as they struggle to secure customers to underpin financing.

In Africa, while FLNG in Cameroon, Equatorial Guinea and Mozambique is looking relatively healthy, large scale onshore projects in Mozambique and Tanzania are much more challenged. However, costs are seen coming down in response to FID deferrals. However, despite the realities of the current ecosystem that the sector has to contend with, the long-term outlook of LNG remains robust considering the abundance of gas resources and the proposition of LNG as a cleaner energy source. Also the breakeven costs for most greenfield projects are in tandem with projected oil prices in the longer term.

Globally, the surge in the activity related to unconventional hydrocarbons has been stymied to an extent by the steep fall in prices. Nonetheless, leading explorers continue to add unconventionals to their portfolio while keeping their conventional reserves steady, largely because the returns from the particular resource base is quite compelling, particularly with liquids-rich plays as their returns often exceed that from conventional exploration. In fact, the US shale or tight oil sector which was expected to be hardest hit due to the low prices has discovered greater efficiencies in drilling and withdrawn from non-core areas in a manner that has made the slowdown in the unconventional output surprisingly less severe than was originally expected when the prices started tumbling. It is because of the resource base' sizeable potential and operational resilience that makes 'unconventional' hydrocarbons a strong opportunity avenue to explore for oil and gas operators.

One of the most fundamental threats that is being posed to the oil and gas sector comes from renewables and alternative energy forms; in fact, greener energy sources have always been a constant threat to the carbon-intensive hydrocarbon industry,

however, the potency of this threat, in recent times, has increased manifold with growing consensus on the climate change and the need to employ more sustainable models within the paradigm of energy production and consumption. The COP 21 Conference in Paris, held in late 2015, and the subsequent signing of Global Agreement on Climate Change has provided further impetus to a global move towards a greener energy mix. As per BP Energy Outlook 2035, renewable energy forms are projected to grow rapidly (6.6 percent per annum), causing their share in primary energy to rise from around 3 percent today to 9 percent in 2035.

That being said, while the concern surrounding the carbon-intensity of fossil-fuel sector is real and indisputable, it is nonetheless important to recognize the widespread integration and relevance of oil and gas in today's world, and although renewables will begin to grow in the global energy basket, fossil fuels will still account for a dominant share. From that perspective, it is equally important to attach necessary importance to making operations within the upstream oil and gas more energy-efficient and less carbon-intensive. Carbon-audits, CDM projects, capturing fugitive gas emissions and sustainable water consumption practices are some of the practices that the industry can effect that transition to a greener oil and gas ecosystem.

Talking specifically for India, as already mentioned, huge potential still lies with Indian oil and gas explorers and producers. With more than 28 billion tonnes of prognosticated reserves, Indian sedimentary basins have good potential. However, with 12% areas still unexplored and 22% areas which are poorly explored, huge pools of prognosticated resources are waiting to be converted into in-place volume. In India, only 7 basins are producing (out of 26) and exploration is yet to be initiated in 11 basins. This provides a huge opportunity for all explorers, like your Company, to convert these remaining basins into a producible proposition.

On production front, so far our recovery factor has been quite low (around 30% or so on average) as compared to matured fields of similar vintage having recovery factor around 45% plus. This offers a huge opportunity as a lot of oil is still left in those reservoirs. As mentioned already, ONGC is increasingly pursuing the agenda of improving recovery factor through technology and capital intensive interventions, and aims to increase recovery factor to 40% by 2020. In FY'16, over 33 per cent of the Company's domestic crude oil production was accounted for the incremental oil extracted through its IOR/EOR schemes. But considering the increasing costs of the marginal barrel of oil, innovation and technological improvements are a must for continued viability of such endeavours.

7. Risks and Concerns

Considering the strategic significance of the oil and gas industry in the global context, it continues to be affected by a wide variety of factors in its immediate as well the broader environment on a day to day basis. A few of them are a constant feature in the energy landscape while others on account of their relatively disruptive influences on the system in a brief period of time, such as the remarkable episode of growth in the US unconventional arena enabled by innovative uses of technology, are seasonal or periodic rendering them less predictable than others. It is the interplay between these multitude of trends and realities that lend the oil and gas sector its typical 'volatility'. As we look ahead into a more than usual uncertain period of activity in this domain, there are some key issues or concerns that merit recognition as possible sources of risks and increased unpredictability within the industry.

Foremost among them is the anxiety surrounding the trajectory of global crude oil prices. The steep slump that global prices had endured over the last two years is seemingly nowhere near to making a transition into a stable period of recovery into acceptably higher price range. Prices have recovered from the record lows of January-February 2016 when a barrel of Brent crude was priced under $30 to an average of above $45 a barrel in the April-May'16 period; but what continues to stoke the bearish tendencies of the market is the fact that most of this uptick has come on the back of surge in unplanned outages across major OPEC (Nigeria) and non-OPEC (Canada) countries and not any meaningful boost in consumption or demand. As per an US EIA report, unplanned global outages (~3.6 million bpd vs 2.2 million bpd) in at the end of May 2016 had reached the highest levels since at least 2011June. At the same time, OECD commercial inventories remained flat, or even registered marginal increments in their stockpiles. The unimpressive pickup in demand is a cause of concern as in its absence there is limited scope of any quick disappearance of the supply overhang and the situation could worsen if some of the disrupted supplies, such as the ones in Canada affected by the wildfires, come back online faster than anticipated. With an average break-even price of many of delayed greenfield projects (with NPV 10) at around $60/bbl of Brent, further delays to removal of the global oversupply will seriously endanger the future pipeline of hydrocarbon volumes. Some of the major projections related to crude price movements and supply-demand balance in recent times are presented below:

- The International Energy Agency (IEA) in its May 2016 Oil Market Report projected a slowdown in demand from 1.8 mbpd in 2015 to 1.2 mbpd in 2016. Projected demand and supplies for 2016 are

95.9 mbpd and 96.4 mbpd respectively. As such, until a real pickup in demand is visible on the ground, the recent rally (April and May 2016) in crude prices cannot be expected to be sustained through the rest of the year.

- US Energy Information Administration forecasts Brent crude oil prices will average US$ 43/bbl in 2016 and US$ 52/bbl in 2017. West Texas Intermediate (WTI) prices in both 2016 and 2017 are expected to remain close to the Brent price.
- IHS Energy has presented an outlook for Brent at an average of US$ 44/bbl in 2016 and US$ 52/bbl in 2017. The firm expects global oil demand growth of 1.1 mbpd in 2016 and 1.3 mbpd in 2017; global demand-supply situation is expected to come into a position of rough balance in early 2017.

The return of Iran, post the removal of US-led sanctions, introduces a new and significant element of uncertainty into the global crude markets. Based on Iran's crude exports tracking higher than expected since nuclear related oil sanctions were lifted in January, IHS Energy have raised the outlook for the country's crude oil production in 2016 to 3.4 mbpd, and to 3.6 mbpd in 2017. Iran's steady ramp-up of supplies could further motivate Saudi Arabia, which possesses the maximum spare capacity among the major producing nations, to produce in even higher quantities to protect its export markets and if it is not accompanied by improvement in global economic temper.

The role of 'Geopolitics', an ever constant strain of either perceived or real disturbance in the global oil and gas template, which was muted, to an extent, as oil prices slumped on account of pure-play market forces, is now seen returning with increase in level of supply disruptions in countries like Nigeria (where output has fallen to 20 year lows) even as shut-ins continue in Libya, Syria and Yemen. The unfolding internal rivalry within the OPEC between its two heavyweights, Saudi Arabia and Iran, spurred by more than mere rivalry for market share, is one of the more complex geopolitical developments in the sector that can have conspicuous impact on the larger market climate. The persistent menace of Islamic State and other non-state rogue elements in key regions such as Iraq and Syria and their influence in key oil and gas transit points as Turkey continues to be a major thorn in the industry's outlook on medium-term stability. Russia's simmering tensions with Ukraine, a vital transit for European gas imports from the former, and China's ambiguous ambitions in regions around South China are also issues that will lend heft to the discussions centering on geopolitics in the energy sector.

It is this volatility makes 'oil and gas' one of the harder places to do business in. Add to this, the sheer spread of operations and the variety and complexity of regimes and geologies that companies have to deal with on a regular basis compounds the complexity of challenges that oil and gas operators have to contend with globally. It, therefore, becomes imperative for oil and gas players to continuously assess the new and developing situations of their immediate and wider ecosystem.

Another area of potential risk for oil and gas companies, especially upstream operators, is the element of risk involved in the business. Although 'peak oil' worries were majorly exaggerated, there is no denying the near-certainty of 'end of easy oil' as most of the world's most big-ticket oil and gas finds in recent years have been made in more difficult areas where operations are not just technologically difficult but also substantially risk-prone. This is where safety becomes such a critical element, and a priority management concern, for oil and gas companies across the globe. Many of these risks – be it spillage, rupture, blowout of wells, earthquake, tsunami or terrorist activities etc. - are being mitigated right from design stage; however probability of emergency situations cannot be totally eliminated. However, ONGC has implemented improved OISD Standards to improve contingency combat capabilities. ONGC offshore assets have been rated under 'acceptable risk' by international underwriters, enabling a lower-than-peer insurance premium for these assets.

For producing countries, the degree of dependence on oil revenues, the availability (and liquidity) of financial reserves and/or access to external financing will help to determine their economic and political resilience.

Another concern is how the oil field service providers steer their activities in this oil price regime. They are feeling the heat. As outlined by one study, Oilfield contractors will have to lower prices by as much as 20 per cent to help keep their cash-strapped customers working.

Not surprisingly, for your Company too, the last one year has not been all easy going amid the surrounding uncertainty and volatility that has gripped the markets despite a lot of positive sentiment in the domestic environment arising out of the government's progressive stance on reforms and policy making. Financing of new projects, particularly in matured field areas to boost recovery rates and in new & marginal fields and also in deep-water areas to realize fresh volumes, has certainly come under a squeeze in the present market reality. Of course, being an NOC with a national mandate for securing energy needs of the country, we are fully seized of the significance of our sustained performance in situations of any stripe. And ONGC's performance in the last concluded fiscal does more than attest its strong fundamentals and operational excellence.

Globally, monetization of reserves has become a huge concern area with merely 30 per cent of recent finds being deemed commercial. This is largely a result of, as already mentioned, newer finds being made in more logistically and geologically difficult areas and the lack of availability of high-quality data for many of the promising finds which make their development highly prone to operational surprises. Complicating matters further, in certain regions, is the policy flip-flopping owing to political or social pressures that impede the evolution of a stable operating environment, a pre-requisite for sustaining the confidence and interest among E&P players in host countries. So, not only is there a need for advances in technologies related to exploration and production of oil and gas but also a more transparent, stable and economically incentivizing regime to make development of the new reserves commercially more viable, particularly in the more difficult areas such as deep-water, ultra-deep-water, basement plays and HP/HT reservoirs and subtle traps.

Particularly for India, where more than two-thirds of its sedimentary basins remain largely under-explored, a facilitating fiscal and policy framework, be it in the form of relaxed financial terms or a more pragmatic land-acquisition policy, will go a long way in allaying the concerns around hydrocarbon prospectivity and associated commerciality of finds among all current and potential players in the upstream oil and gas landscape. In this respect, however, the government's stance in terms of fostering a policy environment that is progressive as well as remunerative has been quite positive. This has been evidenced by the policy decisions and reform measures that it has announced in the last two years – a new Hydrocarbon Exploration Licensing Policy (HELP) which has introduced encouraging elements such as uniform licensing and marketing freedom, premium prices for gas developed in difficult areas and new auction for Small field development with improved fiscal incentives.

Coming to the domestic production situation, till such time when a 'breakthrough, game-changing find' is made, effective brown-field management is the only reasonable way to sustain supplies at present levels as a major portion of your Company's output is attributable to mature fields. Arresting declines from these legacy assets through cost-intensive operational schemes is a challenge, more so in a low oil price scenario. Continued investments in these programs will warrant greater clarity on issues such as the subsidy sharing mechanism as further erosion of our profit margins could significantly compromise future exploratory and development pursuits. Also, the existing technological gaps in the areas of work-over operations, non-flowing wells, deep water drilling etc. does pose some risks for improving upon production volumes.

Globally, the 'big crew change' has become a priority concern among the best of companies. In USA, for example, as per US Department of Labour estimates, 50% of the oil and gas industry's workforce will be eligible for retirement within the next five to ten years. In India as well, oil and gas companies need to deal with this impending crisis of talent as significant retirements are expected in the sector by 2020, not only are companies staring at a loss of significant capital of experience and expertise with these exits, the fact that they also have to replenish from a talent pool that is already quite lean and scarce further compounds a situation that is already quite alarming for them. The resultant knowledge gaps between new employees and experienced industry leaders may affect the efficiency, efficacy and deliverability for the company. ONGC has also been witnessing a large number of retirements over the last few years. Though it is very difficult to replace such a huge pool of experience, your Company has taken it as a challenge and has been taking all-out efforts to address the situation through redeployment of its manpower and also through induction of sizeable number of young executives to take care of the future.

8. Outlook

a. Exploration acreage & mining Lease

Your Company holds the largest exploration acreage in India as an operator. Despite deregulation and increasing private participation, your company holds 49% of PELs and 80% of ML (Reference: DGH, Hydrocarbon E&P Activities Report 2014-15). So far, your Company has established 9,024 MMtoE of In-place volume of hydrocarbon in domestic basins.

As on 01.04.2016, ONGC is holding a total of 343 PMLs with total area of 56,405 Km2. ONGC has 10 nomination PELs with approximate area of 37,817 Km2. As the validity of these 10 PELs is going to expire soon, ONGC has accelerated exploratory efforts in these blocks with focus on drilling of maximum identified potential prospects before the PEL expiry so that the maximum PML conversion can be achieved.

b. Exploration

During the year 2015-16, ONGC has made 17 oil and gas discoveries in domestic fields (operated by ONGC). Out of 17, 7 discoveries are in onshore areas & 10 in offshore areas out of which 8 are in shallow water and 2 are in deep-water. 8 discoveries were made in the new prospects whereas 9 were new pool discoveries. Of the above 17 discoveries, 7 discoveries have been made in NELP blocks

c. NELP Blocks

Since inception, a total of 111 NELP blocks were awarded to/acquired by ONGC as operator. Four blocks namely KG-DWN-98/2, VN-ONN-2003/1, KG-ONN-2003/1 & MB-OSN-2005/3 were awarded to other operators and ONGC acquired PI and/or Operatorship at a later date. Of these, ONGC currently operates 35 blocks. Additionally, four NELP blocks in state of Gujarat have been converted, wholly or partly, into PML.

Year of Discovery	Name of Block	Well Name	Type of Hydrocarbon	Date of Production commencement
2008-09	CB-ONN-2002/1	West Patan-3 (WPAB)	Oil & Gas	31.03.2015
2010-11	CB-ONN-2004/1	Karannagar-1 (Wamaj-10)	Oil	24.03.2015
2010-11	CB-ONN-2004/2	Vadatal-1 (VDAA)	Oil	26.03.2015
2008-09	CB-ONN-2001/1	Nadiad-1	Oil	14.05.2015

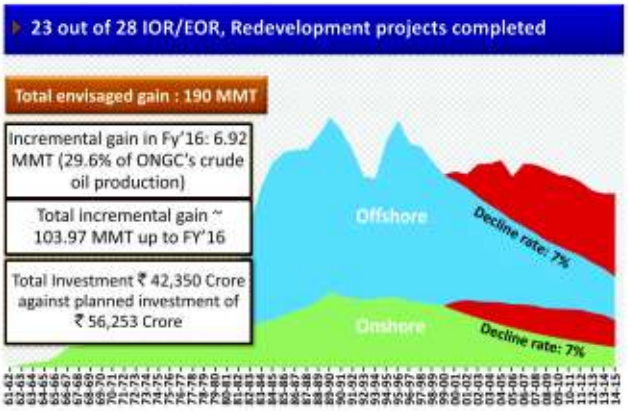
As on 01.04.2016 ONGC has made 54 discoveries (18 in deep-water, 18 in shallow water and 18 in onland) in 24 of NELP blocks (6 deep water, 8 shallow water & 10 onland) and 6 discoveries were made by other operators in blocks acquired by ONGC. 4 discoveries have been relinquished as they were sub-economical. ONGC has monetized 4 NELP onland discoveries in Cambay basin.

Status as on 01.04.2016	Discoveries	Blocks Name
Monetised	4	CB-ONN-2001/1 (Nadiad-1),CB-ONN-2002/1 (WP-3), CB-ONN-2004/1 (Karan Nagar-1) & CB-ONN-2004/2 (Vadtal-1)
FDP approved	8+3*	CY-ONN-2002/2 (Madnam-3, Thirunagari-1 & Madanam-6), KG-DWN-98/2 (A-1, U-1, M-3, M-4 & A-2, Kanakdurga*, Padmavati*, Annapurna*)
FDP submitted	6+2*	CB-ONN-2004/2 (Vadtal-3&5), CB-OSN-2003/1(Aliabet-2,3 &4), KG-ONN 2003/1 (Nagyalanka* & Nagyalanka-SE*), CY-ONN-2004/2(PN-8)
DOC reviewed by MC	5	KG-OSN-2004/1 (CS-1, AL-1, SA-1, NL-2), CB-ONN-2004/3 (Uber-2)
Revised DOC submitted	9+1*	KG-DWN-98/2 (D-1, N-1*, E-1,UD-1), MN-DWN-98/3 (MDW-4&5) &,MN OSN-2000/2 (MDW-2 & 10), AA-ONN-2001/1 (Khubal-4 & 7)
Appraisal Programme	8	GS-OSN-2004/1(NAA-1),MB-OSN-2005/1(NAA-1 & NBA-1), &, KG-OSN 2004/1 (NL-1), , KG-DWN-98/2 (W-1, KT-1), CB-ONN-2004/2(Vadtal-10), AA-ONN-2001/2 (Hartoki-1)
Discovery notified	10	CB-ONN-2004/2(Vadtal-11), KG-OSN-2004/1 (Sarangi-1, Malhar-1), CY ONN-2004/2 (PN-7), KG-DWN-98/2 (F-1), GK-OSN-2009/1 (NDA-1), GK OSN-2009/2 (NAA-1), MB-OSN-2005/3 (NAA-1), GSOSN-2004/1 (NAA-2) & GKOSN-2010/1 (NAA-1)
Discovery relinquished (Sub commercial)	4	KG-DWN-2005/1, AN-DWN-2002/1, NEC-DWN-2002/2, CB-ONN-2005/4 (Rupal-2)

d. Redevelopment of existing matured fields

Your company is striving hard to improve the production volumes because the majority of the fields have become aged and matured. 14 of ONGC's major producing assets are of the vintage of 25-50 years and contribute around 68% of total domestic productions. Despite being of such a long vintage, silver lining is that those matured assets are still left with significant recoverable volume with recovery factory hovering around the figure of 30-35%. ONGC is pursuing larger objectives of enhancing productions from these matured fields through capital and technology intensive drive through Improved Oil Recovery (IOR) mechanism like Redevelopment and Enhanced Oil Recovery (EOR). Facilities are getting revamped and upgraded to ensure that the new volumes which are coming from the changed reservoir parameters are getting adequately processed to meet the requisite quality standards and dispatch parameters.

At present, your Company is pursuing a number of projects both at Offshore and onshore areas. These together are expected to give us an incremental cumulative production volume of 189 MMT of oil (in its project life cycle) through an overall investment of ` 562,000 million. These are being pursued since a decade and half back in order to enhance the production and improve the recovery factor. 23 of the 28 projects have so far been completed and an investment of ` 423,506 million has already been made till 31st March'16. Three projects i.e., "Heera & South



Heera Redevelopment Project"; "Development of Western Periphery of Mumbai High South" and Development of WO-16 Cluster Fields were completed during FY'16 and the remaining three projects i.e., "Redevelopment of Mumbai High North Phase-III", "Redevelopment of Mumbai High South Phase-III" and "Additional development of Vasai East" will be completed by the year 2017-18. Redevelopment efforts, as on 31st March'16, have fetched ONGC an incremental oil volume of about 104 MMT. During FY'16 alone contribution from these schemes have been incremental volume of 6.92 MMT of oil (26% of ONGC's domestic crude oil production on standalone basis).

e. Development of new fields

Your Company has also invested greater focus and expedited work on new field development projects – some of which will play a substantial role in ONGC's production profile in the coming years. ONGC has taken up 6 major field development projects with an investment of Rs. 241,881 million. Expeditious development of deepwater block KG-98/2 is also part of our short to medium term growth plan.

Sl. No.	Name of Projects	Project Cost ₹ Crore
1.	Redevelopment of Gamij field, Ahmedabad	1,881
2.	Neelam Redev plan (NRP) for exploiting Bassin and Mukta Play-Neelam field*	2,819
3.	Field Development of NELP Block CY ONN-2003/1 Nagyalanka-KG Onland	4,954
4.	Field development of Madanam Nelp-IV Block CY QNN-2002/2 : (60% ONGC share)	390
5.	Development Plan of Bokaro Block (80% ONGC share)	659
6.	Life extension of 48 well platforms (EDC - 30.04.18)	3,191
7.	FDP for the development of KG-DWN-98/2	34,012
	Total	**47,902.79**

f. Unconventional sources of energy

ONGC plans to continue its endeavor for exploration and development of unconventional & other resources like Shale Gas, CBM, HP/HT, Fractured Basement plays etc. ONGC has prioritized suitable actions for exploration and exploitation of Non-Conventional and Alternate Sources of energy which has the potential to change the energy business landscape in the country as it is happening in the other parts of the world. The initiatives by ONGC in these areas are summarized below;

g. Shale Gas

ONGC is committed to take up shale gas and oil exploration in different basins and is presently in the initial stage of shale gas and oil exploration in India and are hopeful of getting important leads from the on-going efforts. ONGC has chalked out plan of drilling of pilot shale gas and oil wells in most of the identified blocks in Cambay, Krishna-Godavari, Cauvery and Assam &Assam-Arakan Basins.

Government of India during October, 2013 brought out shale gas policy which allows National Oil Companies such as ONGC and OIL to initiate the shale gas and oil exploration activities in their allocated nomination blocks in phased manner. Shale Gas exploration was initiated in 2013-14 keeping in view the YTF hydrocarbons.

ONGC has taken up shale gas and oil exploration on priority in four onland basins namely, Cambay, KG, Cauvery and Assam & Assam Arakan under the new policy and 50 nomination PML blocks have been identified in four Basins, including 28 PMLs in Cambay Basin, 3 PMLs in A&AA, 10 PMLs in KG and 9 PMLS in Cauvery basins for Shale Gas assessment within three year period of Phase-I. A total of 57 pilot/assessment wells are to be drilled.

After the drilling of first shale gas pilot well JMSGA in Broach depression, Jambusar area, Cambay Basin in 2013-14, ONGC has drilled four more pilot shale gas and oil wells (GNSGA, GNSGB, GNSGC and GNSGD) in south Cambay basin. ONGC has carried out hydro-fracturing in its first pilot well recently and the well has given positive indications of presence of oil in Cambay Shale. The well is, presently, under activation to evaluate the full potential of Cambay Shale. Hydro-fracturing is also planned in other pilot wells drilled in Cambay basin where prospective intervals are identified in Cambay Shale based on the results of log data evaluation and laboratory studies of the core and cutting samples. In addition, ONGC has also collected conventional cores and has recorded advanced logs in 13 other deep wells drilled in the identified blocks in Cambay, KG, Cauvery and A&AA basins.

h. **Coal Bed Methane (CBM)**

Of the total thirty-three CBM Blocks awarded by GOI to various operators through four rounds of bidding and nomination, ONGC was awarded nine CBM blocks. Due to poor CBM potential, concluded on the basis of the data generated in the exploratory activities, five Blocks viz. Satpura (Madhya Pradesh), Wardha (Maharashtra), Barmer-Sanchor (Rajasthan), North Karanpura (West) and South Karanpura (Jharkhand) have been relinquished.

ONGC after completion of Phase-I & II activities in CBM blocks submitted Field development Plans (FDP) for all the four blocks which have been approved. PML for Jharia, Bokaro and North Karanpura block has been granted by the State Government on 30.07.2015, 04.09.15 and 30.07.15 respectively. Regarding PML grant of Raniganj block, the State Govt. has advised to apply for PML afresh after deducting the overlapping Bengal Aerotropolis Project (BAPL) area of 7.05 Km^2.

CBM-Bokaro block: ONGC is the Operator with 80% PI (Participating Interest) and IOC is non-operating partner with 20% PI in the block spanning 95 Sq. Km. The Bokaro CBM Block is in three Patches (A, B & C). Two Patches (parts of Patch-A and Patch-B) were identified as prospective after the Exploration Phase (Phase-I) and the Pilot Assessment Phase (Phase-II) and the development activities are focused in these two Patches only. In FY16, ONGC Board approved development of Bokaro block with an investment of Rs. 6,590 Million (ONGC's share).

i. **Underground Coal Gasification(UCG)**

ONGC has taken an initiative to test the UCG technology in India for which R&D Pilot Projects are being carried out as per the recommendations of the consultant from the SIM of Russia to establish UCG technology. Once the technology is established in India, UCG will emerge as a major clean coal utilization technology capable of providing significant impact in our country in the near future.

ONGC has taken up Vastan Mine block site belonging to GIPCL in Naninaroli, Surat district, Gujarat as an R&D Pilot Project to establish UCG technology in collaboration with M/s Skochinsky Institute of Mining (SIM), Russia. All the ground work and inputs for construction and implementation of UCG Pilot Project at Vastan, has been completed since 2009 and further development and project execution will be carried out by a joint venture between GIPCL & ONGC for Underground Coal Gasification purposes.

Further, a number of sites have been jointly identified by ONGC & Neyveli Lignite Corporation Limited (NLC) for studying their suitability to UCG. These are Tadkeshwar in Gujarat and Hodu-Sindhari & East Kurla in Rajasthan. One more site was jointly identified by ONGC & GMDC viz. Surkha in Bhavnagar district, Gujarat. The data of all the fields have already been analysed for evaluating the suitability of these sites for UCG. All the sites have been found suitable for UCG exploration.

j. **National Gas Hydrate Programme**

ONGC has taken a lead role in the national mission for gas hydrates. As on date two National Gas Hydrates Program (NGHP) Expeditions – NGHP 01 in 2006 and NGHP 02 in 2015 – have been executed. The focus areas for these programs have been:

- NGHP 01 – Kerala-Konkan, Krishna-Godavari, Mahanadi & Andaman
- NGHP 02 – KG and deep offshore Mahanadi

25 most prospective sites for NGHP 02 were identified based on ONGC studies during 1998-2003 on KG (offshore), Cauvery (offshore), Gulf of Mannar and Western offshore. NGHP 02 was completed on 28th July 2015. About 42 wells have been drilled under the mission. Initial results are encouraging. Pilot production testing has been planned for 2017-18 in KG area.

9. **Internal Control Systems**

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

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

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

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

Your Company has a dedicated Performance Management and Benchmarking Group (PMBG)

which monitors the performance of each business unit against the Key Performance Indicators (KPIs) defined in the Performance Contracts between the top management and the Key Executives. These performance contracts are aligned to the goals and objectives of the organization.

As part of its push for systemic transformation and strengthening of control systems, your Company has placed adequate emphasis on institutionalization of tools, practices and systems that facilitate greater operational efficiencies and workplace productivity. Revamping of 'Material Management Manual' was carried out during the year to ensure procurement of quality materials and services and identification of world-class vendors. 'Book of Delegated Powers' (BDP) was revamped and implemented w.e.f 1st January 2015, with the objective to empower working level officers and enhancement of delegation to put commensurate accountability on all decision makers. At the same time, Rig Bar Charts for planning and allocating resources for drilling operations was also introduced.

Your Company also introduced E-Grievance handling mechanism for quick redressal of grievances of the various stake-holders.

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

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

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

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

10. Human Resource Development

Your organization has always valued its most important human resource and due to sincere efforts only a vast pool of experienced and talented scientists, engineers and professionals today passionately take care of the energy needs of the country. 'Strengthen staffing and capabilities' has been the focus area all long the pursuits towards structured Human Resource Development. This is a critical issue keeping in view crew change in next few years. The basic principle revolves around grooming younger generations as future 'energy leaders'. Talent replenishment and bridging competency gap become crucial aspect for human resource development. Further, your Company believes that continuous development of its human resource fosters engagement. There are multifaceted efforts for grooming technical talent and develop managerial competence. Structured training programmes have been developed to impart required skills to the people in identified critical areas. Besides training, work association with industry leaders in the challenging areas of business is yet another attempt to improve capabilities. Your Company also took structured initiatives to provide a desirable work-life balance to the employees as well as improving the living and working conditions. The endeavours of your Company, towards Human Resource development, are well recognized in the industry. ONGC is in the list of "Most Attractive Employer" in India as per the Randstad survey 2015.

11. Corporate Governance

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

12. Corporate Social Responsibility (CSR)

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

13. Cautionary Statement

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.



Exploratory Activities undertaken by ONGCians at Western Onshore Basin, Vadodara

Corporate Governance Report

Corporate Governance broadly refers to the mechanisms, processes and relations by which companies are controlled and directed. It is the framework of rules and practices by which the Board of Directors ensures accountability, fairness and transparency in a company's relationship with all its stakeholders (government, customers, management, employees and society at large).

Corporate Governance is one of the key factors that determine the health of the organisation and its ability to survive economic shocks. It helps to enforce confidence in the stock market and hence in the economic environment as a whole, creating an attractive environment for investment. There has been increasing awareness of the role of corporate governance and effective implementation of principles of corporate governance in prevention and detection of financial and other corporate frauds. It creates a system of governance that promotes, supports and sustains economic development.

There have been developments and improvements in corporate governance practices relating to Role of Independent Directors, Diversity, Board Practices and Sustainability, which indicate the enhanced focus of stakeholders on independent audit committee, independent directors, executive compensation, fraud reporting etc. To regulate the disclosure requirements in letter and spirit in interest of all the stakeholders of Corporate, The Securities and Exchange Board of India (SEBI) has notified, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) on 02.09.2015, replacing the earlier listing agreement with effect from 01.12.2015

1.1 The main objectives that drive Corporate Governance in ONGC are:

- Compliance of laws, rules & regulations.
- A sound system of internal control to mitigate risks associated with achievement of business objectives, both short term and long term.
- Minimization of wastages and risks. Eradication of corruption and mismanagement.
- Adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.
- Maintain investor's confidence to facilitate the company in raising capital in a cost effective manner.
- Promoting corporate success and economic growth.
- Clearly defined standards against which performance of responsibilities are measured.
- Accuracy and transparency in disclosures regarding operations, performance, risk and financial status.
- A clear delineation of shareholders' rights
- Timely and balanced disclosure of all material information to all the Stakeholders.

1.2 Further, ONGC has ensured compliance with the objectives of the principles of Corporate Governance stated in erstwhile Clause 49 of the listing agreement and SEBI [Listing Obligations and Disclosure Requirements (LODR)] Regulations, 2015, as brought out below:

A. THE RIGHTS OF SHAREHOLDERS

The Company has taken all the 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 legislations. ONGC issues timely press releases regarding the important events. ONGC sends notices through email to all shareholders who have opted for the same and to all others physically by post. It has provided the facility of e-voting for all shareholders. Further, with a view to ensure better participation, it has taken a poll of the shareholders who attend the meeting either in person or through proxy. Independent Scrutinizer is appointed to oversee the entire process.

The notice of the Annual General Meeting explains exhaustively the procedures governing the AGM, voting procedures. These are again explained during the AGM. Sufficient opportunity is provided to the shareholders who attend the meeting to raise queries to the Board of Directors. All their queries are answered to their satisfaction. The voting on the resolutions is carried out as per the provisions of the Companies Act, 2013.

The election of the Board members is routed through the General Meeting, where shareholders have a right to participate. However, the power of nomination of the directors on the Board of ONGC, being a Government Company, is with the Govt. of India.

All shareholders, irrespective of their category, are free to exercise their voting and ownership rights at the AGM and all other forums where their presence is required.

ONGC 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 & Share Transfer Agent (RTA) to address their queries/ grievances, which are addressed within 7 days.

Interests of the minority shareholders are protected and there have been no instances of abusive action by controlling shareholders. The Company has an effective shareholders grievance redressal system in place.

B. TIMELY INFORMATION

ONGC issues timely press releases regarding important developments. The Annual Report of the Company is very exhaustive and provides every conceivable information on the functioning of the Company. The website of the company is updated continuously to keep the stakeholders apprised of various developments etc. including intimation of date, location and agenda for the notice of the General Meeting.

The capital structure of ONGC comprises only equity shares which do not provide any disproportionate degree of control to any of the owners.

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 despatches the notice for General Meeting to Shareholders well in advance. Also, it provides the E-voting facility to domestic as well as foreign Shareholders.

In line with the SEBI (Prohibition of Insider Trading) Regulations, 2015,ONGC has put in place a Code of Internal Procedures and Conduct in dealing with the securities of ONGC.The code is applicable to all the Insiders of ONGC.

The process of conduct of General Meetings of the shareholders of ONGC ensures equitable treatment to all shareholders.

Simple and inexpensive procedures are adopted to cast their vote electronically as well as through poll.

D. ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

ONGC recognizes the rights of its stakeholders, encourages their cooperation and its responsibility towards fullfilling their aspirations. The Business Responsibility Report of ONGC brings out in detail the steps being taken by ONGC in this regard. ONGC, 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 etc mandated by the Government of India. Effective Redressal mechanism is available to every stakeholder of the Company, should there be any violation of rights.

The Company encourages its employees to participate in every sphere of its activity and has schemes/ policies with rewards encouraging employees to take part in the various aspects of the functioning of ONGC.

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

ONGC is also covered by RTI Act, 2005 and it provides all information to all citizens of India as per the aforesaid Act.

ONGC has implemented a Whistle Blower Mechanism which gives opportunity to its employees to raise any concerns of ethics or any illegal/ immoral activities occurring in the organization to the Audit Committee. The vendors have the facility of approaching Independent External Monitors to redress their grievance. 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 of ONGC.

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

The company follows the accounting standards in letter and spirit. The annual audit is conducted by Joint Statutory auditors appointed by the C&AG. ONGC is further subject to supplementary audit by C&AG. Internal Audit Department reports to the Audit & Ethics Committee, apart from periodical oversight by the Government of India and Parliamentary Committees.

ONGC disseminates information through press releases, on its website, to the Stock Exchanges etc. Access to all these modes is free for all users.

The Company maintains records of the proceedings of all meetings (Board/Committees/General Meetings, etc.)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

(i) Disclosure of Information

Members of the Board and Key Managerial Personnel disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.

It is the endeavor of the Board of Directors and the top management of ONGC to ensure that the stakeholders are kept aware of all important developments, while ensuring confidentiality of relevant information.

(ii) Key functions of the Board

The Company has an exhaustive Book of Delegated Powers (BDP) and other manuals like Material Management, Works manual etc, which spell out the processes and defines the level (Board/Executive Committee/Functional Director/Key Executive) 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 15 Committees of the Board which deliberate upon various important matters and advise the Board on the course of action to be taken.

The company's governance practices are effectively monitored and reviewed regularly.

The HR policies of ONGC ensure timely selection and placement of various executives and personnel as per needs of the organization and ensures smooth succession. ONGC, being a Government Company, follows the remuneration policy approved by the Government of India.

Appointment of directors on the Board of ONGC and the remuneration of functional directors is 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.

ONGC has implemented SAP system of accounting which ensures total integrity and transparency of every transaction which is subject to independent audit by Joint Statutory Auditors appointed by C&AG. The Company has effective internal control systems which conform to the laws of the land.

The process of disclosure of information to the public and issue of press releases etc. is well defined.

Board evaluation is within the domain of the Government.

(iii) Other responsibilities

The Board of Directors take strategic decisions which help the management in steering the Company in its operations and meeting the expectations of the stakeholders.

ONGC has structured policies and exhaustive manual and procedures in place which ensure that the operations of the Company are congruent to its objectives.

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 Board is assisted by 15 Committees to enable better management of full Board's time, in depth scrutiny and focused attention. The Independent Directors are provided with every conceivable information to ensure that the interests of the minority shareholders are protected. Further, to strengthen the corporate governance, a dedicated

portal is being upgraded for exclusive use of Directors, where notice/agenda/Presentation/other documents related to each and every Board/Board Level Committee meeting shall be uploaded to enable the Directors to access that information.

ONGC has a Board approved training policy for directors, details of which have been brought out elsewhere in this report.

ONGC has only one class of equity shareholders at present and the Board treats them all fairly and with equity.

The Board of Directors ensure that highest degree of ethics are adopted while taking every decision and being a PSU, ONGC takes into account the interest of diverse stakeholders.

Every proposal is examined and discussed in detail before a decision is taken.

The Committees of the Board deliberate upon major proposals before being sent to the Board. This ensures absence of conflict of interest.

The project proposals are first deliberated in detail by the Project Appraisal Committee and then approved by the Board after taking into account the assumptions, cost-benefit, sensitivity and viability analysis as well as appraisal of the project by an independent Financial Institution thereby minimizing any risk.

The Board regularly monitors the Action Taken Report on its decisions. Further, detailed presentation on the implementation of projects which have been approved is made before the Project Monitoring Committee on a periodic basis. 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 these Committees and approved by the Board.

The job description of each Functional Director including CMD is clearly defined. ONGC signs an MoU with the administrative Ministry defining key parameters of operational, physical and financial performance. The performance of the Functional Directors and the Company is measured on the basis of achievement of MoU targets.

The Independent Directors are free to seek any information from the Board Members/ Senior Management and also have the authority to seek third party independent assessment of any proposal/ agenda item for which ONGC makes necessary arrangements.

1.3 Corporate Governance Recognitions

ONGC's Corporate Governance practices have secured many accolades, some of which are:

- ONGC 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.
- 'Best Corporate Governance Award-2012' by the Indian Chamber of Commerce;
- 'Golden Peacock Global Award' for Corporate Governance, U.K. in the Years 2005, 2007, 2008, 2009, 2013.

Detailed disclosures on Corporate Governance of ONGC (in compliance with the requirements of the relevant regulation(s) of the erstwhile Clause 49 of the Listing Agreement and SEBI (LODR) Regulations, 2015 executed with the stock exchanges as well as the Guidelines on Corporate Governance for Public Sector Enterprises, issued by the Department of Public Enterprises) are enumerated below:

2. BOARD OF DIRECTORS

2.1 Composition

The Company is managed by a Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) and Six Whole-Time Directors viz. Director (Technology & Field Services), Director (Offshore), Director (Human Resource),Director (Onshore), Director (Exploration) and Director (Finance) manage the business of the Company under the overall supervision, control and guidance of the Board.

The Board of Directors has a combination of Executive (Functional) and Non-Executive Directors. As on 31st March, 2016, the Board of Directors had 12 members, comprising of 7 Functional Directors (including the Chairman & Managing Director) and 5 Non-Executive Directors (comprising 2 part-time official nominee Directors and 3 part-time non-official Directors) nominated by the Government of India. To share the global experience and business strategies, Managing Director, ONGC Videsh Limited (OVL) is a permanent invitee to the meetings of the Board.

ONGC has been taking up with the Ministry of Petroleum & Natural Gas (MoP&NG), Govt. of India for appointing requisite number of Independent Directors on the Board of ONGC. However, the composition of the Board of Directors of the Company during the year 2015-16 did not comply with erstwhile Clause 49 of the Listing Agreement and Regulation 17 of SEBI (LODR) Regulations, 2015.

The vacancies caused due to retirement/vacation of the Independent Directors have also not been filled up within the time period specified in terms of the Listing Regulations. During the period of 01.04.15 to 13.05.15 and 03.01.16 to 31.03.16, the Company did not comply with erstwhile Clause 49 II A of the Listing Agreement and Regulation 17(1) (a) of SEBI (LODR) Regulations, 2015 and second proviso of Section 149(1) of Companies Act, 2013 with regard to appointment of at least one woman Director on the Board.

2.2 Board/ Committee Meetings and Procedures

(A) Institutionalised decision making process

The Company adheres to DPE guidelines and Secretarial Standard1 for the meetings of the Board of Directors and Committees. These guidelines seek to institutionalise the decision making process at meetings of Board/ Committees, in an informed and efficient manner. Company's guidelines relating to Board Meetings are applicable to Committee Meetings as far as practicable.

(B) Scheduling and selection of Agenda items for Board / Committee Meetings

(i) A tentative schedule of the Board Meetings to be held during the ensuing financial year is drawn up and after seeking convenience of the Directors and after approval of the Board, the same is circulated among all the Directors. This helps the management in ensuring that the various agenda items are kept ready in advance and facilitates the Directors to plan their schedule for participation in Board/ Committee meetings well in advance. The meetings of the Committees of the Board are held prior to the Board Meeting after seeking convenience of members.

(ii) The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. To address specific urgent needs, meetings are also called at a shorter notice. In case of any exigency, resolutions are passed by circulation.

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

(iv) The agenda papers are prepared by concerned officials, sponsored by the concerned functional Directors and approved by the CMD. Duly approved agenda papers are circulated amongst members of the Board/ Committee by the Company Secretary both physically and through email.

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

(vi) Presentations are made to the Board/ Committee covering Finance, Production, Operations, major Business Segments, Human Resources, Marketing, Joint Venture operations, whenever required.

(vii) The members of the Board/ Committee have complete access to all information of the Company and are also free to recommend inclusion of any matter in the agenda for discussion. Senior officials are called to provide additional inputs to the items being discussed by the Board/Committee, as and when required.

(viii) Each Committee has the authority to engage outside experts, advisers and counsels to the extent it considers appropriate to assist the Committee in its work.

Safety Snapshots

ONGC is in the hydrocarbon business, therefore, safety is paramount for continued operations. To apprise the Board regarding various safety measures being taken and to seek their guidance on implementation of these measures, periodic presentations are made to the Board of Directors in the form of Safety Snapshots that include all major incidences related to safety.

Industry Updates & Presentation

With a view to keep the members of the Board apprised with latest developments in the E&P sector, Industry updates are tabled and presentations on the subjects relevant to E&P business are made periodically to the Board. This also ensures that the Directors are constantly in touch with the problems being faced by the Industry in general and ONGC in particular, in its operations.

(C) Recording minutes of proceedings at the Board Meeting

Minutes of the proceedings of each Board/Committee meeting are recorded with all necessary details. Draft minutes are circulated amongst all members of the Board/ Committee for their appreciation and comments that are incorporated in the minutes, as per Secretarial Standards as prescribed under the Companies Act, 2013, which are finally approved by the Chairman of the Board/ Committee. These minutes are noted in the next Board/ Committee Meeting. Minutes of the meetings of the Committees are also noted by the Board in its next meeting. The finalized minutes are entered in the respective Minutes Books.

(D) Follow-up mechanism

The guidelines/ decisions of the Board/ Committee meetings provide for an effective post-meeting follow-up, review and reporting process. As per the Board's decision, the Company Secretary intimates 'Action Points' arising from deliberation during the meeting to the concerned Functional Directors who in turn provide updates to be apprised to the Board on areas of their responsibility in the next meeting. Functional Directors provide follow-up Action Taken Report (ATR) once in a quarter on the decisions on which action has been completed and is in process.

(E) Compliance

Functional Directors are responsible toward ensuring adherence to all applicable provisions of law, rules and guidelines. A Quarterly Compliance Report (collected from all work centres) confirming adherence to all applicable laws, rules, guidelines and internal instructions/ manuals, including Corporate Governance, is reviewed by the Audit & Ethics Committee and the Board.

(F) Training and Evaluation of non-executive Board members

(a) In line with Clause 3.7 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, issued by Government of India, Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises and requirement of Listing Agreement/SEBI (LODR) Regulations, 2015 with regard to Training of Directors, the company has three tier Training policy for non-executive Directors:

- **Induction Training**
- **External Training**
- **Board Presentation**

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 taking business decisions. The training policy of Directors and the details of familiarization/training programmes during 2015-16 can be viewed at: **http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Investors/Policies/directors-training**

(b) Policy on Performance Evaluation of Directors

ONGC being a Government Company, the provisions of section 134(3)(e) and (p), 149(6)(a) and (c), 152(5) and 178(2),(3) and (4)of the Companies Act, 2013 with regard to appointment, Performance Evaluation etc. have been exempted by Government of India, Ministry of Corporate Affairs vide Gazette notification dated 05.06.15.

2.3 BOARD MEETINGS

During 1st April, 2015 to 31st March, 2016, **Thirteen** Board meetings were held on 29th April, 28th May, 29th June, 11th & 31st July, 13th August, 14th September, 6th November, 22nd December, 2015, 4th January, 11th February , 9th and 28th March, 2016.

The minimum and maximum interval between any two Board meetings was 11 days and 52 days respectively.

The details of number of Board Meetings attended by Directors, attendance at the last Annual General Meeting, Number of other Directorship/Committee Membership in various companies held by them during the year 2015-16 are tabulated below:-

Attendance:

Names & Designation	No. of Board meetings attended out of 13 meetings held	Whether attended last AGM held on 15.09.2015	Upto 31.03.2016		
			No. of Directorships in other companies #	No. of Committee memberships across all companies *	
				Chairman	Member
a) Executive Directors					
Shri Dinesh K. Sarraf, (Chairman & Managing Director) Also held Additional Charge of Director (T&FS) from 23.02.2015 to 22.05.2015 Director (Finance) from 01.05.2015 to 22.09.2015	13	Yes	7	Nil	1
Shri A. K. Banerjee, Director (Finance) (upto 30.04.2015)	01	Yes	4	Nil	1
Shri Shashi Shanker, Director (T&FS) (from 20.07.2015)	09	Yes	2	Nil	Nil
Shri T. K. Sengupta, Director (Offshore) Also held Additional Charge of Director (T&FS) from 23.05.2015 to 19.07.2015	13	Yes	3	Nil	2
Shri Ashok Varma, Director (Onshore) (upto 31.07.2015)	04	Yes	Nil	Nil	Nil
Shri D. D. Misra, Director (HR)	13	Yes	Nil	Nil	1
Shri A.K. Dwivedi, Director (Exploration)	12	Yes	1	Nil	Nil
Shri V. P. Mahawar, Director (Onshore) (from 01.08.2015)	08	Yes	1	Nil	Nil
Shri A. K. Srinivasan, Director (Finance) (from 23.09.2015)	06	NA	2	Nil	1
(i) Part-time Official Directors-Govt. Nominees					
Dr. Subhash C. Khuntia Special Secretary, MoP&NG Government Director (upto 26.06.2015)	02	No	3	Nil	Nil
Shri A. P. Sawhney Additional Secretary, MoP&NG, Government Director (from 02.01.2016)	01	NA	2	1	Nil
Shri U.P. Singh Additional Secretary(E), MoP&NG, Government Director	11	Yes	3	Nil	Nil
Smt. Atreyee Das, DG-PPAC Government Director (from 14.05.2015 to 02.01.2016)	08	Yes	Nil	Nil	1

(ii) Part-time Non official Independent Directors					
Shri K.N. Murthy (upto 20.03.2016)	12	Yes	8	5	1
Shri Ajai Malhotra (from 20.11.2015)	05	NA	Nil	1	1
Prof. Shireesh B. Kedare (from 20.11.2015)	05	NA	1	Nil	2
Shri K. M. Padmanabhan (from 20.11.2015)	04	NA	1	Nil	2

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;

(iv) The Directorships/Committee Memberships are based on the latest disclosure received;

(v) None of the Directors 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 per Regulation 26 (1) (a) & (b)

3. Besides the Board and Committee meetings, the Company also organizes **Strategy Meet, Conclave and Key Executive Meet** to focus on Perspective Plans and future growth strategies of the Company.

4. RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED

The notice of the 23rd Annual General Meeting shall contain the brief resume of Directors retiring by rotation and Additional Directors seeking appointment including nature of their experience in specific functional areas, names of companies in which they hold directorship and membership/ chairmanship of Board/ Committee.

5. BOARD COMMITTEES

The Company has the following Committees of the Board:

5.1 AUDIT & ETHICS COMMITTEE

The terms of reference of the Audit & Ethics Committee are in accordance with Section 177 of the Companies Act, 2013, Clause 49 of the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises in May, 2010.

Composition

Shri K.N. Murthy, an Independent Director was the chairman of the committee upto 20.03.2016., Shri U.P Singh, Smt. Atreyee Das, Shri D. D. Misra, Shri Ajai Malhotra, Prof. Shireesh B. Kedare, Shri K. M. Padmanabhan were/are the other members of the Committee. The composition of the Audit & Ethics Committee was not in compliance with erstwhile Clause 49IIIA of the Listing Agreement and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (which came into force w.e.f. 01.12.2015) upto 21.12.2015. After reconstitution of the committees w.e.f. 22.12.2015, the composition of the committee was in compliance with the aforementioned regulation.

All members of the Committee have requisite financial and management experience and have held or hold senior positions in other reputed organizations. The brief Profiles of the members of the Audit and Ethics Committee are a part of the Annual Report for the year 2015-16

Director (Finance) and Chief Internal Audit are permanent invitees. Representatives of Statutory Auditors and Cost Auditors are invited to participate in the meetings whenever required. Functional Directors, Executives of Finance and other departments are invited, if required.

Company Secretary acts as the Secretary to the Committee.

The role of the Audit & Ethics Committee is in line with the Companies Act, 2013 and Clause 49 of the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable and includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management and examination of the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub- section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertaking or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors on any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the Audit Commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To oversee & review the functioning of the Vigil mechanism including whistle Blower Mechanism and if any of the members of the committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.
19. Approval of appointment of CFO (i.e., the Whole- time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and

background, etc. of the candidate;

20. To review the Audit paras referred to A&EC by the internal Audit / Board and / Govt. of India and to provide its suggestions / guidance / comments on the issues referred to it.
21. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

Audit & Ethics Committee Meetings

During 1st April,2015 to 31st March,2016, **twelve** meetings of Audit & Ethics Committee were held on 10th April, 27th & 28th May, 29th June, 30th July, 12th August, 14th September, 6th November, 10th December, 2015,19th - 20th January, 11th February and 9th March, 2016.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Attendance:

Members	No. of Meetings held during the tenure	No. of Meetings Attended
Members :		
Shri K. N. Murthy (upto 20.03.2016)	12	12
Shri U. P. Singh (upto 21.12.2015)	9	6
Smt. Atreyee Das (from 26.05.2015 to 01.01.2016)	8	8
Shri D. D. Misra (from 01.04.2015 to 21.12.2015)	9	9
Shri Ajai Malhotra (from 22.12.2015)	3	3
Prof. Shireesh B. Kedare (from 22.12.2015)	3	3
Shri K. M. Padmanabhan (from 22.12.2015)	3	2
Permanent Invitees :		
Shri A. K. Banerjee, Director (Finance) (upto 30.04.2015)	1	1
Shri Pradeep Prasad, Chief I.A. (upto11.02.2016)	11	11
Shri A. K. Chaudhry, Chief I.A. (from 09.03.2016)	1	1
Shri D.K. Sarraf, As Director (Finance) (from 01.05.2015 to 22.09.2015)	6	6
Shri A.K. Srinivasan, Director (Finance) (from 23.09.2015)	5	5

5.2 NOMINATION AND REMUNERATION COMMITTEE

ONGC, being a Public Sector Undertaking, the appointment, tenure and remuneration of directors are decided by the Government of India. As per the DPE Guidelines, a Remuneration Committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution within the prescribed limits. The composition of the Committee was not in compliance with erstwhile clause 49 IV A of the Listing Agreement and Regulation 19 of SEBI (LODR) Regulations, 2015 upto 21.12.2015. After reconstitution of the committees w.e.f. 22.12.2015, the composition of the Committee was in compliance with the aforementioned regulation.

Shri K. N. Murthy, an Independent Director was the chairman of the Committee upto 21.12.2015. Thereafter, the Committee has been headed by Shri K.M. Padmanabhan w.e.f. 22.12.2015.Shri Ajai Malhotra, Prof. S. B. Kedare and Shri U.P. Singh were/are the other members of the Committee.

Director (HR) and Director (Finance) are the permanent invitees. Director (HR) is the convener of the Committee.

During FY'16, **One** meeting of the above Committee was held on 16th October, 2015.

Role of the Committee

I. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

II. Lay down the evaluation criteria for performance evaluation of independent directors.

III. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal,

IV. Carry out evaluation of every director's performance.

V. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

VI. Deciding the Annual Bonus / Variable Pay Pool and Policy for its distribution across the Executives and Non Unionised Supervisors, within the prescribed limits and as per the guidelines issued in this regard by the Government of India.

VII. Consideration of any other item which may be delegated in this regard by the Board of Directors.

VIII. Any other role assigned for the Committee due to changes/modification in the Companies Act, 2013,SEBI & DPE Guidelines.

However, Section 178 (2),(3) and (4), of the Companies Act, 2013 relating to 'Nomination and Remuneration Committee' shall not apply to Government Company.

The details of meeting attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings Attended
Shri K.N.Murthy (upto 20.03.2016)	1	1
Shri U. P. Singh	1	1
Shri Dinesh K. Sarraf (upto 21.12.2015)	1	1
Shri K. M. Padmanabhan (from 22.12.2015)	After 22.12.2015 no meeting of the committee was held.	
Shri Ajai Malhotra (from 22.12.2015)		
Prof. Shireesh B. Kedare (from 22.12.2015)		
Permanent Invitees:		
Shri D. D. Misra, Director (HR)	1	1
Shri A. K. Srinivasan, Director (Finance) (from 23.09.2015)	1	1

5.2.1 DIRECTORS' REMUNERATION

ONGC being a Government Company, terms and conditions of appointment and remuneration of Whole-time Functional Directors are determined by the Government through administrative ministry, the Ministry of Petroleum & Natural Gas. The Non-executive (part-time non-official) or Independent Directors were paid sitting fees @ ₹20,000/- for each Board/ Committee meeting attended by them upto 03.01.2016, thereafter, they are being paid sitting fees@ ₹40,000/- for each meeting of the Board and @₹30,000/- for each meeting of the Committee attended by them.

Remuneration of Directors during 1st April 2015 to 31st March, 2016 was as follows:

(a) Executive Directors

(₹ in Million)

S. No	Names	Salary including DA	Other benefits & perks	Leave Encashment and Gratuity on Retirement	Performance Incentives ***	Contribution to PF & other Funds	Provision for Leave, Gratuity & PRBS as per AS- 15	Grand Total	Term
1.	Shri Dinesh K.Sarraf	2.29	1.16	0.02	1.16	0.30	0.51	5.44	30.09.2017
2.	*Shri A. K. Banerjee (upto 30.04.2015)	0.17	0.14	3.38	-0.11	0.02	0.00	3.60	30.04.2015
3.	Shri Shashi Shanker (from 20.07.2015)	1.72	1.34	0.52	-0.15	0.23	0.33	3.99	30.11.2017
4.	Shri T.K.Sengupta	1.98	1.71	0.00	0.14	0.26	0.48	4.57	31.12.2017
5.	*Shri Ashok Varma (upto 31.07.2015)	0.69	0.38	2.70	-0.47	0.09	0.00	3.39	31.07.2015
6.	Shri D.D. Misra	1.90	1.84	0.00	0.36	0.25	0.43	4.78	31.07.2018
7.	Shri A.K. Dwivedi	2.03	1.64	0.00	0.91	0.27	0.40	5.25	31.07.2019
8.	Shri V. P. Mahawar (from 01.08.2015)	1.36	0.91	0.02	0.59	0.18	0.35	3.41	28.02.2018
9.	Shri A. K. Srinivasan (from 23.09.2015)	1.20	0.99	0.00	0.47	0.14	0.26	3.06	30.10.2017

* Superannuation

*** Includes provision for performance related pay for FY 15-16 (disclosed under amount payable in note no. 40.3.2 of Standalone Financial statements)..

Note:

1. Performance related pay of Functional Directors (including CMD) is paid as per DPE norms.
2. Notice period of 3 months or salary in lieu thereof is required for severance of service.

(b) Non-Executive Directors (Part-time non-official)

Non-Executive non-official Directors were paid sitting fee @ ₹20,000/- for attending each meeting of the Board /Committees thereof upto 03.01.2016. 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 sitting fees payable to the Independent Directors has been increased from ₹ 20,000/- to ₹ 40,000/- for attending each Board meeting and ₹ 30,000/- for attending each Committee meeting, with effect from 04.01.2016.

Details of sitting fees paid during the period 1st April, 2015 to 31st March, 2016 is as follows:

Names	Sitting fees (₹ In Million)
Shri K. N. Murthy (upto 20.03.2016)	1.87
Shri Ajai Malhotra (from 22.12.2015)	0.63
Prof. Shireesh B. Kedare (from 22.12.2015)	0.48
Shri K. M. Padmanabhan (from 22.12.2015)	0.53
Total	**3.51**

5.2.2 STOCK OPTIONS

The Company has not issued any Stock Options to its Directors/ Employees.

5.2.3 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
Shri Dinesh K. Sarraf, Chairman & Managing Director	3,192
Shri A. K. Banerjee, Director (Finance) upto 30.04.15	3,172
Shri Shashi Shanker, Director (T&FS)	3,712
Shri T. K. Sengupta, Director (Offshore)	3,672
Shri D.D. Misra, Director (HR)	1,700
Shri A K Dwivedi, Director (Exploration)	820
Shri V.P. Mahawar, Director (Onshore)	1,272
Shri A.K. Srinivasan, Director (Finance)	5,752
Shri A. P. Sawhney, Addl. Secretary, MoP&NG	Nil
Shri U.P. Singh, Addl. Secretary (E), MoP&NG	Nil
Shri Ajay Malhotra, Independent Director	1,100
Shri K. M. Padmanabhan, Independent Director	Nil
Prof. Shireesh. B. Kedare, Independent Director	Nil
Shri K. N. Murthy, Independent Director	Nil

5.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

Stakeholders Relationship Committee specifically looks into redressal of complaints/ grievances of Shareholders and Investors, pertaining to transfer/ transmission of shares, non-receipt of annual reports, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The Committee oversees and reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of Company's Code of Conduct for Prevention of Insider Trading in ONGC's securities.

Shri K. N. Murthy, an independent Director was the Chairman of the Committee upto 21.12.2015. Thereafter the committee was headed by Shri Ajai Malhotra w.e.f. 22.12.2015. Other Members of the Committee were/are Prof. S. B. Kedare, Shri K. M. Padmanabhan, Director (Finance) and Director (HR).

The Company Secretary acts as a Convener of the Committee.

During the year 2015-16, **Three** meetings were held on 29th June,14th September, 2015 and 10th February, 2016.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Attendance:-

Members	Meetings held during the tenure	Meetings attended
Shri K. N. Murthy (upto 21.12.2015)	2	2
Shri D. D. Misra	3	3
Shri Ajai Malhotra (from 22.12.2015)	1	1
Prof. Shireesh B. Kedare (from 22.12.2015)	1	Nil
Shri K. M. Padmanabhan (from 22.12.2015)	1	Nil
Shri A. K. Banerjee (upto 30.04.2015)	-	-
Shri Dinesh K. Sarraf as Director (Finance) (from 01.05.2015 to 22.09.2015)	2	-
Shri A. K. Srinivasan (from 23.09.2015)	1	1

5.3.1 COMPLIANCE OFFICER

Shri V. N. Murthy, Company Secretary is the Compliance Officer and is primarily responsible to ensure compliance with applicable statutory requirements. He is the interface between the management and the regulatory authorities on governance matters.

5.3.2 REDRESSAL OF INVESTORS' GRIEVANCE

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

Except for the complaints pertaining to 'ONGC Offer for Sale - 2004' by Government of India, the Company received 21 shareholders complaints from Stock Exchanges/ SEBI which inter-alia includes non-receipt of dividend/ annual report, issue of Bonus Shares amongst others. The complaints were duly attended to and the Company/ RTA have furnished necessary documents / information to the shareholders. As far as the Investors' Grievances on "ONGC Offer for Sale-2004" is concerned, considerable progress has been made by constant interaction with SEBI, Department of Disinvestment and MCS.

No request for share transfer is pending beyond 15 days except those that are disputed or sub-judice. All requests for de-materialization of shares are likewise processed and confirmation communicated to investors and Depository Participants within 10 working days.

The total number of complaints/ queries/ correspondence received and replied/ attended to the satisfaction of the shareholders was 1438. The number of complaints pending as on 31.03.2016 are 107 out of which 87 complaints are related to Offer for Sale- 2004.

5.3.3 SETTLEMENT OF GRIEVANCES

Investors may register their complaints in the manner stated below:

Sl. No.	Nature of Complaint	Contact Office	Action to be taken
1	Dividend from financial years 2008-09 (final) to 2015-16 (2nd interim) and all matters pertaining to Bonus Shares and shares held in Physical mode; **For Physical Shares-** Change of address, status, Bank account, mandate, ECS mandate etc.	Alankit Assignments Limited, Alankit Heights, 1E/13 Jhandewalan Extension New Delhi - 110055 Phone No.011- 42541234 Fax No: 011- 42541201, 011-23552001 Website : www.alankit.com e-mail: alankit_ongc@alankit.com	Letter on plain paper stating the nature of complaint, Folio/ DPID/ Client ID No; lodging of original shares and other documents/ instruments as the case may be. Members are requested to apply for renewal or issue of duplicate dividend warrants for the Final Dividend 2008-09 and Interim Dividend 2009-10 before 22nd October, 2016 and 17th January, 2017 respectively as the same will be transferred by the Company to the Investor Education & Protection Fund (IEPF) set up by Govt. of India and no claim will lie against IEPF or the Company.
2	**For Demat Shares-** Change of address, status, Bank account, mandate, ECS mandate etc.	Concerned Depository Participant (DP) where the Shareholder is maintaining his/her account	As per instructions of DP
3	All complaints except of Sl.No.2.	Company Secretary Oil and Natural Gas Corporation Ltd., Jeevan Bharti Building, Tower II, 124, Indira Chowk, New Delhi-110001 Phone: 011-23301321 & 23301257 e-mail: secretariat@ongc.co.in	On plain paper stating nature of complaint, Folio/DPID/Client ID No., Name and Address.

Note: The complaints registered in "SCORES" related to ONGC "Offer for Sale – 2004" are in the process of settlement by ONGC on one time basis under the guidance/ supervision of SEBI.

5.3.4 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. **'Investor Service Center'** with information frequently required by investors and analysis is available on the Company's corporate website **www.ongcindia.com.** This website provides updates on financial statements, investor-related events and presentations, annual reports, dividend information and shareholding pattern along with media releases, company overview and report on Corporate Governance etc. Existing and potential investors are able to interact with the Company through this link for their queries and 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.

5.4 HUMAN RESOURCE MANAGEMENT COMMITTEE

The terms of reference include consideration of all issues/areas concerning Human Resource Planning & Management, HR policies and initiatives and Promotions for the post of Group General Manager

(GGM) and Executive Director (ED) and appeals of officers in terms of CDA Rules of ONGC.

The Committee has been headed by Shri Ajai Malhotra, an Independent Director w.e.f. 22.12.2015.

Shri U. P. Singh, Shri K.N. Murthy, Prof. S. B. Kedare, CMD and all Functional Directors were/are the members of the Committee. Director (HR) is the Member-Convener of the Committee.

During 1st April, 2015 to 31st March, 2016, **nine** meetings were held on 28th April, 29th June, 30th July, 14th September, 6th November, 21st December, 2015, 4th January, 10th February and 8th March, 2016.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. N. Murthy (upto 20.03.2016)	9	9
Shri Ajai Malhotra (from 22.12.2015)	3	3
Prof. S. B. Kedare (from 22.12.2015)	3	2
Shri U.P. Singh	9	7
Shri Dinesh K. Sarraf	9	8
Shri A. K. Banerjee (upto 30.04.2015)	1	1
Shri T. K. Sengupta	9	8
Shri Shashi Shanker (from 20.07.2015)	7	7
Shri D.D. Misra	9	9
Shri Ashok Varma (upto 31.07.2015)	3	3
Shri A. K. Dwivedi	9	8
Shri V. P. Mahawar (from 01.08.2015)	6	6
Shri A. K. Srinivasan (from 23.09.2015)	5	5

5.5 PROJECT APPRAISAL COMMITTEE

The Project Appraisal Committee examines and makes recommendations to the Board on projects/ capital investment exceeding ₹2500 million. Proposals upto ₹5000 million are appraised in-house, while the proposals exceeding ₹5000 million are first appraised by Financial Institutions and thereafter considered by the Project Appraisal Committee which recommends the proposal to the Board with its views. The Project Appraisal Committee also monitors IOR/EOR Schemes.

Shri K. N. Murthy, independent Director was the Chairman of this Committee up to 20.03.2016.Shri U.P. Singh, Smt. Atreyee Das, Shri T.K. Sengupta, Shri A.K. Banerjee, Shri K.M. Padmanabhan, Prof. S.B. Kedare, Shri A.K. Srinivasan and concerned Functional Director were/are the members of the Committee. Director (Offshore) is the Member-Convener of the Committee.

During 1st April, 2015 to 31st March, 2016, **ten** meetings were held on : 28th April, 27th May, 29th June, 30th July, 13th August, 14th September, 5th November, 21st December, 2015, 10th February and 28th March, 2016.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. N. Murthy(upto 20.03.2016)	9	9
Shri U.P. Singh	10	7
Shri Dinesh K. Sarraf as Director (Finance) (upto 22.09.2015)	5	5
Shri T. K. Sengupta	10	10
Smt. Atreyee Das (from 26.05.2015 upto 02.01.2016)	7	6
Shri A. K. Banerjee (upto 30.04.2015)	1	1
*Shri V. P. Mahawar	4	4
Shri A.K. Srinivasan (from 23.09.2015)	4	4
*Shri Ashok Varma (upto 31.07.2015)	4	4
Shri K.M. Padmanabhan (from 22.12.2015)	2	2
Prof. S.B. Kedare (from 22.12.2015)	2	2
*Shri A. K. Dwivedi	1	1

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

5.6 HEALTH, SAFETY & ENVIRONMENT COMMITTEE (HSE)

The terms of reference includes review of policy, processes and systems on Safety, Health, Environment and Ecology aspects.

The Committee has been headed by Prof. S. B. Kedare with effect from 22.12.2015.

Shri K. N. Murthy, Shri Ajai Malhotra, Shri U.P.Singh, CMD and all Functional Directors were/are members of the Committee. Director (Exploration) acts as a Member-Convener.

During 1st April, 2015 to 31st March, 2016, **four** meetings were held on 28th April, 27th May, 14th September & 21st December, 2015.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. N. Murthy (upto 21.12.2015)	4	4
Shri U.P.Singh	4	2
Shri Dinesh K. Sarraf	4	4
Shri Shashi Shanker (from 20.07.2015)	2	2
Shri T. K. Sengupta	4	4
Shri D. D. Misra	4	3
Shri A. K. Dwivedi	4	4
Shri Ashok Varma (upto 31.07.2015)	2	2
Shri V. P.Mahawar (from 01.08.2015)	2	2
Shri A. K. Banerjee (upto 30.04.2015)	1	1
Shri A. K. Srinivasan (from 23.09.2015)	1	1
Prof. S. B. Kedare (from 22.12.2015)	After 22.12.2015 no meeting of the committee was held.	
Shri Ajai Malhotra (from 22.12.2015)		

5.7 FINANACIAL MANAGEMENT COMMITTEE

Role of the Committee includes examining the matters pertaining to Budget, Delegation of Powers (Empowerment), Commercial Issues, Forex and Treasury Management, Investments, Risk Management, Capital Structure, Issue of Securities, Short and Long Term Loans.

Shri K.N. Murthy, an Independent Director was the Chairman of the committee upto 20.03.2016. CMD, Shri Ajai Malhotra, Shri K. M. Padmanabhan, Director (Finance) and concerned Functional Director were/ are the other members of the Committee. Director (Finance) is the Convener.

During 1st April, 2015 to 31st March, 2016, **seven** meetings of the Committee were held on 29th June, 30th July, 12th August, 14th September, 21th December, 2015, 4th January and 9th March, 2016.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. N. Murthy (upto 20.03.2016)	7	7
Shri Dinesh K. Sarraf (upto 21.12.2015)	5	5
Shri A. K. Srinivasan (from 23.09.2015)	3	3
Shri Ajai Malhotra (from 22.12.2015)	2	2
Shri K. M. Padmanabhan (from 22.12.2015)	2	2
*Shri T. K. Sengupta	1	1

*The Director attended the meeting as member concerning the Project of his domain.

5.8 COMMITTEE ON DISPUTE RESOLUTION

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

Shri K. N. Murthy, an Independent Director, was Chairman of the Committee upto 21.12.2015. Thereafter, the Committee has been headed by Shri Ajai Malhotra w.e.f. 22.12.2015. Shri K. M. Padmanabhan, Director (Finance), Director (Onshore), Director (T&FS) and Concerned Functional Director(s) were/ are the other members. Director (T&FS) is the Member-Convener of the Committee.

During 1st April, 2015 to 31st March, 2016, **six** meetings of the committee were held on 28th April, 27th May, 30th July, 5th November, 2015, 10th February and 9th March, 2016.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. N. Murthy (upto 20.03.2016)	6	6
Shri Dinesh K. Sarraf Also held additional charge of Director (T&FS) from 23.02.2015 to 22.05.2015 Director (Finance) from 01.05.2015 to 22.09.2015	3	3
Shri Ajai Malhotra (from 22.12.2015)	2	2
Shri K. M. Padmanabhan (from 22.12.2015)	2	1
Shri A. K. Banerjee (upto 30.04.2015)	1	1
Shri Shashi Shanker (from 20.07.2015)	4	4
*Shri T. K. Sengupta, held additional charge of Director (T&FS) from 23.05.2015 to 19.07.2015	4	4
Shri Ashok Varma (upto 31.07.2015)	3	3
Shri V. P. Mahawar (from 01.08.2015)	3	3
Shri A. K. Srinivasan (from 23.09.2015)	3	3

*Attended the meetings as member concerning the Projects of his responsibilities.

5.9 CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT

ONGC implements various measures in the area of Corporate Social Responsibility(CSR) across India. As per the guidelines, issued by Department of Public Enterprises on implementation of CSR activities by Public Sector Undertakings and in terms of section 135 of the Companies Act, 2013, the company has constituted a Committee on Corporate Social Responsibility and Sustainability Development to oversee the CSR activities.

Shri K. N. Murthy, an Independent Director, CMD, Director (Finance), Director (HR) were/are the members of the Committee. Director (HR) acts as Convener of the Committee.

The CSR Committee was re-constituted on 22.04.2016, subsequent to cessation of Shri K N Murthy, Independent Director. The composition of the Corporate Social Responsibility and Sustainability Development Committee was not in compliance with section 135 of the Companies Act, 2013, for the period from 21.03.2016 to 31.03.2016.

The Terms of Reference of the Committee were approved by the Board on 29.04.2015. The CSR policy was approved by the Board on 28.05.2015 and is uploaded on the website of ONGC.

During 1st April, 2015 to 31st March, 2016, **seven** meetings were held on 28th April, 27th May, 29th June, 30th July, 13th August, 14th September and 11th December, 2015.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K.N. Murthy (upto 20.03.2016)	7	7
Shri Dinesh K. Sarraf, CMD and Also held additional charge of Director (Finance) from 01.05.2015 to 22.09.2015	7	7
Shri A. K. Banerjee (upto 30.04.2015)	1	1
Shri D. D. Misra	7	6
Shri A. K. Srinivasan (from 23.09.2015)	1	1

5.10 COMMITTEE OF DIRECTORS FOR ISSUE OF DUPLICATE SHARE CERTIFICATES

In compliance of Rule 6(2) (a) of the Companies (Share Capital and Debentures) Rules, 2014 and General Circular No. 19/ 2014 dated 12.06.2014 of Ministry of Corporate affairs, Government of India, the Board of Directors in its 264th Meeting held on 12.12.2014 had constituted a **Committee of Directors for issue of Duplicate Share Certificates** comprising of Director (Finance), Director (T&FS) and Director (HR). Director (Finance) is the Chairman of the Committee.

Company Secretary acts as Secretary to the Committee of Directors.

The role of the Committee is to approve the issue of Duplicate Share Certificates and any other matter incidental thereto.

During 1st April, 2015 to 31st March, 2016, **three** meetings of the committee were held on 3rd June, 1st December, 2015 and 21st January, 2016.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri Dinesh K. Sarraf holding Additional Charge of Director (Finance) from 01.05.2015 upto 22.09.2015	1	Nil
Shri Shashi Shanker (from 20.07.2015)	2	2
Shri D. D. Misra	3	3
Shri A. K. Srinivasan (from 23.09.2015)	2	2
Shri T. K. Sengupta holding Additional Charge of Director (T&FS) from 23.05.2015 upto 19.07.2015	1	1

5.11 RISK MANAGEMENT COMMITTEE

In compliance of erstwhile Clause 49 VI of the Listing Agreement and Regulation 21 of SEBI (LODR) Regulations, 2015, the Board of Directors had constituted a Risk Management Committee.

Director (Finance) was the Chairman of the Committee upto 21.12.2015. Thereafter, the committee was headed by Shri K. M. Padmanabhan, an Independent Director.

Shri K. N. Murthy, Shri Ajai Malhotra, Prof. S. B. Kedare, Director (Finance), Director (T&FS), Director (Offshore), Director (Onshore), Director (HR), Director (Exploration) were/are the members of the Committee.

Director (Finance) is the convener.

The role of the Committee includes the following:

1. Ensure compliance with Risk Management Policy.
2. Review adequacy and effectiveness of Business Risk Management.
3. Review the organization wide risk portfolio and consider it against the risk appetite.
4. Define the risk appetite for the Company, advice business units/support functions on risk initiatives.
5. Review and approve changes in the risk appetite of the company.
6. Suggest improvements to risk management techniques and lift management awareness.
7. Provide quarterly updates to Board through the A&EC on the current risk management procedures and status of key risks.
8. Monitor emerging issues and best practices.
9. Monitor Business Risk Reporting.
10. Ensure communication of Policies and standards to successive levels of Management.
11. Consideration of any other item which may be delegated in this regard by the Board of Directors.
12. Any other role assigned for the Committee due to changes/modification in the Companies Act, 2013, Listing Agreement, SEBI & DPE Guidelines.

During 2015-16, only **one** meeting of the committee was held on 28th March, 2016.

The details of meeting attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. M. Padmanabhan (from 22.12.2015)	1	1
Shri Ajai Malhotra (from 22.12.2015)	1	1
Prof. Shireesh B. Kedare (from 22.12.2015)	1	1
Shri Shashi Shanker (from 20.07.2015)	1	Nil
Shri T. K. Sengupta	1	1
Shri Ashok Varma (upto 31.07.2015)	NA	NA
Shri V. P. Mahawar (from 01.08.2015)	1	Nil
Shri D.D. Misra	1	1
Shri K.N. Murthy (upto 21.12.2015)	NA	NA
Shri A. K. Dwivedi	1	1
Shri A. K. Srinivasan (from 23.09.2015)	1	1

5.12 RESEARCH AND DEVELOPMENT COMMITTEE

Shri K.N. Murthy, Independent Director was the member of the committee upto 21.12.2015. Thereafter, the committee was headed by Prof. S. B. Kedare with effect from 22.12.2015. Director (T&FS), Director (Offshore), Director (Onshore), Director (HR), Director (Exploration) and Director (Finance) were/are the other members of the committee.

Director (Exploration) is the convener and the Company Secretary acts as the secretary to the committee.

The Terms of Reference of the Research & Development Committee are broadly to oversee the operations and functioning of the various R&D activities being carried out in the various Institutes of ONGC. It also includes reviewing the parameters with regard to HR, Capex and Opex of the R&D activities.

During 1st April, 2015 to 31st March, 2016, **two** meetings of the committee were held on 27th May and 11th December, 2015.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. N. Murthy (upto 20.03.2016)	2	2
Prof. S. B. Kedare (from 22.12.2015)	NA	NA
Shri Dinesh K. Sarraf held Additional Charge of Director (Finance) (upto 22.09.2015)	1	1
Shri Shashi Shanker (from 20.07.2015)	1	1
Shri T. K. Sengupta held Additional Charge of Director (T&FS) (from 23.05.2015 to 19.07.2015)	2	2
Shri D. D. Misra	2	1
Shri A. K. Dwivedi	2	2
Shri V. P. Mahawar (from 01.08.2015)	1	Nil
Shri A. K. Srinivasan (from 23.09.2015)	1	1
Shri Ashok Varma (upto 31.07.2015)	1	1

5.13 PROJECT REVIEW COMMITTEE

The Board of Directors of the company in its 265th Meeting held on 21st January, 2015 had constituted a **'Project Monitoring Committee'** which has been renamed as **'Project Review Committee'** by the Board.

Shri K.N. Murthy, an Independent Director was the Chairman of the committee upto 21.12.2015. Thereafter, the committee was headed by Shri K. M. Padmanabhan with effect fron 22.12.2015. Smt. Atreyee Das, Shri U. P. Singh, Prof. S. B. Kedare, Director (Finance), Director (Offshore),Director (Onshore) and concerned Functional Director were/are the other members of the committee.

Director (Offshore) is the convener of the committee.

Role of Project Review Committee

The role of the Committee is to monitor the progress of various projects and apprise the Board.

During 1st April, 2015 to 31st March, 2016, **nine** meetings of the committee were held on 28th April, 27th May, 29th June, 30th July, 14th September, 5th November, 21st December, 2015, 10th February and 8th March, 2016.

The details of meetings attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. N. Murthy (upto 20.03.2016)	9	9
Shri A. K. Banerjee (upto 30.04.2015)	1	1
Shri K. M. Padmanabhan (from 22.12.2015)	2	2
Prof. Shireesh B. Kedare (from 22.12.2015)	2	1
Shri U. P. Singh	9	6
Shri Dinesh K. Sarraf held Additional Charge as Director (Finance) from 01.05.2015 to 22.09.2015	4	4
Smt. Atreyee Das (from 26.05.2015 to 02.01.2016)	6	5
Shri T. K. Sengupta	9	9
Shri Ashok Varma (upto 31.07.2015)	4	4
Shri V. P. Mahawar (from 01.08.2015)	5	5
Shri A. K. Srinivasan (from 23.09.2015)	4	4

5.14 COMMITTEE FOR REVIEW OF OPERATIONS

The Board of Directors of the Company in its 278th Meeting held on 11th February, 2016 has constituted a **'Committee for Review of Operations'.**

All members of the Board are the members of the Committee.

Director (T&FS) is the convener of the committee.

Role of Committee for Review of Operations

The Committee reviews the physical and financial performance of various operations including but not limited to Exploration (Geophysical, API, Exploratory & appraisal drilling), Development drilling, Production, Work over, logging etc. for both Offshore (shallow, deep & ultra-deep waters) and Onshore.

During the FY 2015-16, only **one** meeting of the committee was held on 8th March, 2016.

The details of meeting attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. N. Murthy (upto 20.03.2016)	1	1
Shri Ajai Malhotra	1	1
Prof. Shireesh B. Kedare	1	Nil
Shri K. M. Padmanabhan	1	1
Shri A. P. Sawhney	1	Nil
Shri U. P. Singh	1	1
Shri Dinesh K. Sarraf	1	1
Shri Shashi Shanker	1	1
Shri T. K. Sengupta	1	1
Shri D. D. Misra	1	1
Shri A. K. Dwivedi	1	1
Shri V. P. Mahawar	1	1
Shri A. K. Srinivasan	1	1

5.15 COMMITTEE FOR REVIEW OF SUBSIDIARIES AND JOINT VENTURES

The Board of Directors of the Company in its 278th Meeting held on 11th February, 2016 has constituted a **'Committee for Review of Subsidiaries and Joint Ventures'**.

All members of the Board are the members of the Committee.

Director (Finance) is the convener of the committee.

Role of Committee for Review of Subsidiaries and Joint Ventures

The Committee shall review the performance (physical, financial or otherwise) of all subsidiaries (direct or indirect, incorporated in India or abroad) and Joint Venture companies, including but not limited to production, project implementation, financial, risk, governance, HR, minutes of the Board Meetings etc.

During the FY 2015-16, only **one** meeting of the committee was held on 8th March, 2016.

The details of meeting attended by the members and their tenure as member of the above Committee is reflected in the table below:-

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri K. N. Murthy (upto 20.03.2016)	1	1
Shri Ajai Malhotra	1	1
Prof. Shireesh B. Kedare	1	Nil
Shri K. M. Padmanabhan	1	1
Shri A. P. Sawhney	1	Nil
Shri U. P. Singh	1	1
Shri Dinesh K. Sarraf	1	1
Shri Shashi Shanker	1	1
Shri T. K. Sengupta	1	1
Shri D. D. Misra	1	1
Shri A. K. Dwivedi	1	1
Shri V. P. Mahawar	1	1
Shri A. K. Srinivasan	1	1

5.16 MEETING OF INDEPENDENT DIRECTORS

One meeting of Independent Directors was held on 28th March, 2016 ,which was attended by Shri Ajai Malhotra, Prof. Shireesh B. Kedare and Shri K.M. Padmanabhan, all the 3 (three) Independent Directors.

5.17 OTHER FUNCTIONAL COMMITTEES

Apart from the above, the Board, from time to time, constitutes Functional Committees with specific terms of reference as it may deem fit. Meetings of such Committees are held as and when the need arises. Time schedule for holding the meetings of such Committees is finalized in consultation with Committee members.

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

The Company is committed towards conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The existing code of Conduct has been revised in line with the provisions of the Companies Act, 2013, SEBI Guidelines and Listing Agreement and approved by the Board of Directors of the Company in its 268th meeting held on 29.04.2015. A copy of the Code has been placed on the Company's website **www.ongcindia.com.**

All members of the Board and Senior Management i.e. 'Key Executives' have confirmed compliance with the Code of Conduct for the year under review. A declaration signed by Chairman & Managing Director is given below:

Code of Conduct – Compliance affirmation

Pursuant to Regulation 26(3)of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

"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 2015-16"

Sd/-
(Dinesh K. Sarraf)
Chairman & Managing Director
New Delhi,
15th June, 2016

7.0 VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In terms of the erstwhile Clause 49 II F of the Listing Agreement and **Regulation 22 of SEBI (LODR) Regulations, 2015,** the Company shall establish a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Accordingly ONGC has implemented the Whistle Blower Policy on 30th November, 2009, which is in line with the Listing Regulation.

ONGC has provided ample opportunities to encourage the employees to become whistle blowers (employees who voluntarily and confidentially want to bring the unethical practices, actual or suspected fraudulent transactions in the organization to the notice of the competent authority for the greater interest of the organization and the Nation). It has also ensured a very robust mechanism within the same framework to protect them (whistle blowers) from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

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.

7.1 ONGC's 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" in its 268th Board meeting held on 29.04.2015. 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.

7.2 CEO/ CFO CERTIFICATION

In terms of erstwhile Clause 49 IX of the Listing Agreement and **Regulation 17(8) of SEBI (LODR) Regulations, 2015,** the certification by the CEO and CFO on the financial statement and internal controls relating to financial reporting for the year 2015-16 was submitted to the Board in its meeting held on 26th May, 2016.

7.3 FINANCE MANUAL

ONGC's Finance Manual is a compendium based on existing practices and systems, comprehensively

covering various finance activities such as accounting, budgeting, costing, pre-audit and treasury management. This manual provides the users with existing practices, processes, finance policies & procedures, and guides Finance officers while ensuring consistency and uniformity across locations in terms of processes and methodologies. This manual also helps new incumbents and Finance officers to enlighten them as well as outside agencies such as Statutory Auditors, Government Auditors associated with ONGC.

8.0 SUBSIDIARY MONITORING FRAMEWORK

The Company has two direct subsidiary companies, Mangalore Refinery and Petrochemicals Ltd. (MRPL) and ONGC Videsh Ltd. (listed, non-material). The list of subsidiaries of MRPL and ONGC Videsh is given in the consolidated accounts of ONGC, which forms part of the Annual Report.

All subsidiaries of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. CMD, ONGC is the Chairman of MRPL and ONGC Videsh.

In terms of erstwhile Clause 49 V(B) to (G) of the Listing Agreement and Clause 24 of the SEBI (LODR) Regulations, 2015 and DPE guidelines, performance of the listed and unlisted subsidiary companies is reviewed by the Audit and Ethics Committee and the Board of ONGC as under:

a) Financial Statements of the listed and unlisted subsidiary companies, are reviewed by the Audit and Ethics Committee;

b) Minutes of the meetings of the Board of Directors are placed before the Company's Board, periodically;

c) A statement of all significant transactions and arrangements entered into by the Subsidiary Company are also reviewed by the Company.

The Company does not have any material unlisted subsidiary company.

9.0 ANNUAL GENERAL MEETINGS

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

Year	Location	Date	Time (IST)
2012-13	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001	25.09.2013	10.00 a.m
2013-14	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001	19.09.2014	10.00 a.m
2014-15	NDMC Indoor Stadium, Talkatora Garden, New Delhi-110001	15.09.2015	10.00 a.m

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

10.0 DISCLOSURE

10.1 MATERIAL CONTRACTS/ RELATED PARTY TRANSACTIONS

The Company has not entered into any material financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/or Partners except with certain PSUs, where the Directors are Directors without the required shareholdings. The Company has obtained declarations from all concerned in this regard, which were noted by the Board.A comprehensive policy on Related Party Transaction (RPT) has been approved by the Board in its 264th meeting held on 12.12.2014. The Policy is in line with the SEBI Regulations and Companies Act, 2013. The Policy as above has been uploaded on the website of ONGC.

The details of transactions with related parties are disclosed in Note No. 40 of the Notes to Financial Statements for the year ended 31st March, 2016. Being a State Enterprise, no disclosure has been made in respect of the transactions with State Enterprises, including subsidiary companies, in line with Accounting Standard-18 on Related Party Transactions and the exemption granted by MCA vide notification dated 05.06.2015

10.2 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.

11.0 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.

12.0 SHAREHOLDERS' INFORMATION

12.1 ANNUAL GENERAL MEETING

Date	Thursday, 08th September, 2016.
Time	10:00 a.m.
Venue	Indira Gandhi Indoor Stadium, New Delhi

12.2 FINANCIAL CALENDER

Adoption of Quarterly Results for the Quarter ending	Tentative date of the meeting of the Board
June 30, 2016 (with limited review by Statutory Auditors)	Wednesday September, 07, 2016
September 30, 2016 (with limited review by Statutory Auditors)	Thursday, October, 27, 2016
December 31, 2016 (with limited review by Statutory Auditors)	Tuesday, January 31, 2017
March 31, 2017 (audited)	Friday, May 26, 2017

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.

12.3 BOOK CLOSURE PERIOD

The Book Closure period is from Friday, the 2nd September, 2016 to Thursday, the 8th September, 2016 (both days inclusive) for the payment of Final Dividend.

12.4 DIVIDEND PAYMENT DATE

Final Dividend would be paid on or after 8th September, 2016.

12.5 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	Telephone:022-22721233/4 Fax: 022-22721919 E-mail:**info@bseindia.com** Website:www.bseindia.com	500312 ONGC
National Stock Exchange of India Ltd. (NSE) Exchange Plaza,C-1, G Block, Bandra-Kurla Complex, Bandra(E), Mumbai-400051	Telephone: 022-26598100 -8114 Fax: 022-26598120 E-mail: **cc_nse@nse.co.in** Website: www.nseindia.com	ONGC

12.6 LISTING FEES

Annual listing fees for the year 2015-16, as applicable, has been paid to the above Stock Exchanges.

12.7 DEMAT ISIN NUMBERS IN NSDL & CDSL

(Stock Code): **INE213A01029**

Custodian Fee of NSDL and CDSL has been paid for the Financial Year 2015-16

12.8 STOCK MARKET INFORMATION

The stock price performance of ONGC scrip during the period 1st April, 2015 to 31st March, 2016 in comparison to BSE is plotted below:



12.8.1 MARKET PRICE DATA: HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

Month	Bombay Stock Exchange			National Stock Exchange		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April'15	333.00	304.00	7550043	332.90	303.10	75108635
May'15	343.00	307.00	8089317	343.20	306.10	93143289
June'15	330.00	297.35	5573261	329.90	297.30	66434953
July'15	316.90	263.60	6779286	317.10	263.45	80119425
August'15	284.35	208.00	11476730	284.70	223.00	105651642
September'15	243.35	217.65	9847800	243.35	217.70	84613824
October'15	267.65	228.05	6756097	267.75	228.00	72794093
November'15	256.30	221.50	7294507	256.60	221.25	57466346
December'15	243.80	211.30	9763613	243.80	211.25	83472338
January'16	244.85	206.25	10009236	244.80	205.95	80499451
February'16	227.90	188.00	9613121	227.80	187.75	92287877
March'16	219.05	188.60	18810428	219.15	188.55	142522633

Source: Web-sites of BSE and NSE

13.0 SHARE TRANSFER SYSTEM

M/s Karvy Computershare Private Ltd. (Karvy) was the Registrar and Share Transfer Agent (RTA) for physical shares upto 29th February, 2016. Thereafter, M/s Alankit Assignments Limited was appointed as the Registrar and Share Transfer Agent (RTA) w.e.f. 1st March, 2016. M/s Alankit Assignments Limited is also the depository interface of the Company with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)

The transfer of shares received in physical form is overseen by an Officers Committee (constituted by the Board of Directors) which usually meets once in a fortnight to ratify the shares received for transfer, transmission, re-materialization and dematerialization etc. The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the share transfer is not under any dispute. The Minutes of the aforesaid Committee are placed before the Stakeholders' Relationship Committee. A summary of transfer/ transmission of securities so approved by the aforesaid Committee are placed at Board Meetings. The share certificates duly endorsed are sent to the shareholders by RTA. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL, expeditiously.

With a view to further expedite the process of transfer and transmission of shares in physical mode, the Board of Directors have authorised the Share Transfer Agent to process the transfer / transmission. The details of the transfers etc are placed before the Committee of Officers for ratification.

Pursuant to the erstwhile Clause 47 of the Listing Agreement and Regulation 40 (10) of SEBI (LODR) 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 during the last **three** years are as under:

Years	No. of transfer deeds processed	No. of shares transferred
2015-16	1,573	12,358
2014-15	724	21,508
2013-14	1,722	23,884

14.0 SHAREHOLDING PATTERN AS ON 31st MARCH, 2016

Category	No. of Shares held	Percentage of Shareholding
President of India	5897676260	68.93
Banks, Financial Institutions and Insurance Companies	895374102	10.47
Foreign Institutional Investors	354522675	4.14
Mutual Funds & UTI	115259733	1.35
NRIs	4939748	0.06
Bodies Corporate	992130319	11.59
Employees	5031202	0.06
Public	290556081	3.4
Total	**8555490120**	**100**

14.1 TOP 10 SHAREHOLDERS AS ON 31st MARCH, 2016

S.No	Name	No. of Shares held	% of total Shareholding
1	PRESIDENT OF INDIA .	5897676260	68.934
2	LIFE INSURANCE CORPORATION OF INDIA	740968234	8.661
3	INDIAN OIL CORPORATION LIMITED	657923428	7.69
4	GAIL (INDIA) LIMITED	205601068	2.403
5	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	54623944	0.638
6	FRANKLIN TEMPLETON INVESTMENT FUNDS	42415379	0.496
7	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIE S OF VANGUARD INTERNATIONAL EQUITY INDEX FUND	31460827	0.368
8	LIFE INSURANCE CORPORATION OF INDIA P & GS FUND	25417033	0.297
9	GOVERNMENT PENSION FUND GLOBAL	24810704	0.29
10	CPSE ETF	21580262	0.252

14.2 Distribution of Shareholding by Size as on 31st March, 2016

Category	Number of Shareholders	% of Shareholders	Total number of Shares	% of Shareholding
1-500	531942	90.29	62316902	0.728
501-1000	27880	4.732	20633875	0.241
1001-2000	13618	2.311	19837034	0.232
2001-3000	5983	1.016	14984490	0.175
3001-4000	5192	0.881	18475384	0.216
4001-5000	1696	0.288	7601049	0.089
5001-10000	1448	0.246	9651202	0.113
10001 and ABOVE	1389	0.236	8401990184	98.206
Total	**589148**	**100.00**	**8555490120**	**100.00**

14.3 GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDERS AS ON 31st MARCH, 2016

S. No	City	Shareholders		Shareholding	
		Nos	% age	No of shares	% age of Shareholding
1	MUMBAI	100419	17.0448	2292775192	26.7989
2	NEW DELHI	46595	7.9089	6122555606	71.5629
3	AHMEDABAD	34386	5.8366	11527082	0.1347
4	CALCUTTA	27185	4.6143	13067095	0.1527
5	BANGALORE	25521	4.3318	5471767	0.0640
6	CHENNAI	22342	3.7923	20921029	0.2445
7	PUNE	21125	3.5857	4121664	0.0482
8	VADODARA	17286	2.9341	7219761	0.0844
9	HYDERABAD	13723	2.3293	3736340	0.0437
10	OTHER CITY	280566	47.6223	74094584	0.8660
	TOTAL	**589148**	**100.0000**	**8555490120**	**100.0000**

14.4 History of Paid-up Equity Share Capital (Face value of ₹5 each)

Year	No. of Shares	Cumulative	Details
1993-94	10	10	Initial Subscription to the Memorandum Of Association on 23rd June, 1993.
1993-94	34,28,53,716	34,28,53,726	Issued to the President of India on 1st February, 1994 on transfer of Undertaking of Oil and Natural Gas Commission in terms of Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Act, 1993.
1994-95	66,39,300	34,94,93,026	Issued to the Employees at a premium of ₹260 per Share (includes 600 shares issued in 1995-96).
1995-96	107,64,40,966	142,59,33,992	Issue of Bonus Shares in ratio of 3.08: 1 on 24.04.1995 by Capitalization of General Reserve.
2006-07	(-)18,972	142,59,15,020	Forfeiture of Shares on 12.04.2006.
	71,29,57,510	213,88,72,530	Issue of Bonus Shares in ratio of 1:2 on 08.11.2006 by Capitalization of General Reserve.
2010-11	-	8,555,490,120	Each equity Share of ONGC was split from the face value of ₹10 into two equity shares of the face value of ₹5 each. Bonus Shares were issued in the ratio of 1:1 by Capitalization of Reserves to the shareholders as on 09.02.2011 (Record Date).
2011-12	-	8,555,490,120	President of India (PoI) acting through Ministry of Petroleum & Natural Gas, Government of India on 05.03.2012 has sold 420,416,170 number of equity shares (4.91% shares) in ONGC through the offer for sale through Stock Exchange Mechanism.
2012-13	-	8,555,490,120	-
2013-14	-	8,555,490,120	President of India (PoI) acting through Ministry of Petroleum & Natural Gas, of India on 27.03.2014 has sold 24,786,189 number of equity shares (0.29% shares) in ONGC through Off Market Transaction to Central Public Sector Enterprises Exchange Traded Fund.
2014-15	-	8,555,490,120	-
2015-16	-	8,555,490,120	President of India (PoI) acting through Ministry of Petroleum & Natural Gas, of India on 10.04.2015 has transferred 84,073 number of equity shares (0.01% shares) in ONGC through Off Market Transaction to Central Public Sector Enterprises Exchange Traded Fund.

15.0 CORPORATE BENEFITS

DIVIDEND HISTORY

Years	Rate (%)	Per Share(₹)	Amount (₹ in million)
2011-12			
• First Interim	125	6.25	53,471.84
• Second Interim	30	1.50	12,833.23
• Final	40	2.00	17,110.98
2012-13			
• First Interim	100	5.00	42,777.45
• Second Interim	80	4.00	34,221.96
• Final	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	2,138.87
2014-15			
• First Interim	100	5.00	42,777.45
• Second Interim	80	4.00	34,221.96
• Final	10	0.50	4,277.75
2015-16			
• First Interim	90	4.50	38,499.7
• Second Interim	15	0.75	6,416.68
• Final (Proposed)	65	3.25	27,805.34

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

During the year under report, an amount of ₹1,23,75,636.00 and ₹1,39,68,216.00 pertaining to unpaid dividend for the financial year 2007-08 (Final) and 2008-09 (Interim) respectively was transferred to the Investor Education & Protection Fund (IEPF) set up by the Central Government. This is in accordance with the sections 124 and 125 of the Companies Act, 2013 requiring transfer of dividend remaining unclaimed and unpaid for a period of 7 years from the due date to the IEPF.

The unpaid/unclaimed amount of Final Dividend declared on 23rd September, 2009 for the financial year 2008-09 and interim dividend declared on 18th December, 2009 for the financial year 2009-10 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 22nd October, 2016 and 17th January, 2017 respectively. Members who have not encashed their dividend warrants pertaining to the said years may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof.

Given below are the proposed dates for transfer of the unclaimed dividend to IEPF by the Company:-

Financial Year	Date of Declaration	Proposed Date for transfer to IEPF*
2008-09 Final	23.09.2009	22.10.2016
2009-10 Interim	18.12.2009	17.01.2017

*Indicative dates, actual dates may vary.

17.0 DEMATERIALIZATION OF SHARES AND LIQUIDITY

S. No.	Description	No. of Share Holders	Shares	% of Equity
1	Physical	13123	5879344	0.07
2	NSDL	422183	1755184811	20.52
3	CDSL	153842	6794425965	79.42
	Total	**589148**	**8555490120**	**100.00**

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

18.0 OUTSTANDING GDRs/ ADRs / WARRANTS OR CONVERTIBLE INSTRUMENTS

No GDRs/ ADRs/ Warrants or Convertible Instruments have been issued by the Company during the year.

19.0 ASSETS/ BASINS/ PLANTS/ INSTITUTES/CODs

A. ASSETS

1. Mumbai High Asset, Mumbai
2. Neelam & Heera Asset, Mumbai
3. Bassein & Satellite Asset, Mumbai
4. Eastern Offshore Asset
5. Ahmedabad Asset, Ahmedabad
6. Ankleshwar Asset, Ankleshwar
7. Mehsana Asset, Mehsana
8. Rajahmundry Asset, Rajahmundry
9. Karaikal Asset, Karaikal (Cauvery)
10. Assam Asset, Nazira
11. Tripura Asset, Agartala
12. Cambay Asset, Cambay
13. CBM ,Bokaro

B. BASINS

1. Western Offshore Basin, Mumbai
2. Western Onshore Basin, Vadodara
3. KG-PG Basin, Chennai
4. Cauvery Basin, Chennai
5. Assam & Assam-Arakan Basin, Jorhat
6. MBA Basin and CBM Development Project, Kolkata/Bokaro
7. Frontier Basin, Dehradun

C. PLANTS

1. Uran Plant, Uran
2. Hazira Plant, Hazira
3. C2C3C4 Plant, Dahej, Gujarat

D. INSTITUTES

1. Keshava Deva Malaviya Institute of Petroleum Exploration (KDMIPE), Dehradun
2. Institute of Drilling Technology (IDT), Dehradun
3. Institute of Reservoir Studies, (IRS) Ahmedabad
4. Institute of Oil & Gas Production Technology (IOGPT), Navi Mumbai
5. Institute of Engineering & Ocean Technology (IEOT) Navi Mumbai
6. Geo-data Processing & Interpretation Center (GEOPIC), Dehradun
7. ONGC Academy, Dehradun
8. Institute of Petroleum Safety, Health & Environment Management (IPSHEM), Goa
9. Institute of Biotechnology & Geotectonics Studies (INBIGS), Jorhat
10. School of Maintenance Practices (SMP), Vadodara
11. Centre for Excellence in Well Logging (CEWELL), Vadodara
12. Regional Training Institutes

20.0 INVESTOR SERVICES AND ADDRESSES FOR SHAREHOLDERS' CORRESPONDENCE.

These have been given at **5.3.3** and **5.3.4** above

21.0 RISK MANAGEMENT

The Risk Management Policy has been rolled out across the organization in all Assets, Basins, Plants, Institutes and offices.

Details are given under Risk Management Committee.

22.0 COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V (E) of the Listing Regulation, is annexed to this Report. ONGC has implemented most of the non-mandatory requirements.

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

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

24.0 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 2015 to 31st March, 2016. ONGC 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 5.68% of total expenses during 2015-16 as against 5.32 % during the previous year.

25.0 SECRETARIAL AUDIT REPORT

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

26.0 FEE TO STATUTORY AUDITORS

The fee paid/ payable to the Statutory Auditors for the year was ₹26.39 million (previous year ₹25.01million) including ₹1.38 million (previous year ₹1.12 million) as fee for certification of Corporate Governance Report, ₹5.82 million (previous year 5.06 million) for limited review report and ₹0.56 million (previous year ₹3.66 million) for other certification including certification under section 33(2AB) of Income Tax Act for R&D Institutes plus reasonable travelling and out of pocket expenses actually incurred / reimbursable.



CMD ONGC, Shri Dinesh K. Sarraf flanked by MD OVL, MD MRPL & ONGC Board of Directors during Investors' and Analysts' Meet at Mumbai

Auditors' Certificate on Compliance of Conditions of Corporate Governance

M/s G D Apte & Co.
Chartered Accountants
Office No. 83 – 87, 8th Floor,
Mittal Tower, 'B' Wing,
Nariman Point, Mumbai – 400 021

M/s Lodha & Co.
Chartered Accountants
14, Government Place East,
Kolkata - 700069

M/s P K F Sridhar & Santhanam LLP
Chartered Accountants
7th Floor, KRD Gee Gee Crystal,
91 92, Dr. Radhakrishnan Salai,
Mylapore, Chennai – 600 004

M/s Khandelwal Jain & Co.
Chartered Accountants
12-B, Baldota Bhawan, 5th Floor
117, M K Road, churchgate, Mumbai 400 020

M/s Dass Gupta & Associates
Chartered Accountants
B4, Gulmohar Park,
New Delhi - 110 049

M/s K C Mehta & Co.
Chartered Accountants
2nd Floor, Meghdhanush
Race Course Circle, Vadodara – 390 007

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 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15 (2) of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance, as stipulated in the Listing Agreement and Listing Regulations. It is neither an audit nor an expression of an opinion on financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, subject to the following:
   i. As stated in item no. 2.1, 5.1 and 5.2 of the Corporate Governance Report, the Company has not complied with the conditions of the Listing Agreement and Listing Regulations, with regard to the appointment of minimum number of Independent Directors in the composition of the Board of Directors, Audit and Ethics Committee, Nomination and Remuneration Committee for the period as mentioned therein,
   ii. As stated in item no. 2.1 of the Corporate Governance Report, the vacancies caused due to the resignation or retirement of the Independent Directors have not been filled within the time period as specified in the Listing Agreement and Listing Regulations,
   iii. As stated in item no. 2.1 of the Corporate Governance Report, the Company has not complied with the conditions of the Listing Agreement and Listing Regulations with regard to the appointment of at least one woman director on the Board for the period as mentioned therein,
   iv. As stated in item no. 5.9 of the Corporate Governance Report, the composition of the Corporate Social Responsibility and Sustainability Development Committee was not in compliance with section 135 of the Companies Act, 2013, for the period as mentioned therein,

   we certify that the Company, has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement and Listing Regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

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

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

(H K Verma)
Partner (M.No. 055104)

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No.003990S/S200018

(V. Kothandaraman)
Partner (M. No 025973)

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

(Narendra Jain)
Partner (M.No. 048725)

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

(Raaja Jindal)
Partner (M. No.504111)

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

(Vishal P. Doshi)
Partner (M. No.101533)

Place : Mumbai
Date : 4th July, 2016

Business Responsibility Report

Secretarial Audit Report



Director (T&FS), Shri Shashi Shanker reviewing the activities at the Rig Floor



Hands On: Drilling Engineer at Rajahmundry

Business Responsibility Report 2015 -16

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**	:	2015-16

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

ONGC is a global Energy company 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 and 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 in the non-conventional sources; it is aggressively pursuing opportunities such as Shale Gas/oil, CBM (Coal Bed Methane) and UCG (Underground Coal Gasification). Besides, it is actively taking part in exploration of Gas Hydrates as a consortium member under National Gas Hydrate Program (NGHP) of Government of India. It has ventured into electric power generation through 726.6 MW Combined Cycle Gas Turbine (CCGT, gas based power project) thermal power plant at Tripura (ONGC Tripura Power Company Ltd.) and wind power electricity generation through installing a 51 MW wind power project at Bhuj, Gujarat and 102 MW wind power project in Rajasthan. 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 wholly owned subsidiary, ONGC Videsh Limited, which operates in 10 countries with 13 producing assets. ONGC, principally, focuses on domestic operations which have a pan-India spread.

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

The major five international locations as per oil & gas reserves are – Russia, Mozambique, Venezuela, 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 asbelow:

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

ONGC	WESTERN OFFSHORE			EASTERN OFFSHORE
	Mumbai High Asset - (Mumbai High, Cluster 7, WO-16, B Series, BHE/BH-35, B-127, Western Periphery)	**Bassein & Satellite Asset** (South Bassein, NB Prasad-D1, B193, B-22, B-55, Vasai (East), Vasai (West), SB-14, C-Series, North Tapti)	**Neelam & Heera Asset** (Neelam, Heera, B-134, B-173)	**Eastern Offshore Asset** (NELP Block KG-98/2 and G1GS15, G-29)
JV	Panna, Mukta, Tapti, CB-OS/2			Ravva

b) **Onshore Locations (Oil & Gas producing, including JV) :**

1. **Gujarat**
2. **Assam**
3. **Andhra Pradesh**
4. **Tamil Nadu**
5. **Jharkhand**
6. **Tripura**
7. **Rajasthan (including RJ-ON-90/1)**
8. **West Bengal**
9. **Madhya Pradesh**

c) **Basins : Oil & Gas exploratory locations**

Assam & Assam - Arakan Basin (A&AA), Jorhat	Cauvery Basin, Chennai	Frontier Basin, Dehradun	Krishna-Godavari Basin, Chennai
MBA Basin, Kolkata	Western Offshore Basin(WOFF), Mumbai	Western Onshore Basin(WON), Vadodra	-

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

Uran (Maharashtra)	Hazira, Gujarat	Gandhar, Ankleshwar, Gujarat	Dahej (Gujarat)	Tatipaka (A P)

e) **Institutes : Knowledge support and applied R&D for E&P activities**

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

f) **Subsidiaries (Direct)**

ONGC Videsh Limited (ONGC Videsh), New Delhi	Mangalore Refineries and Petrochemicals Limited (MRPL), Mangalore

g) Associates including Joint Ventures

ONGC Tripura Power Company Limited (OTPC), Tripura	ONGC Petro-additions Limited (OPaL), Gujarat	Mangalore Special Economic Zone Limited (MSEZ), Karnataka	ONGC TERI Biotech Limited (OTBL), New Delhi
Petronet MHB limited (PMHBL), Mangalore	Petronet LNG Limited (PLL), New Delhi	Dahej SEZ Limited, (DSL), 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 (As on 31.03.2016)

Sl. No.	Particulars	Amount (₹ Crore)
1	Paid up capital	4277.76
2	Total Turnover	78,565
3	PAT	16,004
4	Total spending on CSR as a % of PAT (2015-16)	**₹ 421 Crore (2.63% of FY'16 PAT)**

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

Sl.	Sector of Activity
1	Promoting health care including preventative health care and sanitation and making available safe drinking water.
2	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
3	Ensuring environmental sustainability, ecological balance, protections of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water
4	Rural development projects
5	(1) Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and other such facilities for senior citizens
	(2) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts
	(3) Training to promote rural sports, regionally recognised sports, Paralympics sports and Olympic sports
	(4) Other areas mentioned in Schedule – VII

Section C: Other Details

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

   Yes. ONGC has two direct subsidiaries companies as detailed above in section A9(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 of their support helps in facilitating ONGC's business responsibility initiative.

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 Sustainable Developmentare taken care of by Director (Exploration)while policies on Ethics and Transparency and the overall Business Responsibility of the company lies with the Chairman &Managing Director who gets them implemented through the respective group heads.

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

   b) **Details of the BR heads**

   Responsibility of embedding sustainability in ONGC's business processes starting from formulating corporate policies to project execution under the given ambit of BR Policies lies with ED-Chief Carbon Management & Sustainability Group. The details are given below:

S.No.	Particulars	Details
1	DIN Number (if applicable)	**Nil**
2	Name	**Shri Jai Singh**
3	Designation	**GGM – Chief CM&SG**
4	Telephone number	**+91-11-22440829**
5	e-mail id	**singh_jai@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, erstwhile Listing Agreement and now SEBI (Listing Obligations and Disclosure Requirement) Regulations,2015 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 which has been thoroughly revised in 2015 and after approval of the Board implemented across the organisation, HR Manual, Material Management Manual (which has also been reviewed, revised and implemented in 2015) Finance Manual and Works Manual for ensuring continuity, transparency and fairness in observing the laid down procedures. The company has an Enterprise Risk Management Cell (ERM), risk framework, risk policy and risk portfolio which are periodically monitored by

the Risk Management Committee, Audit & Ethics Committee and the Board. In terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR), the Board has re-constituted the Risk Management Committee with Board level members.

- 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 of high repute and integrity are appointed as Independent External Monitors to oversee implementation of the Integrity 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 relevant stakeholders and further the same gets reviewed from time-to-time to cater to emerging and new business realities/paradigms, after wider consultations amongst stakeholders. The Company being a Public Sector Enterprise and a National Oil Company, pursues policies laid down by the Government of India and other statutory bodies. It is assumed that those policies are worked out after wider consultations and discussions by the Government of India.

Principle 1.3

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

The policy and laid down procedures conform to statutes and policies of the Govt. of India, DPE and other statutory bodies. It also conforms 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 LODR 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 –VicharManthan, VicharDhara, VicharVishlesan, Mantrana, etc., and employee web portal and also through various in-house magazines
- Government and regulatory bodies are engaged through meetings with 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) and Director General of Hydrocarban (DGH).

- Shareholders and investors are engaged through Annual General Meeting, Investor & Analysts' Meet, Investors' Conference, corporate website **www.ongcindia.com** and press release/press conference etc.

Principle 1.8

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

ONGC follows laid down policy for every critical activity 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).

ONGC has separate website for grievance redressal (https://grievance.ongc.co.in).

Principle 1.10

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

The implementation of obligations with regard to Corporate Governance as contained in LODR are brought out in the Corporate Governance Report and audited by the Statutory Auditors. Other policies are validated from time to time by the concerned authorities.

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

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

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

   Yes

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

   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 2015 to March 2016from Vendors: 46
   - All representations were forwarded to IEMs who promptly gave their opinions in all cases for further action.
   - Number of complaints received from investors during 2015-16:The total number of complaints/ queries/

correspondence received and replied/ attended to the satisfaction of the shareholders was 1438. The number of complaints pending as on 31.03.2016 are107 out of which 87 complaints are related to the divestment of shares by the Govt. of India - Offer for Sale- 2004.

Principle 2:

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

Principle 2.1:

Do you have policy/policies for principle 2?

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.

It is further a matter of privilege for ONGC and a sign of unflinching responsive commitment to sustainability development that Shri D.K.Sarraf, CMD, ONGC has been nominated as a member of the UN Global Compact Board.

Principle 2.2:

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

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

Principle 2.3:

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

Yes, 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 forming part of the Annual Report.

Principle 2.6:

Indicate the link for the policy to be viewed online?

The website of the Company (www.ongcindia.com) has reference to the various tenets as stated in the principle under various places. Further, internal policies applicable to various functions of the organisation are available on intranet.

Principle 2.7:

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

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 Principle1.9.

Principle 2.10:

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

ONGC is subject to various audits such as Statutory Audit by six firms of Chartered Accountants appointed by the Comptroller & Auditor General, C&AG Audit, Cost Audit, Secretarial Audit, Technical Audits, Quality Audit, Energy Audit, Safety audit. These audits ensure compliance to various internal and external policies.

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

a. Rain water harvesting:

Rain Water Harvesting (RWH) projects are implemented/being implemented at different work centres of ONGC under the umbrella of Sustainable Water Management. The harvested water is being used for beneficial use like gardening, toilet flushing, etc and also for recharging of ground water aquifers.

ONGC's ongoing Rain water harvesting projects:

Sl.No.	Name of project
1	RWH project at Avani Bhavan -01 Recharge well & Sabarmati complex with 03 Recharge wells
2	RWH projects at Saij & Naika Colony for ground water Recharge through 04 and 06 Recharge wells
3	RWH project at Cementing section, for ground water Recharge through 01 Recharge well
4	RWH project at WSS, Saij with 01 Recharge well
5	RWH project at WSS, Shertha with 02 Recharge well
6	RWH project at Eastern Colony, Chandkheda, with 05 Recharge wells
7	RWH project at Western Colony with 05 Recharge wells
8	RTRWH at KV ,ONGC, Agartala for gardening and Rooftop RWH at NOBH, D-Type quarters, officers club, Auditorium for ground water recharge
9	RTRWH at 02 Multi- storied buildings of Colony, Vadodara, harvested water is being used for domestic uses.
10	Surface run-off RWH Inside ONGC Complex, Makarpura for ground water recharge through 07 recharge wells
11	RWH from 105 acre campus to harvest rain water through storm water drains and store in ground tanks for gardening purpose in IPHSEM, Goa
12	Surface run-off RWH system in the campus with 10 recharge wells for ground water recharge in IPHSEM, Goa

b. Sea Water Desalination:

With fresh water scarcity looming large across the world and especially in India, desalination of sea water has become one of the most important tools to address the increasing demand of fresh water. Uran process plant at Uran near Mumbai is one of the most important plant of ONGC, responsible to process the crude coming from Mumbai High and to produce value added products. Presently Uran needs approx. 1700 m3 fresh water per day for its normal operations. The water is supplied by MIDC which is sole supplier in this region. Due to rapid growth in and around Uran, ONGC may face disruption of fresh water as MIDC has limited known sources of water. To avoid any future disruption, it has been proposed to set up 20MLD capacity desalination plant. The feasibility study has been carried out.

ONGC is also working on taking up sea water desalination plants at other locations viz. Hazira, Rajahmundry, Karaikal, Kakinada and MRPL (Mangalore).

c. Water Foot printing study:

CM&SG has completed water footprint studies of six Onshore Assets (Mehsana, Tripura, Cauvery, Ankleshwar, Rajahmundry and Ahmedabad); two Plants (Uran and Hazira); two Forward Base (Cachar Forward Base and Rajasthan Forward Base) and one institute-IPSHEM-Goa for comprehensive water foot print assessment of these work centres. The studies were focused to assess the quantitative use of fresh water, identification of opportunities for reducing the consumption of fresh water and explore ways to minimize the discharge of waste water in to the surface water bodies.

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.

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

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. The company has undertaken water foot printing of ONGC work centres in a big way and already completed water foot printing at 7 Assets, 2 plants & 1 institute by adopting the concept of 4R:

Reduce: Identify areas to reduce fresh water usage.

Reuse: Identify opportunities to reuse fresh water.

Recycle: Identify ways to use produced/effluent water in place of fresh water.

Replenish: Replenishing ground water through rain water harvesting.

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

Company has in place a well-devised procedure for sustainable sourcing. Company has a well-documented Material Management Policy (the Policy has been revamped recently and is available on the website of ONGC) that helps in sourcing the requisites for operations and business activities in a steady, continuous and sustainable manner. Company has policies of long-term contracts and rate-contracts to ensure that operations and business pursuits do not suffer owing to externalities.

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

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 that 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.

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

The Company at present does not have a process in place to measure this particular parameter. However, in 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 framework 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 has also implemented guidelines of MSMEs (Medium, Small and Micro Enterprises) for procurement of 20% of goods and services from MSMEs. 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 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 are invited and the items of e-waste are sold to them only to ensure safe disposal of the items. We have an e-waste policy to manage our e-waste. **The new e-waste (Management) Rules, 2016, vide G.S.R 338(E) dated 23rd March, 2016 have been published by the Government of India. The e-waste (Management) Rules, 2016 will come into force from the 1st day of October, 2016. In view of this, the existing E-waste policy of ONGC is being updated.**

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.

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 off 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. **ONGC represented, at various platforms, regarding the non-hazardous nature of drill cuttings generated from the use of Water Based Mud. Consequently, Drill Cuttings generated from the use of Water Based Mud has been removed from the Schedule I of the Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016.** The tank bottom sludge and oily waste were identified as hazardous waste and is disposed-off according to local statutory guidelines. Oily sludge removed periodically is treated by environmentally sound bioremediation techniques using a consortium of bacteria known as Oil Zappers and is rendered non-hazardous. Land is normally acquired by ONGC for short duration to carry out its drilling activities. The land degradation takes place during drilling operations due to discharge of waste water from various sources. The land acquired for drilling activities is reclaimed/ restored to its pristine condition before returning to land owners.

Produced water/ Effluents

The Water produced with the oil and gas, is the major effluent for the Company as part of its production activities. The produced water, which is part of well fluid is separated and sent to Effluent Treatment Plants (ETPs) for further treatment. ONGC operates

twenty three 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, **seventeen new ETPs have been planned to be installed.**

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.

The company has developed a comprehensive corporate waste management policy to quantify and segregate waste at the source for better planning and management. For non-hazardous wastes, efforts are taken to minimise the disposable quantity through reuse and recycle route.

Principle 3:

Businesses should promote the well being 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 disadvantageous class of employees, separation /superannuation and post-retirement welfare measures.

Principle 3.2

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

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

Principle 3.4

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

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

Principle 3.5

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

The Board of Directors have constituted a Board level Human Resource Management Committee to oversee the major decisions in the area of human resources.

Principle 3.6

Indicate the link for the policy to be viewed online?

The intranet of the Company "reports.ongc.co.in" and "webice.ongc.co.in" has link to the various HR policies. In addition, various welfare policies are communicated via issue of office orders, circulars from time to time and the same are uploaded on the intranet of the Company "reports.ongc.co.in" for wider publicity.

Principle 3.7

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

Yes. 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. Wherever desired and warranted, expert advice from external agencies/ consultancies is solicited to ramp up our practices/ policies to best of industry standards.

The company has carried out independent audit / evaluation of HR policies. Frequent audits like ISO 9001:2008 Audit, Internal Audit, external audit by government agencies are carried out across the organization.

1. **Total number of employees:** 33927 **(As on 31.03.2016)**
2. **Total number of employees hired on temporary/ contractual/casual basis.**

- Contractual workers : 17609
- Tenure based : 696
- Casual workers/contingent : 566

3. **Please indicate the Number of permanent women employees : 2231**
4. **Please indicate the Number of permanent employees with disabilities : 189**
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: Twelve recognized unions:

1. ONGC (BOP) Karmachari Sanghatana, Mumbai
2. ONGC Workmens' Association, Kolkata
3. Petroleum Employees Union, Chennai
4. Petroleum Employees Union, Karaikal
5. Petroleum Employees Union, Rajahmundry
6. Petroleum MazdoorSangh, Ahmedabad
7. ONG MazdoorSangh, Ankleshwar
8. ONGC Employees Mazdoor Sabha, Baroda
9. ONGC Purbanchal Employees' Association Sivasagar
10. National Union of ONGC Employees, Dehradun
11. ONGC Workers Union, Agartala
12. Trade Union of ONGC Workers, Silchar.

(Besides above All India SC/ST Employees Welfare Association and All India OBC/MOBC Employees Welfare Association are recognized by ONGC)

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 about 90% of executives. Twelve 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	2	1
3	Discriminatory employment	NIL	NIL

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

• Permanent Employees • Permanent Women Employees • Casual/Temporary/ Contractual Employees • Employees with Disabilities	Training of ***14681 executives and 6494 non-executives*** were provided through our premier institutes of IPSHEM Goa and ONGC Academy, Dehradun. Apart from the above, casual, temporary and contractual employees were given requisite training in safety of operations.

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 4.1

Do you have policy/policies for principle 4?

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

The Company has a number of policies in place to address the interests of all stakeholders. As a PSE, the company pursues all such policies as mandated by the government. The Corporate Social Responsibility (CSR) and Sustainable Development policy along with a host of policies of the Government of India are directed towards disadvantaged, vulnerable and marginalized section of the society. The DPE revised its Guidelines for CSR effective from **01st April 2014 with effect from the same day the amended Companies Act containing Section 135 making CSR spend mandatory, came into force along with Companies (CSR Rules) 2014.** Abiding by the directives of DPE guidelines, ONGC has aligned its CSR policies. To substantiate our stakeholder engagement, a 'communication policy for stakeholder engagement' has been drafted. The goal is to: Connect, Listen, Respond, Sustain' – leading to business value creation with Economic, Social and Environmental sustainability in view.

As per our ***CSR & SD policy,*** ONGC has a well-defined set of objectives, clearly delineated beneficiaries, strategy and project activities which characterize its social projects. The relevant provisions of section 135 and Schedule VII of the Companies Act, 2013 have also been taken into account while finalising the aforesaid policy. The projects are designed to yield discernible, long-term, sustainable benefits for the communities specially disadvantaged, vulnerable and marginalized sections. Through community driven developments, we foster a symbiotic relationship with our stakeholders across communities to create more employment opportunities to realize our strategic objective of growing responsibility while improving the livelihoods of people.

The table below depicts the manner in which the Company engages to address the 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 **and also through external stakeholders meet.**
Communities	Direct engagement at work centres through CSR programmes and HR departments.
Business partners/ contractors/ vendors	Vendor meets; Business partner meets; Pre-bid conferences **and also through external stakeholders meet.**
Contract workers	Safety trainings & SAHYOG Scheme
Employees	Open House; Vichar-Manthan; Vichar-Dhara; Vichar-Vishlesan; Mantrana; Employee web portal **and also through internal stakeholders meet.**
Regulatory bodies (DGMS, NSE, BSE,SEBI,OISD,OIDB, etc.)	Structured engagement through meetings with administrative Ministry MoP&NG, DPE, HI & PE, OISD, OIDB, etc **and also through external stakeholders meet.**
Government bodies	
Shareholders, investors	Investor & Analyst Meet; AGM; Investor Conferences; Corporate web site and press releases/press conference **and also through external stakeholders meet.**

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 the Companies Act 2013 and Companies (CSR Policy) Rules 2014 and DPE Guidelines.

Separate Stakeholder Engagement policy is also under formulation by ONGC, as part of the CSR Policy.

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 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 4.3

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

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

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 revised CSR Policy as per Companies Act, 2013 has been approved by the Board and has been uploaded on the website of ONGC.

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 a Board Level Committee on Corporate Social Responsibility & Sustainable Development (CSR&SD), as per the Companies Act, 2013. Further, in line with the approval of the Board, ONGC has set up and registered an ONGC Foundation under the Indian Trust Act, 1882 for carrying out CSR activities. Necessary steps are on hand to recruit manpower for making the ONGC Foundation an effective tool for implementation of CSR policy of ONGC

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 a structured framework and 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 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: as detailed earlier in Principle 1.9.

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 selected CSR initiatives.

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

Yes. The company has mapped internal & external stakeholders and it is reflected in **ONGC Group Sustainability report prepared as per Global Reporting Initiative (GRI)_GRIG31 which is also available** 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,OIDB)
- 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 marginalized and vulnerable sections of society.Each of our strategic business units (SBU) has the responsibility to identify and engage with relevant stakeholders to establish a symbiotic relationship.

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.

While ONGC has engaged in serving the society through various welfare measures since its inception, it has now adopted a more structured approach in undertaking such welfare measures. ONGC has moved from a 'charity-based philanthropy' approach to a 'stakeholder participation' approach where the communities in and around ONGC operational areas are seen as important stakeholders and therefore their development is seen in alignment with the company's business development. Number of CSR initiatives have been undertaken by the company under CSR & SD policy to address the needs of disadvantaged, vulnerable & marginalized stakeholders in around operational areas. Some such initiatives are:

i. LPG Vitarak Yojana: Total expenditure ₹ 5345.1 million
ii. Swachh Bharat Abhiyan: Total expenditure ₹ 1006.9 million
iii. Ekal Vidyalaya Abhiyan: Total expenditure ₹ 8.4 million
iv. Construction of new ONGC-MRPL Wing for 162 year old Govt. Lady Goschen Hospital: Total expenditure ₹ 217 million (ONGC: ₹ 127.8 million, MRPL: ₹ 88.9 million)
v. Developing the village as self-sustained model village at Karbongpara Tripura: Total expenditure ₹ 6.58 million

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. ONGC has implementing fair wages policy for contract workers to provide them wages much above the minimum wages as per the Act.

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 by designated competent authorities as authorized by the Board.

Principle 5.5

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

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

Principle 5.6

Indicate the link for the policy to be viewed online?

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

Principle 5.7

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

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

Principle 5.8

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

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

Principle 5.9

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

Yes (as detailed earlier at Principle 1.9).

Principle 5.10

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

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

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

   The policies towards upholding the Human Rights extend to JV's and subsidiaries of ONGC

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

   Please refer answer to para 3 of Principle 1.

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 arisefrom 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 review sits 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 conform to all standards, practices and statutes pertaining to environmental commitments as expected from and as mandated to a company engaged in the oil & gas business.

Principle 6.4

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

Yes, the policy has been approved by the Board and signed by 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 andreviews decisions on policy matters concerning HSE.

Principle 6.6

Indicate the link for the policy to be viewed online?

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

Principle 6.7

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

The HSE Policy is displayed at all the work centres and has been communicated to 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.

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, other subsidiaries and to joint ventures after getting approval of its JV partners on the tenets & premises of environmental commitment.

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

   The Company is aware of the risks arising due to climate change. It has a dedicated Carbon Management & Sustainability Group (CM&SG) with a specific mandate to position ONGC as the leading 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 gas 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 Environmental Protection Agency (USEPA) in August 2007, to undertake Methane to Market (now GMI) projects in ONGC and ONGC has formed a dedicated in-house 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. 16 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 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**

Yes. ONGC commenced its Clean Development Mechanism (CDM) journey in 2006. Currently, ONGC has 13 registered CDM projects with United Nations Framework Convention on Climate Change (UNFCCC) that yield(potential) Certified Emissions Reductions (CER) approx. 1.91 million yearly. The registered CDM projects are as under:

Sl No	Project	CER/annum
1	1 Waste heat recovery from Process Gas Compressors (PGCs), Mumbai high south (offshore platform)	5320
2	Up-gradation of Gas Turbine 1 (GT 1) and Gas Turbine 2 (GT 2) at co-generation plant of Hazira Gas Processing Complex (HGPC)	7802
3	Flare gas recovery project at Uran plant	97740
4	Flare gas recovery project at Hazira Gas Processing Complex (HGPC), Hazira plant	8793
5	Amine Circulation Pumps Energy Efficiency at Hazira Plant	4043
6	51 MW wind power project of ONGC at Surajbari	85762
7	Energy Efficient Green Building at Mumbai	544
8	Energy Efficient Green Building at Dehradun	735
9	Gas Flaring Reduction at Neelam & Heera Asset	65811
10	OTPC Natural gas based combined cycle power plant in Tripura, India	1612506
11	Energy Efficient Green Building at Kolkata	1881
12	Energy Efficient Green Building at Delhi	5940
13	Gas Flaring Reduction Project at GGS, Chariali, Sivasagar, ONGC, Assam	15172
	Total	**1912049**

Besides, 2 other projects i.e 102 MW Wind Power project at Rajasthan and Replacement of MOL Pumps at Neelam & Heera Asset are in the process of Registration.

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 and the second of wind power project of 102 MW, also commissioned in September,2015, in Jaisalmer, Rajasthan. ONGC aims to reduce GHG emissions by focusing on improved energy efficiency. The Company has also established "ONGC Energy Centre", a Trust set up by ONGC to actively pursue alternate energy opportunities

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

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

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

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

There are few incidental instances of environmental pollution as per regulations. All issues have been resolved with CPCB / SPCB.

Principle 7:

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

Principle 7.1

Do you have a policy/policies for principle 7?

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

Principle 7.2

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

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

Principle 7.3

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

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 achieved 100% Score for the year 2015-16 for Compliance of Guidelines on Corporate Governance, issued by Department of Public Enterprises (DPE) for Central Public Sector Enterprises (CPSEs).

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 2015-16.

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 subject to scrutiny by statutory bodies such as CAG.

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

Yes. The Company has association with a number of trade chambers & 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: 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. Further, details are available on the Company's website 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 pillar of the existing CSR Policy.

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 and relevant provisions of the Companies Act, 2013.

Principle 8.3

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

The CSR policy complies with Companies Act, 2013 and DPE Guidelines which meet International norms on CSR.

Principle 8.4

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

Yes. CSR and SD Policies of ONGC are approved by Board. All activities pursued under CSR & SD schemes are approved by the competent authority as per Book of Delegated Powers – 2015.

Principle 8.5

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

The Company has a Committee on CSR & SD chaired by 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?

The existing policy has been uploaded on the website of ONGC.

Principle 8.8

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

ONGC has dedicated departments for CSR at corporate level as well as work centre level.

Principle 8.9

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

Yes.

Principle 8.10

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

Since 2011-12, ONGC has been carrying out the third party Impact Assessment of select CSR initiatives. The impact assessment was carried out for the following projects: 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 of results with its intended objective.

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

Corporate Social Responsibility (CSR) at ONGC is a structured mechanism of engaging and benefiting the local communities in the areas where we operate. It aims to strengthen the fabric of society that we operate in. Through partners we identify the needs of the communities and select and implement programs that address those needs. Our CSR projects are targeted towards empowering the weakest sections of the society, such as children, women, and the elderly. Our programs generate employment & business opportunities, improving the living standards of the community in turn improving the economy of the region.

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

The CSR projects are carried out through specialized agencies singly, in collaboration or under PPP mode. Specialized agencies range from Community based organizations to Voluntary Agencies (NGOs), Institutes/Academic Organizations; Trusts, Missions, etc. identified in terms of the provisions of the Companies Act, 2013 read with the Companies Rules 2014 and ONGC foundation.

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

Yes. Impact assessment has been carried out through professional agencies in respect of major projects undertaken by ONGC.

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

The community development programmes/ projects undertaken in the Company are in line with CSR & SD Policy of the Company.

An amount of ₹5,348.86 million was spent on various CSR projects during 2015-16. Project-wise details have been given in the Report on CSR activities which forms part of the Board's Report – 2015-16.

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.

It may also be mentioned that ONGC after carrying out CSR initiatives for community development hands over the project to the stakeholders for sustainability. For example, ONGC has carried out Community Led Total sanitation initiatives in the form of Information, Education and Communication (IEC) activities through Auroville Foundation in 5599 no. of schools where it had constructed toilets under Swachh Vidyalaya Abhiyan so as to bring behavioural changes among the members of the society/ community, school children about maintaining cleanliness of toilets and surroundings, importance of hygiene etc.

ONGC has also constructed around 500 Individual Household Toilets in different parts of the country which the beneficiaries have adopted for community development and to avoid open defecation.

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 customers and consumers in a manner that demonstrates best business practises and is a win-win proposition for all doing business with the 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. The Company enters into a Crude Oil Sale Agreement (COSA) with the Oil Marketing Companies (OMCs) and Gas Sales Agreement (GSA)with GAIL to whom it sells the Crude Oil, Natural Gas etc., following the crude oil /gas sales allocations as done by Govt. of India. The COSA/GSA incorporates suitable provisions with regard to the quality and quantity of the product being supplied by ONGC. Besides this, ONGC also sells its produce to other direct customers under GSA which is governed by the policies and business principles of ONGC.

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 and measurement in COSA/GSA are in accordance with International standards. Moreover ONGC ensures that policies followed are as per guidelines of the Government of India.

Principle 9.4

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

Yes. The COSA/GSAare signed by the designated authorities after seeking approval as per Book of Delegated Powers 2015.

Principle 9.5

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

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, general guidelines with respect to conducting business with ONGC and also the standard business/contract terms & conditions of conducting 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 stake holders). The need for circulation to external stakeholders has not been felt; moreover, it may compromise ONGC's 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.

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

   All Natural Gas supplied by ONGC to various customers conforms to the agreed contractual specifications.

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

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes. The Company interacts on regular basis with its B2B customers' with respect to product quality and pricing. This kind of engagement with our partners ensures customer satisfaction. Any concerns related to the product by any of our consumers are addressed immediately. In view of constant interaction and feedback through meetings, no need has been felt to undertake separate surveys to measure customer satisfaction.

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

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

  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 fourth Report on Business Responsibility and forms part of Annual Report 2015-16.

  ONGC also publishes its 'Sustainability Report' annually based on Global Reporting Initiative's latest reporting guidelines. The Sustainability Reports for FY09-10 till 14-15 are available on the corporate website of the company www.ongcindia.com.



Working with precision is in ONGC's DNA

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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"). 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, 2016, 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, 2016 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') 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,1992 and 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 from time to time;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi) Other laws applicable specifically to the Company include:

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, 1984;

viii. The Oil Industry (Development) Act, 1974;

ix. The Oil Drilling and Gas Extraction Standards, 1996;

x. The Petroleum & Natural Gas Regulatory Board Act, 2006;

xi. The Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008;

xii. The Mines Act,1952 and the Rules made thereunder;

xiii. The Petroleum and Mineral Pipelines(Acquisition of Right of User in Land Act), 1962

xiv. The Offshore Areas Mineral (Development and Regulation) Act, 2002;

xv. The Mines and Minerals (Development and Regulation) Act,1957; and

xvi. The Merchant Shipping Act, 1958.

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

(i) Applicable Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings;

(ii) The Listing Agreements entered into by the Company with the National Stock Exchange of India Ltd. and the BSE Ltd.;

(iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

(iv) 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.

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

We report that:

1. During the year under review the company did not have the required number of Non-Executive Directors and Independent Directors in terms of Section 149 (1), (4) of Companies Act 2013, Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and thereby not meeting the provisions of composition of Board, Audit and Ethics Committee and Nomination and Remuneration Committee.
2. There was due compliance of Section 149 (1) of the Companies Act, 2013 and the Clause 49 of the Listing Agreement as well as the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 related to appointment of a woman director except upto 13.05.2015 of the year under review.
3. During the year 2015-16 the Company has spent only ₹4,210 Million towards Corporate Social Responsibility as against ₹5,937 Million to be spent pursuant to the provisions of section 135 of the Companies Act, 2013. Further, the composition of the Corporate Social Responsibility and Sustainability Development Committee of the Company was not in compliance with Section 135 of the Companies Act, 2013 from 21st March 2016 to 31st March 2016.

We further report that:

Subject to our observations at serial No.1 to 3 above, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

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 and simultaneously placed on a dedicated Portal (for Board members only) of the Company which is password protected, 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 and 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 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.

For P. P. Agarwal & Co.
Company Secretaries

Pramod Prasad Agarwal
U.C. No. S2012DE174200
FCS No.: 4955 CoP No.:10566

Place : New Delhi

Date : 05.07.2016

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. Where ever 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

Pramod Prasad Agarwal
Proprietor
FCS No.: 4955
C. P. No.:10566

Place: New Delhi
Date : 05.07.2016





Hands On: Lady Officer at Mumbai Offshore

Independent Auditors' Report on Standalone Financial Statements

Standalone Financial Statement



MRPL achieved the highest ever thru'put of 15.53 MMT in FY'16



Maiden intelligent pigging operation successfully undertaken in 53 kms 20" ADB GCS to GMS - Palatana Gas Trunk line, Tripura

Independent Auditors' Report on Standalone Financial Statements

To

The Members of Oil and Natural Gas Corporation Limited

1. **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Oil and Natural Gas Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

5. **Emphasis of Matter**

We draw attention to Note No. 45.1.1.b to the standalone financial statements with regard to the dispute between the company and the Government of Gujarat in respect of payment of Royalty on the crude oil produced in the State. The accrual of the additional liability of Rs. 117,864.64 million, against which an amount of Rs. 21,690.24 million has been paid with effect from February 2014 and considered as deposit, would depend on the decision of the Hon'ble Supreme Court of India. The amount of Rs. 117,864.64 million has been disclosed as contingent liability.

We draw attention to Note no. 45.1.1.c to the standalone financial statements with regard to similar dispute before High Court of Guwahati where Government of Assam has claimed royalty on the crude oil produced in the state. This amount of demand including interest there on Rs. 30,857.82 million is disclosed as contingent liability.

Our opinion is not modified in respect of this matter.

6. **Other Matters**

i. The financial statements include the Company's share in the total value of assets, liabilities, expenditure and income of 135 blocks under New Exploration Licensing Policy (NELPs) / Joint Venture (JVs) accounts for exploration and production out of which 6 NELPs / JVs accounts have been certified by other Chartered Accountants and 11 NELP / JVs have been certified by the management in respect of NELPs / JVs operated by other operators. Our opinion is based solely on the certificate of the other Chartered Accountants and management certified accounts.

ii. We have placed reliance on technical/commercial evaluation by the management in respect of categorization of wells as exploratory, development, producing and dry wells, allocation of costs incurred on them, proved developed hydrocarbon reserves and depletion thereof on Oil and Gas Assets, impairment, liability for abandonment costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme.

Our opinion is not modified in respect of these matters.

7. Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of the section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.

ii. Based on the verification of books of account of the Company and according to information and explanations given to us, we give below a report on the Directions/ Additional Sub-Directions issued by the Comptroller and Auditor General of India in terms of section 143 (5) of the Act:

a. On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records with the books of account and considering the voluminous nature and various locations, we report that the title/lease deeds for free hold/lease hold land are held in the name of Company except for the following where the title deeds and area details for the same are not available with the Company:

(₹ in million)

Nature	Number of assets	Gross Block	Net Block
Lease hold land	15	1,903.98	1,679.02
Free hold land	158	184.61	184.61
Total	**173**	**2,088.59**	**1,863.63**

Pending compilation by the management of the complete details covering all the units, area under respective line items for the above could not be given.

b. According to information and explanations given to us the cases of waiver/write off of debts/loans/interest wherever applicable during the year along with the reasons and amount involved are stated in "Annexure 2".

c. According to information and explanations given to us, the Company has maintained adequate records in respect of inventories lying with third parties and assets received by the Company as a gift/grants from Government or other authorities.

d. We have verified ceiling test calculation for all oil and gas fields/Cash Generating Units for determination of impairment provision of Fixed Assets of the Company.

iii. As required by section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

e. As per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, section 164(2) as regards the disqualifications of Directors is not applicable to the Company, since it is a Government Company.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 3" to this Report.

g. The matter described under "Emphasis of Matters" para above in the event of being decided unfavourably, in our opinion, may have an adverse impact on the functioning of the Company.

h. With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of the pending litigations on its financial position in its financial statements- Refer Note 45.1.1 to the financial statements.

ii. According to information and explanations given to us, the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 50 to the financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For G. D. Apte & Co.
Chartered Accountants
Firm Reg. No: 100515W
(U. S. Abhyankar)
Partner (M.No. 113053)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No: 105049W
(Narendra Jain)
Partner (M.No. 048725)

For Lodha & Co.
Chartered Accountants
Firm Reg. No: 301051E
(R.P. Singh)
Partner (M.No. 052438)

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No.003990S/S200018
(V. Kothandaraman)
Partner (M. No 025973)

For Dass Gupta & Associates
Chartered Accountants
Firm Reg. No. 000112N
(Raaja Jindal)
Partner (M. No.504111)

For K C Mehta & Co.
Chartered Accountants
Firm Reg. No.106237W
(Vishal P Doshi)
Partner (M. No.101533)

Place : New Delhi
Date : May 26, 2016

Annexure 1 to Independent Auditors' Report (Referred to in paragraph 7 (i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. As per the information and explanations given to us, the fixed assets having substantial value, other than those which are underground/ submerged/ under joint venture have been physically verified by the management in a phased manner, which in our opinion is reasonable, having regard to the size of Company and nature of its business. The reconciliation of physically verified assets with the book records is in progress. Discrepancies noticed on the physical verification and consequential adjustments are carried out on completion of reconciliation. According to information and explanations given by the management and in our opinion, the same are not material.

c. On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records with the books of account and considering the voluminous nature and various locations, we report that the title/lease deeds of immovable properties are held in the name of Company except for the following where the title/lease deeds are not available with the Company :

(₹ in million)

Nature	Number of assets	Gross Block	Net Block
Lease hold land	15	1,903.98	1,679.02
Free hold land	158	184.61	184.61
Building	12	280.14	64.94
Total	**185**	**2,368.73**	**1,928.57**

ii. According to the information and explanations given to us, the inventory has been physically verified in phased manner at reasonable intervals (excluding inventory lying with third parties, at some of the site-locations, inventory with joint ventures and material in transit) during the year by the management which did not reveal any material discrepancies. However, in our opinion, procedures for physical verification of Stores and Spare parts, ascertainment of discrepancies and carrying out of consequent accounting adjustments need to be made compliant with internal guidelines of the Company and strengthened so as to make the same commensurate with the size of the Company and the nature of its business.

iii. The Company has not granted secured loans to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Act apply. The provisions of section 186 of the Act, in our opinion, are not applicable to the Company.

v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits as per the provisions of the Act

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.

vii. a. According to records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period more than six months from the date of becoming payable.

b. According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Sales Tax, Service Tax and Value Added Tax which have not been deposited on account of any dispute except the following:

(₹ in million)

Name of the statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates (financial year)	Gross Amount Involved	Amount Paid under Protest	Amount Unpaid
CENTRAL EXCISE ACT, 1944	Central Excise Duty / Interest/ Penalty	Commissioner (Appeals) of Custom, Excise and Service Tax	2002 - 2003 2014 – 2015	109.81	108.54	1.27
		Custom , Excise and Service Tax Appellate Tribunal	2001 – 2016	6,288.10	346.73	5,941.37
		Hon. High Court	1996 - 2000 2007 – 2015	351.33	4.32	347.01
		Hon. Supreme Court	2000 – 2005	1,176.60	-	1,176.60
		Total (A)		**7,925.84**	**459.59**	**7,466.25**
CENTRAL SALES TAX ACT,1956 AND RESPECTIVE STATES SALES TAX ACT	Sales Tax / Turnover Tax / Penalty / Interest	Commissioner of Sales Tax	2005 - 2006 2010 - 2012 2013 - 2014	1,586.49	10.68	1,575.81
		Joint Commissioner/ Commissioner CT-Appeals	2000 - 2005 2006 - 2007 2009 - 2012	3,727.50	44.54	3,682.96
		Appellate Tribunal	1993 - 1995 1998 - 2000 2001 - 2003 2007 - 2008	329.84	47.22	282.62
		Hon. High Court	1978 - 1995 2006 - 2007 2009 - 2013	3,927.87	35.04	3,892.83
		Hon. Supreme Court	1997 - 2009	20,511.16	623.96	19,887.20
		Total (B)		**30,082.86**	**761.44**	**29,321.42**
INCOME TAX ACT, 1961	Income Tax / Interest / Penalty	Asst Commissioner of Income Tax	2008 - 2009 2010 - 2011	2,630.50	2,618.13	12.37
		Commissioner (Appeals)	2006 - 2012	66,338.09	49,902.78	16,435.31
		Income Tax Appellate Tribunal	1994 - 1995 1999 - 2001 2005 - 2011	3,527.41	548.05	2,979.36
		Hon. High Court	2000 - 2001 2009 - 2010	62.68	14.86	47.82
		Total (C)		**72,558.68**	**53,083.82**	**19,474.86**
THE CUSTOMS ACT, 1962	Custom Duty/ Interest/ Penalty	Custom , Excise and Service Tax Appellate Tribunal	2007 - 2008 2010 - 2011	6.50	1.11	5.39
		Total (D)		**6.50**	**1.11**	**5.39**
Finance Act 1994 (Service Tax)	Service Tax / Interest / Penalty	Commissioner /Joint / Deputy Commissioner of Central Excise Custom and Service Tax	2004 - 2005 2008 - 2010 2011 - 2016	95.71	94.90	0.81
		Commissioner (Appeals) of Custom, Excise and Service Tax	2006 - 2007	0.66	-	0.66
		Custom, Excise and Service Tax Appellate Tribunal	2003 - 2015	452.54	12.85	439.69
		Director General	2006 - 2008	637.40	-	637.40
		Hon. High Court	2004 - 2005	26.08	-	26.08
		Total (E)		**1,212.39**	**107.75**	**1,104.64**
		Grand Total (A+B+C+D+E)		**1,11,786.27**	**54,413.71**	**57,372.56**

viii. The Company has not issued any debentures and has not borrowed any fund from financial institutions, banks and government during the year. The Company has not defaulted in repayment of dues to the bank.

ix. Based on our audit procedures performed and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer and term loan.

x. According to the information and explanations given to us, no fraud on the Company by its officers or employees or by the Company has been noticed or reported during the year.

xi. As per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, section 197 as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

xii. In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with him.

xvi. In our opinion, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co. **Chartered Accountants** **Firm Reg. No: 100515W**	**For Khandelwal Jain & Co.** **Chartered Accountants** **Firm Reg. No: 105049W**	**For Lodha & Co.** **Chartered Accountants** **Firm Reg. No: 301051E**
(U. S. Abhyankar) **Partner (M.No. 113053)**	(Narendra Jain) **Partner (M.No. 048725)**	(R.P. Singh) **Partner (M.No. 052438)**
For P K F Sridhar & Santhanam LLP **Chartered Accountants** **Firm Reg. No.003990S/S200018**	**For Dass Gupta & Associates** **Chartered Accountants** **Firm Reg. No. 000112N**	**For K C Mehta & Co.** **Chartered Accountants** **Firm Reg. No.106237W**
(V. Kothandaraman) **Partner (M. No 025973)**	(Raaja Jindal) **Partner (M. No.504111)**	(Vishal P Doshi) **Partner (M. No.101533)**

Place : New Delhi
Date : May 26, 2016



Night view of OTPC, Tripura

Annexure 2 to Independent Auditors' Report
(Referred to in paragraph 7 (ii) (b) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Cases of waiver/write off of debts/loans/Interest

The cases of waiver/write offs of debts/loans/interest wherever applicable during the year along with the reasons and the amount involved are as under:

Sr. No.	Reasons	₹ in million
1	Bad debts written off	5.62
2	Write off of Old Insurance Claims	1.45
3	Advance to employee write off	1.79
4	Others long outstanding balances	2.04
	Total	**10.90**



In Control 24x7: View of OMPL control room which is managed round the clock, throughout the year by team of officers in three shifts

Annexure 3 to Independent Auditors' Report
(Referred to in paragraph 7 (iii) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Oil and Natural Gas Corporation Limited

We have audited the internal financial controls over financial reporting of Oil and Natural Gas Corporation Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

In respect of 17 NELPs/ JVs which are operated by others, there are no reports from Chartered Accountants in respect of Internal Financial Control system over financial reporting and hence, these NELPs/ JVs are not covered in this report.

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

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

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

(Narendra Jain)
Partner (M.No. 048725)

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

(R.P. Singh)
Partner (M.No. 052438)

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No.003990S/S200018

(V. Kothandaraman)
Partner (M. No 025973)

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

(Raaja Jindal)
Partner (M. No.504111)

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

(Vishal P Doshi)
Partner (M. No.101533)

Place : New Delhi
Date : May 26, 2016



In Control: Glued to the job at hand

Balance Sheet as at 31st March, 2016

(₹ in million)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	**42,777.60**	42,777.60
(b) Reserves and surplus	4	**1,475,749.40**	1,403,232.15
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	5	**195,355.80**	177,331.54
(b) Other Long term liabilities	6	**146.38**	639.51
(c) Long-term provisions	7	**275,606.26**	253,632.12
3 Current liabilities			
(a) Short-term borrowings	8	**-**	13,930.00
(b) Trade payables			
Total outstanding dues of micro and small enterprises	9	**35.61**	74.99
Total outstanding dues of creditors other than micro and small enterprises		**51,228.88**	55,536.28
(c) Other current liabilities	10	**111,631.76**	112,867.17
(d) Short-term provisions	11	**48,526.03**	20,777.45
TOTAL		**2,201,057.72**	**2,080,798.81**
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets			
(a) Oil and Gas Assets	12	**947,741.56**	667,110.29
(b) Other Tangible Assets	13	**84,023.66**	314,211.24
(ii) Intangible assets	14	**665.40**	696.04
(iii) **Capital work-in-progress**	15		
(a) Development Wells in Progress		**35,577.76**	35,950.29
(b) Others		**130,762.81**	126,906.58
(iv) Intangible assets under development-Exploratory Wells in Progress	16	**172,246.11**	122,935.00
(b) Non-current investments	17	**202,907.43**	181,242.83
(c) Long-term loans and advances	18	**175,094.35**	194,708.20
(d) Deposit under Site Restoration Fund Scheme	19	**135,591.83**	125,443.80
(e) Other non-current assets	20	**9,203.53**	9,962.00
2 Current assets			
(a) Current investments	21	**30,032.38**	-
(b) Inventories	22	**56,420.57**	59,622.95
(c) Trade receivables	23	**53,019.76**	135,782.74
(d) Cash and Bank Balances	24	**99,566.44**	27,600.68
(e) Short-term loans and advances	25	**61,436.98**	69,476.77
(f) Other current assets	26	**6,767.15**	9,149.40
TOTAL		**2,201,057.72**	**2,080,798.81**
The accompanying notes are an integral part of these financial statements	**1 to 53**		

For and on behalf of the Board

(V.N. Murthy)	(A. K. Srinivasan)	(D.K.Sarraf)
Company Secretary	**Director (Finance)**	**Chairman & Managing Director**

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP	**For Lodha & Co.**	**For G D Apte & Co.**
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**
Firm Reg. No. 003990S/S200018	**Firm Reg. No.301051E**	**Firm Reg. No. 100515W**
V. Kothandaraman	(R. P Singh)	(U.S. Abhyankar)
Partner (M.No. 025973)	**Partner (M. No. 052438)**	**Partner (M.No. 113053)**
For Khandelwal Jain & Co.	**For Dass Gupta & Associates**	**For K C Mehta & Co.**
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**
Firm Reg. No. 105049W	**Firm Reg. No.000112N**	**Firm Reg. No.106237W**
(Narendra Jain)	(Raaja Jindal)	(Vishal P Doshi)
Partner (M. No. 048725)	**Partner (M.No. 504111)**	**Partner (M. No. 101533)**

New Delhi
26th May, 2016

Statement of Profit & Loss
for the year ended 31st March, 2016

(₹ in million)

	Particulars	Note No.	2015-16	2014-15
I	**INCOME**			
	Revenue from operations (Gross)	27	**785,651.87**	830,934.67
	Less: Excise Duty		**1,971.17**	2,225.06
	Revenue from operations (Net)		**783,680.70**	828,709.61
	Other Income	29	**61,921.70**	53,665.67
	Total Revenue		**845,602.40**	**882,375.28**
II	**EXPENSES**			
	(Increase)/ Decrease in inventories	30	**186.73**	(1,674.29)
	Purchases of Stock-in-Trade		**71.51**	44.11
	Production, Transportation, Selling and Distribution Expenditure	32	**403,386.64**	392,662.80
	Exploration Costs written off			
	- Survey Costs		**15,286.09**	19,146.47
	- Exploratory well Costs		**41,368.98**	86,078.16
	Depreciation, Depletion, Amortisation and Impairment	33	**116,216.86**	114,583.12
	Financing Costs	34	**49.89**	27.87
	Provisions and Write-offs	35	**3,938.45**	2,115.60
	Adjustments relating to Prior Period (Net)	36	**(228.10)**	3,839.09
	Total Expenses		**580,277.05**	**616,822.93**
	Profit before Exceptional, Extraordinary items and Tax		**265,325.35**	265,552.35
	Exceptional items	43.4	**31,422.13**	-
	Profit before Extraordinary items and Tax		**233,903.22**	265,552.35
	Extraordinary items		**-**	-
	Profit before Tax		**233,903.22**	**265,552.35**
	Tax Expense			
	- Current Tax		**57,200.00**	82,000.00
	- Earlier years		**(1,357.49)**	(5,848.30)
	- Deferred Tax		**18,024.25**	12,071.11
	Profit after Tax		**160,036.46**	**177,329.54**
	Earnings per Equity Share - Basic and Diluted (₹) (Face Value ₹ 5/-Per Share)	37	**18.71**	**20.73**
	The accompanying notes are an integral part of these financial statements	1 to 53		

For and on behalf of the Board

(V.N. Murthy)	(A. K. Srinivasan)	(D.K.Sarraf)
Company Secretary	**Director (Finance)**	**Chairman & Managing Director**

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP	**For Lodha & Co.**	**For G D Apte & Co.**
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**
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V. Kothandaraman	(R. P. Singh)	(U.S. Abhyankar)
Partner (M.No. 025973)	**Partner (M. No. 052438)**	**Partner (M.No. 113053)**
For Khandelwal Jain & Co.	**For Dass Gupta & Associates**	**For K C Mehta & Co.**
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**
Firm Reg. No. 105049W	**Firm Reg. No.000112N**	**Firm Reg. No.106237W**
(Narendra Jain)	(Raaja Jindal)	(Vishal P Doshi)
Partner (M. No. 048725)	**Partner (M.No. 504111)**	**Partner (M. No. 101533)**

New Delhi
26th May, 2016

Cash Flow Statement for the year ended 31st March, 2016

(₹ in million)

	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax and extraordinary items		**233,903.22**		265,552.35
Adjustments For:				
- Exceptional Items	**31,422.13**		-	
- Prior Period Items	**(228.10)**		3,839.09	
- Depreciation, Depletion, Amortisation & Impairment	**116,216.86**		114,583.12	
- Exploratory Well Costs Written off	**41,368.98**		86,078.16	
- Interest on Borrowings	**49.89**		27.87	
- Unrealized Foreign Exchange Loss/(Gain)	**616.71**		222.91	
- Provision for Leave Encashment	**(174.10)**		1,556.81	
- Provision for other Employee benefits	**2,874.09**		3,279.49	
- Other Provision and Write offs	**3,938.45**		2,115.60	
- Excess Provision written back	**(18,078.50)**		(6,456.33)	
- Provision for Abandonnment-BHN Platform	**(137.93)**		283.48	
- Other non cash expentiture written off (Note no. 32.2)	**2,950.48**		-	
- Interest Income	**(24,568.15)**		(27,193.35)	
- Liabilities no longer written Back	**(862.73)**		(856.54)	
- Amortization of Government Grant	**(2.48)**		(14.17)	
- Profit on sale of investment	**(1,068.28)**		-	
- Dividend Income	**(5,711.56)**	**148,605.75**	(4,889.51)	172,576.63
Operating Profit before Working Capital Changes		**382,508.97**		438,128.98
Adjustments for:-				
- Receivables	**82,493.75**		(54,503.49)	
- Loans and Advances	**9,614.13**		(28,881.97)	
- Other Current Assets	**3,274.35**		(308.07)	
- Inventories	**2,417.11**		(542.54)	
- Trade Payable and Other Liabilities	**(15,054.56)**	**82,744.77**	(24,277.96)	(108,514.03)
Cash generated from Operations		**465,253.75**		329,614.95
Direct Taxes Paid (Net of tax refund)		**(67,445.69)**		(79,451.91)
Cash Flow before prior period		**397,808.06**		250,163.04
Prior period items (Cash items)		**(557.10)**		(524.60)
Net Cash Flow from Operating Activities 'A'		**397,250.96**		249,638.44
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets		**(99,963.83)**		(82,389.32)
Sale of Fixed Assets		**257.52**		62.27
Exploratory and Development Drilling		**(150,046.65)**		(177,557.51)
Investments in Term deposits with maturity 3 to 12 months		**(72,902.90)**		69,222.90
Advance/Investment in Joint Controlled Entities		**(11,233.98)**		(2,516.54)
Sale of Investment in Joint Controlled Entities		**2,788.54**		-
Loan to Associates		**334.68**		350.45
Loan and advances to Subsidiary		**15,657.83**		(5,961.93)
Deposit in Site Restoration Fund		**(10,148.03)**		(12,342.21)
Dividend Received from Associates and Joint Venturess		**225.53**		225.30
Dividend Received from Other Investments		**5,486.03**		4,664.21
Interest Received		**24,438.05**		26,332.31
Net Cash Flow from Investing Activities 'B'		**(295,107.20)**		(179,910.07)

Cash Flow Statement
for the year ended 31st March, 2016

(₹ in million)

		Year Ended 31st March, 2016	Year Ended 31st March, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Short Term Borrowings (Repayment)		(13,930.00)	13,930.00
Dividend Paid		(49,168.68)	(79,133.08)
Tax on Dividend		(10,005.30)	(15,748.94)
Interest Paid		(53.48)	(24.28)
Net Cash Flow from Financing Activities 'C'		**(73,157.46)**	**(80,976.30)**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		**28,986.29**	**(11,247.93)**
Cash and Cash Equivalents as at 1st April, 2015 (Opening Balance)		1,185.36	12,433.29
Cash and Cash Equivalents as at 31st March, 2016 (Closing Balance)	Note 24	30,171.65	1,185.36
		28,986.29	**(11,247.93)**

Notes:

Reconciliation of Cash and Cash Equivalents is as follows:

	As at 31st March 2016	As at 31st March 2015
Cash and Cash Equivalents as shown in Note 24	139.27	1,185.36
Add: Short term investments in liquid mutual funds shown in Note 21 as Current investments	30,032.38	-
Cash and Cash Equivalents as per Accounting Standard (AS) 3 for Cash Flow Statement	**30,171.65**	**1,185.36**

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on Cash Flow Statements.
2. Brackets indicate cash outflow/ deduction.
3. Previous year figures have been re-grouped/re-classified wherever necessary to conform to the current years presentation.

For and on behalf of the Board

(V.N. Murthy)	(A. K. Srinivasan)	(D.K.Sarraf)
Company Secretary	**Director (Finance)**	**Chairman & Managing Director**

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP	**For Lodha & Co.**	**For G D Apte & Co.**
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**
Firm Reg. No. 003990S/S200018	**Firm Reg. No.301051E**	**Firm Reg. No. 100515W**
V. Kothandaraman	(R. P. Singh)	(U.S. Abhyankar)
Partner (M.No. 025973)	**Partner (M. No. 052438)**	**Partner (M.No. 113053)**
For Khandelwal Jain & Co.	**For Dass Gupta & Associates**	**For K C Mehta & Co.**
Chartered Accountants	**Chartered Accountants**	**Chartered Accountants**
Firm Reg. No. 105049W	**Firm Reg. No.000112N**	**Firm Reg. No.106237W**
(Narendra Jain)	(Raaja Jindal)	(Vishal P Doshi)
Partner (M. No. 048725)	**Partner (M.No. 504111)**	**Partner (M. No. 101533)**

New Delhi
26th May, 2016

Notes to Financial Statements for the year ended 31st March, 2016

1. Corporate information

Oil and Natural Gas Corporation Limited ('ONGC' or 'the Company') is a public limited company domiciled and incorporated in India. The Company's shares are listed and traded on Stock Exchanges in India. The Company is engaged in exploration, development and production of crude oil and natural gas.

2. Significant Accounting Policies

a. Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India, applying the Successful Efforts Method as per the Guidance Note on Accounting for Oil and Gas Producing Activities (Revised 2013) issued by the Institute of Chartered Accountants of India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees and all values are rounded off to the nearest million unless otherwise stated.

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

c. Deferred Government Grant

Government Grant related to acquisition of Fixed Assets is treated as 'Deferred Government Grant' and an amount equal to proportionate depreciation of such assets is credited to Statement of Profit and Loss.

d. Fixed Assets

d.1 Tangible Assets

d.1.1 Fixed assets are stated at historical cost less accumulated depreciation and impairment. Fixed assets received as donations/gifts are capitalised at assessed values with corresponding credit taken to Capital Reserve. Parts of an item of fixed asset having different useful lives and material value are accounted for as separate components of the fixed asset.

d.1.2 All costs, net of applicable tax credits, relating to acquisition of fixed assets till the time of bringing the assets to working condition for intended use are capitalised.

d.2 Intangible Assets

Intangible assets are stated at cost of acquisition, net of applicable tax credits, less accumulated amortization and impairment.

e. Exploration, Development and Production Costs

e.1 Pre-acquisition cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

e.2 Acquisition Cost

Acquisition costs of an oil and gas property are costs related to right to acquire mineral interest and are accounted as follows:-

Exploration and Development stage:

Acquisition cost relating to projects under exploration or developments are initially accounted as exploration or developments wells in progress respectively. Such costs are capitalized by transferring to Oil & Gas Assets when a well is ready to commence commercial production. In case of abandonment/ relinquishment, such costs are written off.

Production stage:

Acquisition costs of a producing oil and gas property are capitalized as proved property acquisition cost under Oil & Gas Assets and amortized using the unit of production method over proved reserves of underlying asset.

e.3 Survey Cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

e.4 Exploratory Wells in Progress

e.4.1 All exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as Exploratory Wells in Progress till the time these are either transferred to Oil & Gas Assets on completion as per note no.2.f.2 or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

e.4.2 Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per note no. 2.n.8.

e.5 **Development Wells in Progress**

All costs relating to Development Wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil & Gas Assets' on "completion" as per note no.2.f.2.

f. Oil & Gas Assets

f.1 Oil & Gas Assets are stated at historical cost less accumulated depletion and impairment. These are created in respect of an area/field having proved developed oil and gas reserves, when the well in the area/field is ready to commence commercial production.

f.2 Cost of temporary occupation of land, successful exploratory wells, all development wells, depreciation on related equipment, facilities and estimated future abandonment costs are capitalised and reflected as Oil & Gas Assets.

g. Production Costs

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

h. Side tracking

h.1 In case of an exploratory well, Cost of Side-tracking is treated in the same manner as the cost incurred on a new exploratory well. The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploratory Well Cost written off.'

h.2 In case of development wells, the entire cost of abandoned portion and side tracking is capitalised.

h.3 In case of Producing wells, if the side-tracking results in additional proved developed oil and gas reserves or increases the future economic benefits therefrom beyond previously assessed standard of performance, the cost incurred on side tracking is capitalised, whereas the cost of abandoned portion of the well is depleted in the normal way. Otherwise, the cost of side tracking is expensed as 'Work over Expenditure.'

i. Abandonment Cost

i.1 The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is complete / facilities are installed. The abandonment cost on dry well is expensed as exploratory well cost.

i.2 Provision for abandonment cost is updated based on the technical assessment at current costs. The effects of changes resulting from revisions to estimated liability are adjusted to the carrying amount of the related Asset and considered for depletion on a prospective basis.

i.3 Provision for abandonment cost in respect of Jointly Controlled Assets is considered as per participating interest of the company on the basis of estimates approved by the respective Operating Committee. Wherever the same are not approved by the respective operating committee, abandonment cost estimates of the company as per i.2 above are considered.

j. Jointly Controlled Assets

The Company has Joint Ventures in the nature of Production Sharing Contracts (PSC) with the Government of India and various body corporates for exploration, development and production activities.

j.1 The company's share in the assets and liabilities along with attributable income and expenditure of the Jointly Controlled Assets is merged on line by line basis with the similar items in the Financial Statements of the Company and adjusted for depreciation, depletion, survey, dry wells, abandonment, impairment and sidetracking in accordance with the accounting policies of the Company.

j.2 Disposal of Interest

Gain or loss on sale of interest in a cost center, is recognized in the statement of profit and loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the company has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that cost center.

j.3 The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Company.

k. Investments

Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments.

Current Investments are valued at lower of cost and fair value.

l. Inventories

l.1 Finished goods (other than Sulphur) and stock in pipelines/tanks and carbon credits are valued at cost or net realisable value whichever is lower. Cost of finished goods is determined on absorption costing method. Sulphur is valued at net realisable value. The value of inventories includes excise duty, royalty (wherever applicable) but excludes Cess.

l.2 Crude oil in semi-finished condition at Group Gathering Stations is valued at cost on absorption costing method or net realisable value whichever is lower. Crude oil in unfinished condition in flow lines up to Group Gathering Stations/platform and Natural gas is not valued as it is not stored.

l.3 Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Provisions are made for obsolete and non-moving inventories.

l.4 Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

m. Revenue Recognition

m.1 Revenue from sale of products is recognized on transfer of custody to customers.

m.2 Sale of crude oil and gas (net of levies) produced from Wells in Progress is deducted from expenditure on such wells.

m.3 Sales are inclusive of all statutory levies except Value Added Tax (VAT). Any retrospective revision in prices is accounted for in the year of such revision.

m.4 Revenue in respect of the following is recognized when there is a reasonable certainty regarding ultimate collection:

a. Short lifted quantity of gas
b. Surplus from Gas Pool Account
c. Interest on delayed realization from customers
d. Liquidated damages from contractors/ suppliers

m.5 Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

n. Depreciation, Depletion, Amortisation and Impairment

Depreciation

n.1 Depreciation on fixed assets (other than Oil & Gas assets) is provided for under the written down value method over the useful life of Asset as specified in Schedule II to the Companies Act, 2013 except in case of certain items of plant and equipment where useful life ranging from 3 to 25 years has been considered based on technical assessment by the management which is lower than the useful life prescribed under schedule II to the Companies Act 2013.

n.2 Depreciation on additions/deletions to fixed assets other than of Oil & Gas Assets during the year is provided on pro rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition.

n.3 Depreciation on subsequent expenditure on fixed assets other than of Oil & Gas Assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

n.4 Depreciation on refurbished/revamped assets other than of Oil & Gas Assets which are capitalized separately is provided for over the reassessed useful life, which is not more than the life specified in Schedule II to the Companies Act, 2013.

n.5 Depreciation on fixed assets (other than Oil & Gas assets) including support equipment and facilities used for exploratory/ development drilling is initially capitalised as part of drilling cost and expensed/depleted as stated in Note no. 2. f and 2.n.6. Depreciation on equipment/ assets deployed for survey activities is charged to the Statement of Profit and Loss.

n.6 Depletion

Oil & Gas Assets are depleted using the "Unit of Production Method". The rate of depletion is computed with reference to an area covered by individual lease/license/asset/amortization base by considering the proved developed reserves and related capital costs incurred including estimated future abandonment costs net of salvage value. Acquisition cost of Oil & Gas Assets is depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee of the Company, which follows the International Reservoir Engineering Procedures.

n.7 Amortisation

Leasehold land is amortized over the lease period except perpetual leases.

Intangible assets are amortized on Straight Line Method (SLM) over the useful life not exceeding five years from the date of capitalization.

n.8 Impairment

Oil & Gas Assets, Development Wells in Progress (DWIP), and Fixed Assets (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount. The recoverable amount is higher of its 'value in use' or 'net selling price' (if determinable). In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.

An impairment loss is reversed if there is increase in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of a CGU, is allocated to its assets on a pro-rata basis. Subsequent to impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.

Impairment testing during exploratory phase is carried out at area level when further exploration activities are not planned in near future or when sufficient data exists to indicate that although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or by sale. Impairment is reversed subsequently, to the extent that conditions for impairment are no longer present.

o. Foreign Exchange Transactions

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of the

transaction. Foreign currency monetary assets and liabilities at the year-end are translated using mean exchange rate prevailing on the last day of the financial year. The loss or gain thereon and also the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense and adjusted to the Statement of Profit and Loss.

p. Employee Benefits

p.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

p.2 Employee Benefit under defined contribution plans comprising provident fund etc. is recognized based on the undiscounted amount of obligations of the company to contribute to the plan. The same is paid to a fund administered through a separate trust.

p.3 Employee benefits under defined benefit plans comprising of gratuity, leave encashment, compensated absences, post-retirement medical benefits and other terminal benefits are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial Liability in excess of respective plan assets is recognized during the year. Actuarial gains and losses in respect of post-employment and other long-term benefits are recognized during the year. The Company contributes all ascertained liabilities with respect to Gratuity and leave/compensated absences to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LICI) respectively. Other defined benefit schemes are unfunded.

q. Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

r. General Administrative Expenses

General administrative expenses which are directly attributable are allocated to activities and the balance is charged to Statement of Profit and Loss.

s. Insurance claims

The company accounts for insurance claims are as under :-

s.1 In case of total loss of asset, by transferring either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Statement of Profit and Loss.

s.2 In case of partial or other losses, expenditure incurred/payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable-Insurance". Insurance Policy deductibles are expensed in the year the corresponding expenditure is incurred.

s.3 As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to Statement of Profit and Loss.

t. Research Expenditure

Expenditure of capital nature are capitalised and expenses of Revenue nature are charged to the Statement of Profit and Loss, as and when incurred.

u. Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961. Deferred Tax Liability / Asset resulting from 'timing difference' between book profit and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is reasonable certainty that such asset will be realized in future.

v. Borrowing Costs

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

w. Rig Days Costs

Rig movement costs are booked to the next location drilled/planned for drilling. Abnormal Rig days' costs are considered as unallocable and charged to the Statement of Profit and Loss.

x. Unamortised Expenditure

Dry docking charges of Rigs/ Multipurpose Supply Vessels (MSVs), Geo Technical Vessels (GTVs), Well Stimulation Vessels, Offshore Supply Vessels (OSVs), Rig/equipment mobilization expenses and other related expenditures are amortized over the period of use not exceeding five years and the balance is carried under head "Unamortized Expenditure" in the Balance Sheet.

y. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are disclosed by way of notes to accounts.

z. Earnings per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average

number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

aa. Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3. Share Capital

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised:		
30,000,000,000 Equity Shares of ₹ 5 each (Previous Year 30,000,000,000 Equity Shares of ₹ 5 each)	**150,000.00**	150,000.00
Issued and Subscribed:		
8,555,528,064 Equity Shares of ₹ 5 each (Previous Year 8,555,528,064 Equity Shares of ₹ 5 each)	**42,777.64**	42,777.64
Paid up :		
8,555,490,120 Equity Shares of ₹ 5 each (Previous Year 8,555,490,120 Equity Shares of ₹ 5 each)	**42,777.45**	42,777.45
Add: Shares forfeited	**0.15**	0.15
TOTAL	**42,777.60**	**42,777.60**

3.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. in million	₹ in million	No. in million	₹ in million
Outstanding at the beginning of the year	**8,555.49**	**42,777.45**	8,555.49	42,777.45
Changes during the year	-	-	-	-
Outstanding at the end of the year	**8,555.49**	**42,777.45**	**8,555.49**	**42,777.45**

3.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of shareholders holding more than 5% shares in the company are as under:-

Name of the Share Holders	As at 31st March, 2016		As at 31st March, 2015	
	No. in million	% holding	No. in million	% holding
President of India	**5897.68**	**68.93**	5897.76	68.94
Life Insurance Corporation of India	**740.97**	**8.66**	677.18	7.92
Indian Oil Corporation Limited	**657.92**	**7.69**	657.92	7.69

4. Reserves and Surplus

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Capital Reserve (Note-4.1)				
As per last Balance Sheet		**159.44**		159.44
Deferred Government Grant (Note-2.c)				
a) As per last Balance Sheet	**10.49**		24.66	
b) **Less:** Deduction during the year*	**2.48**		14.17	
		8.01		10.49
General Reserve				
a) As per last Balance Sheet	**1,403,062.22**		1,324,288.35	
b) **Less:** Depreciation adjusted against reserves (net of deferred tax)	**-**		1,022.20	
	1,403,062.22		1,323,266.15	
c) **Add:** Transferred from Surplus	**72,519.73**		79,796.07	
		1,475,581.95		1,403,062.22
Surplus				
a) As per last Balance Sheet	**-**		-	
b) **Add:** Profit after Tax for the year	**160,036.46**		177,329.54	
c) **Less:** Proposed Dividend (Note 4.2)	**27,805.34**		4,277.75	
d) **Less:** Interim Dividend	**44,916.44**		76,999.44	
e) **Less:** Tax on Dividend	**14,794.95**		16,256.28	
f) **Less:** Transferred to General Reserve	**72,519.73**		79,796.07	
		-		-
TOTAL		**1,475,749.40**		**1,403,232.15**

* Represents the amount equivalent to depreciation transferred to the Statement of Profit and Loss.

4.1 Represents assessed value of assets received as gift.

4.2 The Board of Directors has recommended a final dividend of ₹ 3.25 per share (previous year ₹ 0.50 per share) which is subject to the approval of the shareholders in the ensuing Annual General Meeting over and above the interim dividend of ₹ 5.25 per share (Previous year ₹ 9.00 per share).

5. Deferred Tax Liabilities (Net)

Disclosure under Accounting Standard-22 on 'Accounting for Taxes on Income' is as under:

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(i) Liabilities		
Oil & Gas Assets	**327,110.75**	228,520.78
Exploratory wells in Progress	**41,643.52**	34,484.59
Unamortised Expenditure written off	**2,872.99**	3,385.09
Development Wells-in-Progress	**10,928.02**	11,103.75
Others	**-**	11.46
Total (i)	**382,555.28**	**277,505.67**
(ii) Assets		
Depreciation	**99,470.19**	14,670.18
Unclaimed Exploratory wells written off	**33,402.98**	29,079.78
Provision for Non Moving Inventories	**1,928.24**	1,762.13
Provision for Doubtful Debts/Claims/Advances/Interest Accrued	**5,079.20**	4,858.02
Provision for Abandonment	**37,349.85**	34,364.43
Provision towards Additional Profit Petroleum & interest thereon	**3,854.12**	3,638.61
Provisions unpaid u/s 43B of Income Tax Act, 1961	**1,985.31**	1,735.81
Others	**4,129.59**	10,065.17
Total (ii)	**187,199.48**	100,174.13
Deferred Tax Liability (Net) (i - ii)	**195,355.80**	**177,331.54**

6. Other Long term Liabilities

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
- Deposits from Suppliers and Contractors	**43.69**	95.02
- Other Liabilities	**102.69**	544.49
TOTAL	**146.38**	**639.51**

7. Long Term Provisions

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee benefits (Note 38)		
Post Retirement Medical & Terminal Benefits (Note 38.5)	**29,427.96**	26,421.00
Gratuity for Contingent Employees (Note 38.9)	**75.01**	73.44
Provision for Abandonment (Note 44)	**246,103.29**	227,137.68
TOTAL	**275,606.26**	**253,632.12**

8. Short Term borrowings (₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured		
Short Term Loans from Banks (Note-8.1)	-	13,930.00
(Repayble on demand)		
TOTAL	**-**	**13,930.00**

8.1 Secured against nil (Previous year ₹ 17,340 million) of principal amount of Term deposit receipt.

9 Trade payables -Total outstanding dues of micro & Small enterprises* (₹ in million)

Particulars	2015-16	2014-15
a) Principal & Interest amount remaining unpaid but not due as at year end	**35.61**	74.99
b) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) Interest accrued and remaining unpaid as at year end	-	-
e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

*Based on the confirmation from Vendors.

10. Other current liabilities (₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest Accrued but not due on Loans	**-**	3.59
Advance from Customers	**612.44**	512.09
Unclaimed Dividend (Note-10.1)	**272.75**	247.24
Liability for Capital Goods	**26,325.90**	17,255.66
Liability for Statutory Payments	**14,513.46**	28,414.46
Deposits from Suppliers and Contractors	**3,815.47**	3,141.97
Liability for Employees	**6,398.84**	5,804.80
Liability for Post Retirement Benefit Scheme	**1,167.36**	1,125.95
Cash call payable to JV Partners	**20,565.39**	18,527.83
Liquidated damages withheld	**22,091.30**	17,649.05
Other Liabilities	**15,868.85**	20,184.53
TOTAL	**111,631.76**	**112,867.17**

10.1 No amount is due for deposit in Investor Education and Protection Fund.

11. Short Term provisions (₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Employees Benefits (Note-38)		
Unavailed Leave (Note-38.1.2 & 38.1.3)	**3,949.39**	4,123.49
Post Retirement Medical & Terminal Benefits (Note 38.5)	**1,493.82**	1,630.27
Gratuity for Contingent Employees (Note 38.9)	**7.29**	5.28
Provision for Abandonment (Note-44)	**478.76**	405.93
Provision for income tax net of Advance tax and TDS	**8,391.30**	8,565.20
Provision for Others		
Proposed Dividend	**27,805.34**	4,277.75
Tax on Proposed Dividend	**5,660.50**	870.85
Provision for Wealth tax(Net of Tax Paid)	**-**	49.99
Other Provisions (Note-44)	**739.63**	848.69
TOTAL	**48,526.03**	**20,777.45**

12. Tangible Assets - Oil & Gas Assets (₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Gross Cost				
Opening Balance	**1,467,903.77**		1,365,455.52	
Transfer from Intangible Assets under Development	**6,640.56**		10,189.11	
Transfer from Development Wells-in-Progress (Note 12.2)	**78,752.31**		68,439.05	
Depreciation on Facilities	**-**		33,475.86	
Increase/(Decrease) in estimated Abandonment costs	**17,194.10**		(3,624.27)	
Net Book Value of Oil & Gas Facilities transferred from Other tangible assets - (Note 12.1 & 13.6)	**252,387.20**		-	
Addition to facilities during the period	**58,396.94**		-	
Deletion/Retirement -facilities during the year	**(1,841.56)**		-	
Other Adjustments	**(133.30)**		(6,031.50)	
		1,879,300.02		**1,467,903.77**
Less: Depletion & Impairment				
Depletion				
Opening Balance	**795,999.81**		704,025.21	
Depletion for the year (Note 33 & 36)	**106,640.83**		97,651.46	
Deletion/Retirement -facilities during the year	**(1,812.48)**		-	
Other Adjustments	**-**		(5,676.86)	
		900,828.16		**795,999.81**
Impairment				
Opening Balance	**4,793.67**		3,597.67	
Accumulated Impairment of Facilities transferred from Other tangible assets	**1,120.83**		-	
Impairment provided during the year	**25,188.86**		1,386.05	
Write back of Impairment	**(373.06)**		(190.05)	
		30,730.30		**4,793.67**
NET OIL & GAS ASSETS		**947,741.56**		**667,110.29**

12.1 In terms of guidance note on accounting for Oil & Gas Producing Activities (Revised 2013) and EAC opinion issued by the Institute of Chartered Accountants of India (ICAI), the Company has transferred Producing Properties as "Oil and Gas Assets" under Tangible Assets. Net book value of Assets pertaining to production & allied facilities has been transferred from other tangible assets to reflect the aggregate amount of "Oil and Gas Assets". Accordingly, the company has w.e.f. 01.04.2015, made changes in accounting estimates by changing the useful life of certain production & allied facilities shown as Oil and Gas Assets by linking it with the respective Oil & Gas reserves for the purpose of charging depletion on such Oil & Gas Assets. Such change in accounting estimates has been accounted for prospectively as per Accounting Standard (AS)-5. Consequent to such change, the "Depreciation and amortization expenses" for the year ended 31st March 2016 is lower by ₹ 848.89 million and the profit before tax for the year ended 31st March 2016 is higher by ₹ 848.89 million.

12.2 During the year, the company has reviewed and changed the accounting treatment of charging off the water injector side track wells which are service wells drilled for the purpose of supporting production from the existing offshore fields, in line with Guidance note on accounting for Oil & Gas Producing Activities (Revised 2013) issued by ICAI. Accordingly, an amount of ₹ 4,212.57 million in respect of such wells has been capitalised under Oil & Gas Assets and consequently profit before tax for the year ended 31st March' 2016 is higher by ₹ 3,656.47 million.



Fire & Safety Mock Drills are regularly conducted at all ONGC installations giving utmost importance to Safety

13. Other Tangible Assets

(₹ in million)

Description	Gross Block				Accumulated Depreciation				Accumulated Impairment					Net Block	
	At 1st April, 2015	Additions	Deletion/ Adjustments/ transfer	At 31st March, 2016	At 1st April, 2015	For the year	Deletion/ Adjustments/ transfer	At 31st March, 2016	At 1st April, 2015	For the year	Deletions/ Adjustments/ transfer	Written back/ Adjustments	At 31st March, 2016	At 31st March, 2016	At 31st March, 2015
Land Freehold	4,670.10	1,714.00	2.38	**6,381.72**	-	-	-	-	-	-	-	-	-	**6,381.72**	4,670.10
Land Leasehold	5,794.65	165.40	(5.06)	**5,965.11**	751.89	69.77	(2.44)	**824.10**	-	-	-	-	-	**5,141.01**	5,042.76
Building & Bunk Houses	25,642.07	4,969.37	7,694.86	**22,916.58**	12,954.69	1,180.76	2,644.78	**11,490.66**	127.11	371.69	0.74	-	**498.06**	**10,927.86**	12,560.27
Plant & Equipment	1,080,101.35	32,822.80	828,918.08	**284,006.08**	794,243.33	14,342.67	581,720.45	**226,865.53**	1,943.85	205.28	921.01	18.13	**1,209.99**	**55,930.56**	283,914.17
Furnitures & Fixtures	7,452.74	700.22	423.60	**7,729.36**	5,440.06	808.90	261.06	**5,987.90**	13.78	18.37	0.06	0.42	**31.67**	**1,709.79**	1,998.90
Vehicles#	9,528.06	1,455.95	3,714.77	**7,269.22**	4,894.12	139.01	745.59	**4,287.54**	10.25	13.21	-	0.83	**22.63**	**2,959.05**	4,623.69
Office Equipment	6,771.46	528.98	451.29	**6,849.16**	5,348.61	915.11	417.62	**5,846.10**	21.50	10.35	2.17	0.29	**29.39**	**973.67**	1,401.35
Total	**1,139,960.43**	**42,356.72**	**841,199.92**	**341,117.23**	**823,632.70**	**17,456.22**	**585,787.06**	**255,301.83**	**2,116.49**	**618.90**	**923.98**	**19.67**	**1,791.74**	**84,023.66**	**314,211.24**
Previous Year	1,078,686.61	68,798.36	7,524.54	**1,139,960.43**	774,297.73	55,003.27	5,668.30	**823,632.70**	2,096.99	22.90	3.40	-	**2,116.49**	**314,211.24**	302,291.89
Share in Joint Ventures	84,326.63	4,892.32	70,453.25	**18,765.70**	56,360.90	578.64	42,381.71	**14,557.84**	821.73	229.79	788.44	-	**263.08**	**3,944.78**	27,144.00
Previous Year	74,089.54	12,833.45	2,596.36	**84,326.63**	54,511.51	4,391.56	2,542.17	**56,360.90**	821.73	-	-	-	**821.73**	**27,144.00**	18,756.30

Vehicles includes Survey Ships, Crew Boats and Helicopters. (Refer note no.32.2)

Notes

13.1 Land includes 173 (no's) of lands in respect of certain projects amounting to ₹1,863.63 million (Net Block) for which execution of lease/conveyance deeds is in process.

13.2 Registration of title deeds in respect of 12 (no's) Buildings is pending execution amounting to ₹ 64.94 million (Net Block).

13.3 Depreciation for the year includes ₹ 410.45 million pertaining to prior period (Previous Year ₹ -0.04 million).

13.4 Building includes cost of undivided interest in land.

13.5 Ministry of Corporate Affairs (MCA) vide notification dated August 29, 2014 had amended Schedule II to the Companies Act, 2013 requiring mandatory componentization of fixed assets for financial statements in respect of financial years commencing on or after 1st April 2015. During the year the company has under taken the componentization of fixed assets w.e.f. 01.04.2015 on the basis of technical evaluation and useful life thereof. Consequently, the "Depreciation, Depletion and amortization expenses" is higher by ₹ 97.20 million for the year ended 31st March 2016 and the profit before tax for the year ended 31st March 2016 is lower by ₹ 97.20 million.

13.6 Deletion/adjustment/transfer during the year includes assets transferred to Oil & Gas Assets. (Refer note 12.1)

14. Intangible Assets

(₹ in million)

Application Software	As at 31st March, 2016	As at 31st March, 2015	Share in Joint Venture: As at 31st March, 2016	Share in Joint Venture: As at 31st March, 2015
Gross Block				
Opening Balance	**6,764.82**	6,357.79	**107.17**	99.96
Additions during the year	**219.81**	504.35	**2.02**	8.66
Deletions/Adjustments	**9.70**	97.32	**-**	1.45
Closing Balance	**6,974.93**	6,764.82	**109.19**	107.17
Amortisation				
Opening Balance	**6,046.48**	5,834.91	**74.47**	54.93
Provided during the year	**243.48**	308.52	**13.27**	20.62
Deletions/Adjustments	**8.10**	96.95	**-**	1.08
Closing Balance	**6,281.86**	6,046.48	**87.74**	74.47
Impairment				
Opening Balance	**22.30**	22.27	**-**	-
Provided during the year	**5.37**	0.03	**-**	-
Closing Balance	**27.67**	22.30	**-**	-
Net Block at year end	**665.40**	**696.04**	**21.45**	**32.70**

15. Capital Works-In-Progress

(₹ in million)

Particulars		As at 31st March, 2016		As at 31st March, 2015
A) DEVELOPMENT WELLS-IN-PROGRESS				
Opening Balance	**37,125.84**		30,303.45	
Expenditure during the year	**75,987.24**		71,963.72	
Depreciation during the year	**3,216.13**		3,297.72	
Less: Transfer to Oil & Gas Assets	**78,752.31**		68,439.05	
		37,576.90		37,125.84
Less: Impairment				
Opening Balance	**1,175.55**		612.52	
Provision for the year	**1,105.64**		563.03	
Reclassification	**(202.65)**		-	
Write back during the year	**(79.40)**		-	
		1,999.14		1,175.55
		35,577.76		**35,950.29**
B) OTHER CAPITAL WORKS-IN-PROGRESS				
Acquisition Costs-E&P Asset		**28.59**		28.59
Buildings	**3,696.16**		5,665.95	
Plant and Equipment	**131,195.29**		119,545.11	
Capital Stores (including in transit)	**3,002.56**		3,953.76	
Less: Provision for Non-Moving Items	**57.89**		87.00	
		137,836.12		129,077.82
Less: Impairment				
Opening Balance	**2,199.83**		2,401.23	
Provided during the year	**6,188.46**		164.52	
Other adjustments (Note -35)	**(73.38)**		(354.09)	
Write back of Impairment	**(1,213.01)**		(11.83)	
		7,101.90		2,199.83
		130,762.81		**126,906.58**

16. **Intangible Assets under Development**

(₹ in million)

Particulars		As at 31st March, 2016		As at 31st March, 2015
EXPLORATORY WELLS-IN-PROGRESS				
Gross Cost				
Opening Balance		**147,427.98**		133,955.37
Expenditure during the year	**75,996.27**		111,701.28	
Less : Sale proceeds of Oil and Gas	**143.59**		547.85	
		75,852.68		111,153.43
Depreciation during the year (Note no. 33)		**2,728.89**		3,284.45
		226,009.55		248,393.25
Less :				
Transfer to Oil & Gas Assets	**6,640.56**		10,189.11	
Wells written off during the year	**40,947.46**		88,137.36	
Other adjustments	**4.60**		2,638.80	
		47,592.62		100,965.27
		178,416.93		147,427.98
Less : Provisions (Note-16.1) /Impairment (Note-43.5)				
Opening Balance	**24,492.98**		24,518.71	
Provided during the year	**626.36**		1,177.50	
Write back during the year	**(18,948.52)**		(1,203.23)	
		6,170.82		24,492.98
Intangible Assets under Development		**172,246.11**		**122,935.00**

16.1 The company had acquired in FY 2004-05, 90% Participating Interest in Exploration Block KG-DWN-98/2 from M/s Cairn Energy India Limited for a lump sum consideration of ₹ 3,711.22 million which, together with subsequent exploratory drilling costs of wells had been capitalised under exploratory wells in progress. In FY 2012-13, the company had acquired the remaining 10% participating interest in the block from M/s Cairn Energy India Limited. On actual past cost basis for a consideration of ₹ 2124.44 million. Initial in-place reserves were established in this block and adhering to the original PSC time lines, a Declaration of commerciality (DOC) with a conceptual cluster development plan was submitted on 21.12.2009 for Southern Discovery Area and on 15.07.2010 for Northern Discovery Area. Thereafter, in the revised DOC submitted in December, 2013, Cluster-wise development of the Block had been envisaged by division of entire development area into three clusters. The DOC in respect of Cluster II had been reviewed by the Management Committee (MC) of the block on 25.09.2014. Field Development Plan (FDP) for Cluster-II was submitted on 08.09.2015 and the same had been approved by MC on 31.3.2016.

The exploration period of this block had been restructured by Government up to 29.12.2013 in accordance with the Rig Holiday Policy and further extended to 25.01.2014. Under the new policy framework for relaxation, extensions and clarifications at the development and production stage under the PSC regime notified by MoP&NG vide GO dated 10.11.2014; drilling and testing of appraisal wells were completed. Revised DOC for Clusters I and III has been submitted to MC for review on 27.04.2016.

In view of the definite plans for development of discoveries in the block, the company has reversed a provision of ₹ 15,482.32 million created in the past.

17. **Non-Current Investments**

(₹ in million)

Particulars	No. of Fully Paid Shares/ Bonds/Units	Face Value per Share/ Bond/Warrant/ Unit (in ₹)	As at 31st March, 2016		As at 31st March, 2015	
A. TRADE INVESTMENTS						
Investment in equity instruments						
(i) Investment in Subsidiaries						
a) ONGC Videsh Limited (Unquoted)	1,000,000,000 (1,000,000,000)	100.00	**100,000.00**		100,000.00	
b) Mangalore Refinery and Petrochemicals Limited (Quoted)	1,255,354,097 (1,255,354,097)	10.00	**10,405.73**		10,405.73	
c) ONGC Mangalore Petrochemicals Limited (Unquoted)	920,000,000 (920,000,000)	10.00	**9,200.00**	**119,605.73**	9,200.00	119,605.73
(ii) Investment in Associate						
a) Pawan Hans Limited (Unquoted) extent of holding 49% (PY 49%)	120,350 (120,350)	10,000.00		**1,203.50**		1,203.50
(iii) Investment in Joint Venture Companies (Unquoted)						
a) Petronet MHB Limited	157,841,000 (157,841,000)	10.00	**1,578.41**		1,578.41	
b) Mangalore SEZ Limited	13,000,000 (13,000,000)	10.00	**130.00**		130.00	
c) ONGC Petro Additions Limited (Note : 17.1)						
i) Equity	997,955,639 (997,955,639)	10.00	**9,979.56**		9,979.56	
ii) Share Warrant (Paid up Rs. 9.75 per share warrant) (Note : 17.3)	1,922,000,000 (-)	10.00	**18,739.50**		-	
e) ONGC Teri Biotech Limited	24,990 (24,990)	10.00	**0.25**		0.25	
f) ONGC Tripura Power Company Limited (Note : 17.1)	559,999,996 (267,489,998)	10.00	**5,600.00**		2,674.90	
g) Dahej SEZ Limited	23,025,000 (23,025,000)	10.00	**230.25**		230.25	
(Quoted)						
Petronet LNG Limited	93,750,000 (93,750,000)	10.00	**987.50**	**37,245.46**	987.50	15,580.86
(iv) Investment in Others						
a) Indian Oil Corporation Limited (Quoted)	334,303,814 (334,303,814)	10.00	**40,427.97**		40,427.97	
b) GAIL (India) Limited (Quoted)	61,259,323 (61,259,323)	10.00	**2,451.06**		2,451.06	

(₹ in million)

Particulars	No. of Fully Paid Shares/ Bonds/Units	Face Value per Share/ Bond/Warrant/ Unit (in ₹)	As at 31st March, 2016		As at 31st March, 2015	
c) Oil Spill Response Limited (Unquoted) (Note : 17.2)	100 (100)		**0.01**	**42,879.04**	0.01	42,879.04
Total (A)				**200,933.72**		179,269.13
B. NON- TRADE INVESTMENTS						
Investment in Government or Trust Securities (Unquoted) 8.40% GOI Special Bonds 2025	197,370 (197,370)	10,000.00	**1,973.70**		1,973.70	
Total (B)				**1,973.70**		1,973.70
Total Non-Current Investments (A+B)				**202,907.43**		**181,242.83**
Total Quoted Investments				**54,272.26**		54,272.26
Total Unquoted Investments				**148,635.16**		126,970.57
				202,907.43		**181,242.83**
Total Market value of Quoted Investment				**261,533.48**		247,691.15

17.1 The Company is restrained from diluting the investment in the respective companies till the sponsored loans are fully repaid as per the covenants in the loan agreements.

17.2 Shares of Oil Spill Response limited valued at GBP one each at the time of issuance. Total value in INR at the time of issuance of shares was ₹ 6,885/-.

17.3 During the year the Company has subscribed Share Warrants, entitling the company to exchange each warrant with Equity Share of Face Value of ₹ 10/- each. After a balance payment of ₹ 0.25/- per share within eighteen months of subscription of the Share Warrants issued on 25.08.2015. (Refer Note 45.1.6.b)



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18. Long Term Loans and Advances

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
(Unsecured, considered good unless otherwise stated)				
Capital Advances				
- Considered Good	**1,314.73**		1,530.90	
- Considered Doubtful	**4.70**		4.70	
- **Less :** Provision for Doubtful Advance	**4.70**	**1,314.73**	4.70	1,530.90
Deposits				
With Customs/Port Trusts etc.	**14.20**		23.24	
Others				
- Considered Good	**3,279.00**		3,731.49	
- Considered Doubtful	**1,236.41**		1,010.69	
	4,529.61		4,765.42	
Less : Provision for Doubtful Deposits	**1,236.41**		1,010.69	
		3,293.20		3,754.73
Advances to Related Party against Equity pending allotment		**-**		12,150.88
Loans & Advances to Subsidiaries (Note No. 47)		**83,299.30**		98,713.58
Loans to Public Sector Undertakings				
- Considered Doubtful	**240.50**		240.50	
Less : Provision for Doubtful Loans	**240.50**		240.50	
		-		-
Loans & Advances to Associate (Secured) (Note No. 47)		**-**		33.20
Loans and Advances to Employees (Note-18.1)				
- Secured and Considered Good	**7,972.82**		7,739.54	
- Unsecured and Considered Good	**494.22**		501.07	
- Unsecured and Considered Doubtful	**6.39**		7.48	
Less : Provision for Doubtful Loans/Advances	**6.39**		7.48	
		8,467.04		8,240.61
Advance Recoverable in Cash or in kind or value to be received				
- Considered Good (Note 18.3)	**4,238.22**		7,008.03	
- Considered Doubtful (Note-18.2)	**15,715.88**		14,931.69	
Less : Provision for Doubtful Claims/Advances	**15,715.88**		14,931.69	
		4,238.22		7,008.03
Cash Call Receivable from JV Partners				
- Considered Good	**165.82**		339.52	
- Considered Doubtful	**6,496.02**		6,451.35	
Less : Provision for Doubtful Claims/Advances	**6,496.02**		6,451.35	
		165.82		339.52
Advance Payment of Income Tax	**322,191.54**		256,636.83	
Less: Provision for Income Tax	**247,875.50**		193,700.08	
		74,316.04		62,936.75
TOTAL		**175,094.35**		**194,708.20**

18.1 Loans and advances to employees include an amount of ₹ 0.13 million (Previous Year ₹ 0.24 million) outstanding from Key Managerial Personnel.

18.2 In Ravva Joint Venture, the demand towards additional profit petroleum raised by Government of India (GoI), due to differences in interpretation of the provisions of the Production Sharing Contract (PSC) in respect of computation of Post Tax Rate of Return (PTRR), based on the decision of the Malaysian High Court setting aside an earlier arbitral tribunal award in favour of operator, was disputed by the operator M/s Cairn India Limited. The company is not a party to the dispute but has agreed to abide by the decision applicable to the operator. The company had made a provision towards the claim made by the GoI in earlier years and the amount of provision outstanding as on 31st March, 2016 is ₹ 11,136.49 million (equivalent to USD 167.84 million) after adjustments for interest and exchange rate fluctuations. The GoI had recovered the above amount [including interest thereon USD 54.88 million (₹ 3,641.29 million)] from the company in earlier years which has been carried under Long Term Loans and advances in the Balance Sheet as at 31st March 2016.

In subsequent legal proceedings, the Appellate Authority of the Honorable Malaysian High Court of Kuala Lumpur had set aside the decision of the Malaysian High Court and the earlier decision of arbitral tribunal in favour of operator was restored, against which the GoI has preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated 11th October, 2011, has dismissed the said appeal of the GoI.

The company has taken up the matter regarding refund of the recoveries made in view of the favorable judgment of the Federal Court of Malaysia with MoP&NG. However, according to a communication dated 13th January 2012 received, MoP&NG expressed the view that ONGC's proposal would be examined when the issue of ONGC carry under Ravva PSC is decided in its entirety by the Government along with other partners.

In view of the perceived uncertainties in obtaining the refund at this stage, the provision made in the books as above has been retained and netted off against the amount recoverable as above in the financial statements for the year ending 31st March 2016. (Figures in INR are restated).

18.3 During the financial year 2010-11, the Oil Marketing Companies, nominees of the GoI recovered USD 32.07 million (₹ 2,128.01 million) ONGC's share as per directives of GoI in respect of Jointly Controlled Assets-Panna Mukta and Tapti. The recovery is towards certain observations raised by auditors appointed by the Director General of Hydrocarbons (DGH) under Production Sharing Contract (PSC) for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to GoI. BGEPIL along with RIL ("Claimants") have served a notice of arbitration on the GoI in respect of dispute, differences and claims arisen in connection with the terms of Panna, Mukta and Tapti PSCs. Since the company is not a party to the arbitration proceedings, it had requested MoP&NG that in case of an arbitral award the same be made applicable to ONGC also, as a constituent of contractor for both the PSCs. Subsequently, vide letter dated July 4, 2011 MoP&NG has advised ONGC not to participate in the arbitration initiated by RIL and BGEPIL under Panna Mukta and Tapti PSCs. MoP&NG has also stated that in case of an arbitral award, the same will be applicable to ONGC also as a constituent of the contractor for both the PSCs. Pending final arbitral award, the same has been shown as Receivable from GoI under 'Advance Recoverable in Cash or Kind or Value to be Received' under Long Term Loans and Advances. (Figures in INR are restated).

19. Deposit under Site Restoration Fund Scheme:

A sum of ₹ 135,591.83 million till 31.03.2016 (previous year ₹ 125,443.80 million) has been deposited with banks under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme i.e. towards removal of equipments and installations in a manner agreed with Central Government pursuant to an abandonment plan to prevent hazards to life, property, environment etc. This amount is considered as restricted cash and hence not considered as 'Cash and Bank Balances'.

20. Other Non-Current Assets

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Secured, considered good				
Interest accrued on Employee Loans and Advances		**2991.63**		2998.57
(Unsecured, Considered Good unless otherwise stated)				
A. Long Term Trade Receivables				
- Considered Good	**1,294.47**		1,239.98	
- Considered Doubtful	**1,552.75**		1,299.80	
Less : Provision for doubtful receivables	**1,552.75**		1,299.80	
		1,294.47		1,239.98
B. Other Receivables				
- Considered Good	**13.09**		17.22	
- Considered Doubtful	**456.67**		516.63	
Less : Provision for doubtful receivables	**456.67**		516.63	
		13.09		17.22
C. Interest Accrued				
On Deposits	**37.07**		22.76	
On Other Loans & Advances				
- Considered Good	**129.96**		118.73	
- Considered Doubtful	**24.84**		22.87	
	191.87		164.36	
Less : Provision for doubtful interest accrued	**24.84**		22.87	
		167.03		141.49
D. Unamortised Expenditure				
- Dry Docking Charges	**3,695.21**		4,426.69	
- Mobilisation Charges	**1,042.10**		1,138.05	
		4,737.31		5,564.74
TOTAL		**9,203.53**		**9,962.00**

21. Current Investments

(₹ in million)

Particulars		As at 31st March, 2016	As at 31st March, 2015
Non Trade-Unquoted	**No. of units**		
Investment in Mutual Funds			
UTI Liquid Cash Plan	11,784,037.655	**12,013.19**	-
SBI Premier Liquid Fund-Direct Plan	11,978,038.794	**12,016.97**	-
IDBI Liquid Fund-Direct Daily Dividend	3,996,327.533	**4,000.71**	-
Canara Robeco Liquid Fund Direct Plan-Daily Dividend	1,990,564.239	**2,001.51**	-
Total Current investments		**30,032.38**	-

22. Inventories*

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Raw Materials (Condensate)		4.23		4.92
Semi Finished Goods		253.15		285.20
Finished Goods (Note 22.1)		8,231.57		8,385.67
Traded Goods		0.90		1.48
Stores and spare parts				
- on hand	46,448.52		52,760.63	
- in transit (including inter-project transfers)	6,862.10		3,042.53	
	53,310.62		55,803.16	
Less: Provision for non-moving items	5,513.77		5,004.68	
		47,796.85		50,798.48
Unserviceable Items		133.87		147.20
TOTAL		56,420.57		59,622.95

*valued as per accounting policy no. 2.i

22.1 This includes an amount of ₹ 3.37 million (previous year ₹ 7.68 million) in respect of Carbon Credits.

23. Trade Receivables

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(Unsecured, Considered Good unless otherwise stated)		
- Outstanding for a period exceeding six months from the due date	2,793.53	10,138.23
- Others	50,226.23	125,644.51
TOTAL	53,019.76	135,782.74

24. Cash & Bank Balances

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
A. Cash and Cash Equivalents		
Balances with Banks	129.96	1,178.63
Cash on Hand	9.31	6.73
Sub- Total (A)	139.27	1,185.36
B. Other Bank Balances		
Bank Deposits for original maturity from 3 to 12 months (Note-24.1 & 8.1)	97,980.00	25,077.10
Unclaimed Dividend Account (Note-24.2)	272.75	247.24
Deposits in Escrow Account	1,174.42	1,090.98
Sub- Total (B)	99,427.17	26,415.32
TOTAL (A+B)	99,566.44	27,600.68

24.1 The deposits maintained by the company with banks comprise time deposit, which can be withdrawn by the company at any point without prior notice or penalty on the principal.

24.2 Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose.

25. Short Term Loans and Advances

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
(Unsecured, Considered Good unless otherwise stated)				
Deposits				
With Customs/Port Trusts etc.	**9.83**		4.45	
Others (Note no. 25.1)	**24,579.25**		33,259.70	
		24,589.08		33,264.15
Loans to Associate (Secured) (Note No.47)		**33.16**		334.64
Loans to Subsidiaries (Note No.47)		**6,857.20**		6,857.20
Receivable from Subsidiaries		**159.10**		402.65
Loans and Advances to Employees (Note 25.2)				
Secured and Considered good	**1,953.61**		2,036.42	
Unsecured and Considered good	**384.48**		399.60	
		2,338.09		2,436.02
Cash Call Receivable from JV Partners		**5,524.93**		7,809.49
Advance Recoverable in Cash or in kind or value to be received		**21,935.42**		18,372.62
TOTAL		**61,436.98**		**69,476.77**

25.1 Includes ₹ 21,690.24 million (Previous year ₹ 21067.60 million) towards differential royalty being deposited from 1st February 2014 as per the interim order of the Hon'ble Supreme Court of India. (also refer Note no. 45.1.1.b)

25.2 Includes an amount of ₹ 0.73 million (Previous Year ₹ 0.13 million) outstanding from Key Managerial Personnel.

26. Other Current Assets

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Secured, considered good				
Interest accrued on Employee Loans and Advances		**354.04**		296.61
Unsecured, considered good				
Interest Accrued				
- On Investments	**1.38**		1.38	
- On Deposits	**988.76**		1,406.36	
- On Loans & Advances	**101.64**		14.19	
		1,091.78		1,421.93
Unamortised Expenditure				
- Dry Docking Charges	**2,866.68**		3,581.16	
- Mobilisation Charges	**697.55**		635.33	
		3,564.23		4,216.49
Other Current Assets *		**1,733.36**		3,202.05
Asset Held for Sale		**23.74**		12.32
TOTAL		**6,767.15**		**9,149.40**

*Includes receivable of ₹ 1,351.73 million (Previous Year ₹ 532.02 million) from Gratuity Trust as funded status is more than obligation.

27. Revenue From Operations

(₹ in million)

Particulars		2015-16		2014-15
A. Sale of Products				
Own Products	**796,645.03**		856,872.65	
Less : Transfer to Wells in progress (includes levies)	**182.81**		597.04	
Less : Government of India's (GoI's) share in Profit Petroleum	**16,677.04**		32,847.82	
	779,785.18		823,427.79	
Traded Products	**101.30**		60.08	
		779,886.48		823,487.87
B. Other Operating Revenue				
Contractual Short Lifted Gas Receipts	**408.00**		224.15	
Pipeline Transportation Receipts	**644.66**		697.77	
North-East Gas Subsidy (Note 27.3)	**2,901.56**		2,702.83	
Surplus from Gas Pool Account (Note 27.4)	**509.14**		3,267.04	
Production Bonus	**117.33**		109.03	
Sale of Electricity	**651.73**		-	
Processing Charges	**532.97**		445.98	
		5,765.39		7,446.80
TOTAL		**785,651.87**		**830,934.67**

27.1 In terms of the decision of Government of India (GOI), the company has shared ₹ 10,961.20 million (Previous Year ₹ 362,996.20 million) towards under-recoveries of Oil Marketing Companies (OMCs) for the year 2015-16 (as per GoI directives) by extending the discount in the price of Crude Oil based on the rates of discount communicated by Petroleum Planning and Analysis Cell (PPAC) and Ministry of Petroleum and Natural Gas (MoP&NG).

The impact of discount on profitability is as under:

(₹ in million)

Decrease in	2015-16	2014-15
Gross Revenue	**10,961.20**	362,996.20
Less: Value Added Tax (VAT)	**290.29**	10,025.10
Sales Revenue	**10,670.91**	352,971.10
Less: Statutory Levies	**1,383.56**	43,374.95
Profit Before Tax	**9,287.35**	**309,596.15**

27.2 For Crude Oil produced in Assam, sales revenue is based on the pricing formula provided by MoP&NG. Revenue from rest of nominated crude is accounted in terms of Crude Oil Sales Agreements (COSAs) already signed and made effective from 1st April, 2010.

27.3 Sales revenue of Natural Gas is based on domestic gas price of US$ 4.66/mmbtu and US$ 3.82/mmbtu (on GCV basis) notified by GoI for the period 1st April 2015 to 30th September 2015 and 1st October 2015 to 31st March 2016 respectively in terms of "New Domestic Natural Gas Pricing Guidelines, 2014". For gas consumers in North-East, consumer price is 60% of the domestic gas price and the difference between domestic gas price and consumer price is paid to the company through GoI Budget and shown as 'North-East Gas Subsidy'.

27.4 The company is supplying majority of Natural gas to Gas Authority of India Limited (GAIL) which also purchases gas from other sources and sells to different consumers at different prices. Based on the Government directives, excess in Gas Pool Account at the end of financial year is transferred to ONGC/ OIL in accordance with their contribution. Based on the details received from GAIL, an amount of ₹ 509.14 million (Previous year ₹ 3,267.04 million) has been considered as 'Surplus from Gas Pool Account' for the year 2015-16.

28. Details of Sales Revenue

Products	Unit	2015-16			2014-15		
		Quantity	Value (₹ in million)		Quantity	Value (₹ in million)	
Crude Oil*	MT	**24,148,191**	**533,673.42**		24,106,063	567,710.93	
Less: From Exploratory areas		**7,487**	**164.91**		15,328	397.40	
Less: Government of India's share in Profit Petroleum			**14,645.24**	**518,863.27**		30,675.91	536,637.62
Natural Gas*	000M^3	**17,100,461**	**184,713.37**		17,983,442	189,752.42	
Less: From Exploratory areas		**1,735**	**17.90**		29,045	199.64	
Less: Government of India's share in Profit Petroleum			**2,031.80**	**182,663.67**		2,171.91	187,380.87
Liquified Petroleum Gas	MT	**1,191,279**		**35,194.39**	1,090,432		34,379.87
Naphtha	MT	**1,065,136**		**30,610.64**	1,124,307		50,834.86
Ethane/Propane	MT	**374,770**		**8,945.33**	336,623		10,027.97
Propane	MT	**26,203**		**495.82**	671		35.96
Superior Kerosene Oil	MT	**66,067**		**2,117.82**	74,215		2,770.55
Low Sulphur Heavy Stock	MT	**21,476**		**411.82**	18,662		704.92
High Speed Diesel (HSD)	MT	**9,294**		**405.61**	5,638		312.00
HSD incl. ULS HSD (Trading)	KL	**1,161**		**57.24**	385		21.57
Motor Spirit (Trading)	KL	**676**		**43.71**	534		38.22
Aviation Turbine Fuel (ATF)	MT	-		-	5,325		285.72
Mineral Turpentine Oil	MT	**1,987**		**74.56**	845		46.86
Others				**2.60**			10.88
TOTAL				**779,886.48**			**823,487.87**

* Quantity includes share from Joint Ventures as per the Participating Interest or Entitlement Interest, whichever is applicable



29. Other Income

(₹ in million)

Particulars		2015-16		2014-15
Interest on:				
Long Term Investments	**165.79**		165.79	
Deposits with Banks	**10,172.19**		11,439.83	
Loans and Advances to Subsidiaries and Associate	**3,995.74**		4,828.09	
Loans and Advances to Employees	**486.28**		482.84	
Income Tax Refund	**2,879.36**		3,371.10	
Other Interest	**335.18**		211.48	
Site Restoration Fund Deposit	**9,365.86**		10,031.12	
Delayed Payment from Customers and Others	**47.11**		34.20	
		27,447.51		30,564.45
Dividend Income from:				
Associates and Joint Venture	**225.53**		225.30	
Other Long Term Investments	**4,382.00**		3,453.65	
Short Term -Debt Mutual Funds	**1,104.03**		1,210.56	
		5,711.56		4,889.51
Other Non Operating Income				
Excess Provisions written back (Note 16.1)	**18,078.50**		6,456.33	
Liabilities no longer payable written back	**862.73**		856.54	
Contractual Receipts	**539.86**		605.31	
Profit on sale of Securities (Note 29.1)	**1,068.28**		-	
Miscellaneous Receipts	**8,213.26**		10,293.53	
		28,762.63		**18,211.71**
TOTAL		**61,921.70**		**53,665.67**

29.1 Profit on sale of securities represents profit on sale of 17,20,26,144 shares of ONGC Tripura Power Corporation Limited (OTPC).

30. (Increase)/Decrease in Inventories

(₹ in million)

Particulars	2015-16	2014-15
Closing Stock- Finished/Semi Finished Goods and Stock in Trade	**8,485.62**	8,672.35
Opening Stock- Finished/Semi Finished Goods and Stock in Trade	**8,672.35**	6,998.06
(INCREASE)/DECREASE IN INVENTORIES	**186.73**	**(1,674.29)**

31. **Details of Opening and Closing Inventories:**

Particulars	Unit	As at 31.03.2016		As at 31.03.2015	
		Quantity	Value (₹ in million)	Quantity	Value (₹ in million)
Opening stock					
Crude Oil*	MT	**949,050**	**8,048.78**	1,091,633	6,554.46
Liquefied Petroleum Gas	MT	**7,858**	**73.28**	10,230	49.39
Naphtha	MT	**97,389**	**458.79**	70,545	294.70
Ethane/Propane	MT	**706**	**11.33**	650	11.01
Superior Kerosene Oil	MT	**5,951**	**23.41**	8,690	30.95
Aviation Turbine Fuel	MT	**478**	**2.28**	1,775	11.83
Low Sulphur Heavy Stock	MT	**282**	**5.47**	102	1.64
High Speed Diesel	MT	**1,535**	**30.19**	2,463	20.55
Propane	MT	**73**	**0.36**	-	-
Mineral Turpentine Oil	MT	**151**	**3.25**	144	2.79
High Speed Diesel **	KL	**25**	**0.96**	10	0.48
Motor Spirit**	KL	**10**	**0.42**	1	0.13
Carbon Credits	Units	**264,029**	**7.68**	140,277	3.66
Others			**6.15**		16.47
			8,672.35		**6,998.06**
Closing stock					
Crude Oil*	MT	**875,732**	**7,842.06**	949,050	8,048.78
Liquefied Petroleum Gas	MT	**8,616**	**98.09**	7,858	73.28
Naphtha	MT	**76,083**	**415.32**	97,389	458.79
Ethane/Propane	MT	**614**	**9.66**	706	11.33
Superior Kerosene Oil	MT	**8,464**	**31.61**	5,951	23.41
Aviation Turbine Fuel	MT	**602**	**2.42**	478	2.28
Low Sulphur Heavy Stock	MT	**391**	**5.78**	282	5.47
High Speed Diesel	MT	**2,325**	**61.07**	1,535	30.19
Propane	MT	**659**	**8.84**	73	0.36
Mineral Turpentine Oil	MT	**240**	**3.91**	151	3.25
High Speed Diesel **	KL	**14**	**0.51**	25	0.96
Motor Spirit**	KL	**6**	**0.28**	10	0.42
Carbon Credits	Units	**264,029**	**3.37**	264,029	7.68
Others			**2.68**		6.15
TOTAL			**8,485.62**		**8,672.35**

* Includes Company's share in stock of Joint venture.
** Purchased for trading.

32. Production, Transportation, Selling and Distribution Expenditure

(₹ in million)

Particulars	2015-16	2014-15
Royalty	**89,591.13**	116,079.01
Cess	**101,916.31**	102,535.02
National Calamity Contingent Duty	**1,136.50**	1,123.42
Excise Duty on stock (Net) (Note-32.1)	**19.12**	(18.57)
Sales Tax	**2,651.56**	2,585.82
Service Tax	**339.42**	289.81
Education cess	**-**	90.85
Octroi and Port Trust Charges	**5,915.33**	6,083.06
Staff Expenditure	**18,214.56**	16,953.45
Workover Operations	**27,353.19**	21,015.21
Water Injection, Desalting and Demulsification	**15,060.92**	12,791.13
Consumption of Stores and Spares	**7,686.78**	6,118.74
Consumption of Raw Materials	**5,587.65**	664.43
Pollution Control	**7,999.22**	6,695.90
Transport Expenses	**6,084.96**	4,220.30
Insurance	**1,378.68**	1,866.47
Power and Fuel	**2,651.70**	1,867.37
Repairs and Maintenance	**10,672.42**	9,723.74
Contractual payments including Hire charges etc.	**23,825.59**	16,646.31
Other Production Expenditure	**5,981.71**	4,947.89
Transportation and Freight of Products	**14,124.93**	11,908.72
Research and Development	**5,397.37**	5,445.29
General Administrative Expenses	**32,953.98**	32,805.73
CSR expenditure	**4,209.99**	2,156.01
Exchange Loss (Net)	**1,258.53**	240.86
Other Expenditure (refer note no. 32.2)	**11,375.09**	7,826.83
TOTAL	**403,386.64**	**392,662.80**

32.1 Excise duty on sale of product has been deducted from Sales revenue and Excise duty shown above represents the difference between Excise duty on opening and closing stock of finished goods.

32.2 Other expenditure includes ₹ 2,950.47 million, pertaining to cost of 23 immediate support vessels (ISVs) handed over to Indian Navy for security of offshore installations, charged off consequent to review carried out during the year.

32.3 Details of Nature wise Expenditure

(₹ in million)

Particulars	2015-16	2014-15
Manpower Cost		
(a) Salaries, Wages, Ex-gratia etc.	**64,586.29**	68,260.95
(b) Contribution to Provident and other funds	**9,891.02**	9,447.01
(c) Provision for gratuity	**(808.14)**	(83.74)
(d) Provision for Leave (Including Compensatory Absence)	**3,904.73**	3,999.80
(e) Post Retirement Medical & Terminal Benefits	**4,711.67**	3,270.81
(f) Staff welfare expenses	**5,127.39**	1,404.08
Sub- Total:	**87,412.96**	**86,298.92**
Consumption of Raw materials, Stores and Spares	**52,883.96**	49,526.55
Cess	**101,916.31**	102,550.46
National Calamity Contingent Duty	**1,136.50**	1,123.45
Excise Duty	**1,990.29**	2,206.49
Royalty	**89,591.13**	116,105.10
Sales Tax	**2,651.56**	2,592.96
Octroi and Port Trust Charges	**5,915.33**	6,083.50
Service Tax	**339.42**	289.81
Education cess	**-**	90.85
Rent	**3,159.97**	4,368.73
Rates and taxes	**330.05**	174.49
Hire charges of equipments and vehicles	**137,178.43**	133,029.22
Power, fuel and water charges	**5,118.70**	3,901.18
Contractual drilling, logging, workover etc.	**43,357.94**	64,607.40
Contractual security	**5,198.19**	4,752.38
Repairs to building	**1,032.36**	924.37
Repairs to plant and equipment	**9,912.29**	6,471.97
Other repairs	**3,710.94**	3,063.03
Insurance	**2,552.35**	3,540.45
Expenditure on Tour / Travel	**3,644.04**	3,835.78
CSR Expenditure (Note - 32.3.1)	**4,209.99**	2,156.01
Exchange Loss (Net)	**1,258.53**	240.86
Miscellaneous expenditure (Note - 32.3.2)	**16,969.66**	15,197.16
	581,470.91	613,131.12
Less:		
Allocated to exploration, development drilling, capital jobs, recoverables etc.	**175,716.74**	218,243.26
Excise duty adjusted against sales revenue	**1,971.17**	2,225.06
Prior Period Adjustment	**396.35**	-
Production, Transportation, Selling and Distribution Expenditure	**403,386.64**	**392,662.80**

32.3.1 The CSR expenditure comprises the following:

a. Gross amount required to be spent by the company during the year : ₹ 5,936.96 million (Previous year ₹6,606.12 million)

b. Amount spent during the year on:

(₹ in million)

S.No.	Particulars	2015-16			2014-15		
		In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
i.	Construction/acquisition of any asset	-	-	-	2,447.73	348.55	2,796.28*
ii.	On purpose other than (i) above	**4,013.77**	**196.22**	**4,209.99**	928.65	1,227.36	2,156.01
	Total	**4,013.77**	**196.22**	**4,209.99**	**3,376.38**	**1,575.91**	**4,952.29**

*Represents expenditure in respect of Wind Power Project at Jaisalmer-Rajasthan. During the year, the Company has decided to treat the said project as a 'business project', above expenditure along with further amount spent during the year aggregating to ₹ 5640.86 million has been capitalized as Fixed Assets of the company. Further, revenue generated from sale of electricity amounting to ₹ 800.98 million has been accounted for as Other Operating Income. Hence, the above amount disclosed on CSR in the previous year remains unspent to this extent.

32.3.2 The Miscellaneous Expenditure in Note no 32.3 includes Statutory Auditors Remuneration as under:

(₹ in million)

Payment to Auditors (including service tax)	2015-16	2014-15
Audit Fees	**18.63**	15.17
Certification and Other Services	**7.76**	9.84
Travelling and Out of Pocket Expenses	**17.22**	19.40
Total	**43.61**	**44.41**

32.4 The expenditure incurred by various in house R&D institutes on scientific research eligible for deduction under section 35(2AB) of Income Tax Act, 1961 is as under:

(₹ in million)

Particulars	2015-16	2014-15
Capital Expenditure	**243.77**	302.25
Revenue Expenditure	**3,875.75**	4,023.62

33. Depreciation, Depletion, Amortization and Impairment

(₹ in million)

Particulars		2015-16		2014-15
Depletion		**107,836.54**		97,723.26
Depreciation & Amortisation	**17,289.24**		55,311.83	
Less : Allocated to :				
Exploratory Drilling	**2,728.89**		3,284.45	
Development Drilling	**3,216.13**		3,297.72	
Depreciation on Facilities	**-**		33,475.86	
Others	**124.06**		297.50	
		11,220.16		14,956.30
Impairment Loss (Note - 43.5)				
Provided during the year	**626.36**		3,308.68	
Less: Reversed during the year	**3,466.20**		1,405.12	
		(2,839.84)		1,903.56
TOTAL		**116,216.86**		**114,583.12**

34. Finance Cost

(₹ in million)

Particulars	2015-16	2014-15
i) On Short Term Loan	**43.84**	14.83
ii) On Cash Credit	**5.88**	12.83
iii) Others	**0.17**	0.21
TOTAL	**49.89**	**27.87**

35. Provisions and Write Offs

(₹ in million)

Particulars	2015-16	2014-15
PROVISIONS		
For Doubtful Debts	**362.01**	358.30
For Doubtful Claims/Advances	**2,536.68**	1,174.58
For Non-Moving Inventories	**707.08**	147.22
For Others	**0.43**	44.94
Sub-Total	**3,606.20**	**1,725.04**
WRITE-OFFS		
Disposal/Condemnation of Fixed Assets	**118.55**	596.48
Less : Provision written off	**73.38**	354.09
	45.17	242.39
Claims/Advances	**5.28**	28.08
Less : Provision written off	**-**	**5.28** 19.01 9.07
Inventory	**276.18**	139.10
Bad debts	**5.62**	
Sub-Total	**332.25**	**390.56**
TOTAL	**3,938.45**	**2,115.60**

36. Adjustments Relating to Prior Period (Net)

(₹ in million)

Particulars	2015-16	2014-15
A. EXPENDITURE		
Statutory levies	**(0.19)**	(41.45)
Other production, selling & distribution expenditure	**333.24**	512.38
Exchange Fluctuation	**127.01**	-
Survey	**344.50**	2.52
Exploratory Wells written off	**(0.13)**	3,443.99
Depletion	**(1,195.51)**	(71.80)
Depreciation	**410.45**	(0.04)
Sub-Total	**19.37**	3,845.60
B. INCOME		
Sales	**45.38**	-
Other Operating Income	**149.25**	-
Interest -Others	**1.27**	0.30
Other Income	**51.57**	6.21
Sub-Total	**247.47**	**6.51**
TOTAL	**(228.10)**	**3,839.09**

37. Earnings per Equity Share

Particulars	2015-16	2014-15
Net Profit after Tax (₹ in million)	**160,036.46**	177,329.54
Weighted average number of equity shares (No. in million)	**8,555.49**	8,555.49
Basic & Diluted earnings per equity share(₹)	**18.71**	20.73
Face Value per equity share (₹)	**5.00**	5.00



Debate and Deliberations: Field Party Officers planning out the day

38. Disclosure under the Accounting Standard -15 on "Employee Benefits"

38.1 Brief Description: A general description of the type of Employee Benefits Plans is as follows:

38.1.1 All the employee benefit plans of the Company are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

38.1.2 Earned Leave (EL) Benefit

Accrual – 30 days per year

Encashment while in service – 75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days

Scheme is funded through Life Insurance Corporation of India. (LIC).

38.1.3 Good Health Reward (Half pay leave)

Accrual - 20 days per year

Encashment while in service - Nil

Encashment on retirement - 50% of Half Pay Leave balance.

Scheme is funded through Life Insurance Corporation of India. (LIC).

38.1.4 Gratuity

15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 1.00 million.

Scheme is funded through own Gratuity Trust

38.1.5 Post-Retirement Medical Benefits

Upon payment of one time prescribed contribution by the employees, full medical benefits on superannuation and on voluntary retirement subject to the completion of minimum 20 years of service and 50 years of age.

An employee should have put in a minimum of 15 years of service rendered in continuity in ONGC at the time of superannuation to be eligible for availing post-retirement medical facilities

38.1.6 Terminal Benefits

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Travelling Allowance.

38.1.7 In terms of DPE Guidelines, The Company has formulated a Post-Retirement Benefit Scheme (PRBS) as a defined contribution scheme w.e.f. 01.01.2007

38.2 The amounts recognized in the financial statements for defined contribution plans are as under:

(₹ in million)

Defined Contribution Plans	Amount recognized during the year	Contribution for Key Management Personnel
Contributory Provident Fund (CPF)	**3,749.70** **(3590.02)**	**1.50** **(1.35)**
Employee Pension Scheme-95 (EPS)	**433.74** **(352.75)**	**0.07** **(0.05)**
Composite Social Security Scheme (CSSS)	**635.50** **(625.48)**	**0.16** **(0.15)**
Post Retirement Benefit Scheme (PRBS)	**5,070.09** **(4876.99)**	**2.17** **(2.15)**

38.3 The amounts recognized in the balance sheet for post-employment benefit plans are as under:

(₹ in million)

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Present Value of Funded Obligation	20,206.15 (20,712.01)	22,080.25 (20,099.65)	NA	NA
2	Present Value of Unfunded Obligation	-	-	30,417.67 (27,566.63)	504.11 (484.64)
3	Fair Value of Plan Assets	21,557.88 (21,244.03)	18,130.86 (15,977.45)	NA	NA
4	Unrecognized Past Service Cost	-	-	-	-
5	**Net Obligation / Total Provision**	**-1,351.73** **(-532.02)**	**3,949.39** **(4,122.20)**	**30,417.67** **(27,566.63)**	**504.11** **(484.64)**

38.4 The amounts included in the fair value of plan assets of gratuity fund in respect of Reporting Enterprise's own financial instruments and any property occupied by, or other assets used by the reporting enterprise are Nil (Previous Year Nil)

38.5 Reconciliation showing the movements during the period in the net liability recognized in the balance sheet:

(₹ in million)

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Opening defined benefit obligation	20,712.01 (20,890.48)	20,099.65 (21,867.14)	27,566.63 (24,319.03)	484.64 (456.19)
2	Current Service Cost	857.53 (849.66)	1,057.00 (872.88)	393.60 (365.62)	20.50 (19.45)
3	Past Service Cost	-	-	-	-
4	Interest Cost	1,760.51 (1,827.92)	1,708.47 (1,913.38)	2,343.16 (2,127.91)	41.19 (39.92)
5	Actuarial losses/(-) gains	-1,422.60 (-1,066.79)	2,881.08 (3,158.71)	1,930.76 (2,172.95)	-9.50 (-11.75)
6	Benefits paid	-1,701.30 (-1,789.26)	-3,665.95 (-7,712.46)	-1,816.48 (-1,418.88)	-32.72 (-19.17)
7A	Current Obligation	20,206.15 (20,712.01)	22,080.25 (20,099.65)	1,431.92 (1,579.86)	61.90 (50.41)
7B	Non-Current Obligation	-	-	28,985.75 (25,986.77)	442.21 (434.23)
	Total (7A+7B)	**20,206.15** **(20,712.01)**	**22,080.25** **(20,099.65)**	**30,417.67** **(27,566.63)**	**504.11** **(484.64)**

38.6 The total amount recognized in the financial statements before allocation is as follows:

(₹ in million)

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Current Service Cost	838.64 (851.72)	943.02 (744.19)	389.75 (362.36)	20.29 (19.28)
2	Interest on Obligation	1,753.71 (1,827.92)	1,708.47 (1,913.38)	2,341.86 (2,126.64)	41.13 (39.86)
3	Expected return on plan assets	-1,888.65 (-1,855.11)	-1,518.24 (-1,688.11)	NA	NA
4	Net actuarial Losses/ (-) Gains recognized in period	-1,215.82 (-921.87)	2,707.44 (3,017.60)	1,931.65 (2,176.81)	-9.47 (-11.63)
5	Past Service Cost	-	-	-	-
6	Losses (Gains) on curtailments and settlement	-	-	-	-
7	Increase/(decrease) due to adjustment in opening corpus consequent to audit	-300.10 -	-5.28 -	-	-
8	Total included in 'employee benefit expense'.	**-812.22** **(-97.34)**	**3,835.41** **(3,987.05)**	**4,663.26*** **(4,665.80)**	**51.95** **(47.51)**
9	Actual return on plan assets	1,680.89 (1,710.20)	1,674.95 (1,811.85)	NA	NA

*Includes Joint Venture allocation in respect of Post-retirement Medical benefits of ₹ 3.54 million (Previous year ₹ 6.35 million)

38.7 Statement of Reconciliation of balance of Fair Value of Plan Assets in respect of Gratuity:-

(₹ in million)

Particulars	For Year ended on 31.03.2016	For Year ended on 31.03.2015
Fair Value of Plan Asset at Beginning	**21,244.03**	21,333.28
Adjustment in opening corpus consequent to audit	**325.81**	(10.19)
Expected Return on Plan Assets	**1,898.15**	1,855.11
Contribution by employer	**-**	-
Benefits Paid	**(1,701.30)**	(1,789.26)
Actuarial gain/loss on Plan Assets	**(208.81)**	(144.91)
Fair Value of Plan Asset at the end of the period (Unaudited)	**21,557.88**	**21,244.03**

38.8 Statement of Reconciliation of balance of Fair Value of Plan Assets in respect of Leave:-

(₹ in million)

Particulars	For Year ended on 31.03.2016	For Year ended on 31.03.2015
Fair Value of Plan Asset at Beginning	**15,977.45**	19,300.46
Adjustment in opening corpus consequent to audit	**3.99**	(7.75)
Expected Return on Plan Assets	**1,518.24**	1,688.11
Contribution by employer	**4,123.49**	2,567.98
Benefits Paid	**(3,665.94)**	(7,712.46)
Actuarial gain/loss on Plan Assets	**173.63**	141.11
Fair Value of Plan Asset at the end of the period (Unaudited)	**18,130.86**	**15,977.45**

38.9 Other disclosures:

(₹ in million)

Gratuity	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Present Value of Funded obligation as at the end of the period	**20,206.15**	20,712.01	20,890.48	21,067.89	20,534.65
Fair Value of plan assets as at the end of the period	**21,557.88**	21,244.03	21,333.28	21,079.98	20,114.96
Surplus/(Deficit)	**1,351.73**	532.02	442.80	12.09	(419.69)
Experience Adjustment on plan Liabilities (loss)/gain	**1,409.13**	1,364.85	1,107.26	1,052.97	526.08
Experience Adjustment on plan Assets (loss)/gain	**(177.86)**	(147.05)	(170.32)	(164.39)	(217.84)

Expected Contribution in respect of Gratuity for next year will be ₹ 286.82 million (Previous Year ₹ 185.53 million)

The company has recognized a gratuity liability of ₹ 82.30 million as on 31.03.2016 (Previous year ₹ 78.72 million) as per actuarial valuation for 415 (Previous year 558) Contingent Employees engaged in different work centres.



Hands On: ONGCians gearing up for seismic survey

(₹ in million)

Leave Encashment	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Present Value of Funded obligation as at the end of the period (Note no.38.1.2 & 38.1.3)	**22,080.25**	20,099.65	21,867.14	NA	NA
Fair Value of plan assets as at the end of the period	**18,130.86**	15,977.45	19,300.46	NA	NA
Surplus/(Deficit)	**(3,949.39)**	(4,122.20)	(2,566.68)	NA	NA
Experience Adjustment on plan Liabilities (loss)/gain	**(2,895.13)**	(2,878.21)	(2,946.96)	-	-
Experience Adjustment on plan Assets (loss)/gain	**293.50**	141.11	(1,284.72)	NA	NA

(₹ in million)

Leave Encashment	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Present Value of unfunded obligation as at the end of the period (Note no.38.1.2 & 38.1.3)	**NA**	NA	NA	19,840.16	17,841.28
Experience Adjustment on plan Liabilities (loss)/gain	**NA**	NA	NA	(2,943.61)	(2,062.27)

(₹ in million)

Post-Retirement Medical Benefits	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Present Value of Unfunded obligation as at the end of the period	**30,417.67**	27,566.63	24,319.03	21,562.76	19,203.33
Experience Adjustment on plan Liabilities (loss)/gain	**(2,253.28)**	(1,743.57)	(1,729.36)	(1,714.98)	(2,072.83)

(₹ in million)

Sensitivity Analysis (In respect of Post-Retirement Medical Benefits)	As at 31-03-2016	
	1.00 % (+)	1.00 % (-)
Effect on service and interest cost	244.11	(392.31)
Effect on PBO (Closing)	4,121.12	(2,894.75)

(₹ in million)

Terminal Benefits	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Present Value of Unfunded obligation as at the end of the period	**504.11**	484.64	6,310.52	6,302.64	1,152.11
Experience Adjustment on plan Liabilities (loss)/gain	**9.20**	18.01	884.01	(4,695.45)	(23.05)

38.10 Investments of Gratuity Trust:

Particulars	% of Investment	
	As at 31.03.2016	As at 31.03.2015
Central Govt. Securities	**4.01**	28.57
State Govt. Securities	**0.00**	15.59
PSU Bonds	**25.09**	27.44
Treasury Bills	**0.00**	0.03
Insurance Investment	**70.89**	28.14
Equity Mutual Fund	**0.01**	0.23
Total	**100**	**100**

38.11 Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Discount rate	8.00% (8.50%)	8.00% (8.50%)	8.00% (8.50%)	8.00% (8.50%)
2	Expected return on plan assets	8.80% (8.70%)	9.50% (8.75%)	NA	NA
3	Annual increase in costs	NA	NA	5.50% (6.00%)	5.50% (6.00%)
4	Annual Increase in Salary	5.50% (6.00%)	5.50% (6.00%)	NA	NA

The discount rate is based upon the market yield available on Government bonds at the Accounting date with a term that matches. The salary growth rate takes account of inflation, seniority, promotion and other relevant factor on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

39 Disclosure under Accounting Standard -17 on "Segment Reporting"

The segment information is presented under the Notes to the Consolidated Financial Statements as required under the standard.

40 Disclosure under Accounting Standard -18 on "Related Party Disclosures":

40.1 Name of related parties and description of relationship:

Jointly Controlled Entity	
i.	Petronet LNG Limited
ii.	ONGC Teri Biotech Limited
iii.	Mangalore SEZ Limited
iv.	ONGC Tripura Power Co. Limited
v.	(ONGC Mangalore Petrochemicals limited up to 28.02.2015)

40.2 Key Managerial Personnel:

i) Shri D K Sarraf, Chairman and Managing Director
ii) Shri Shashi Shanker, Director(T&FS)
iii) Shri T K Sengupta, Director (Offshore)
iv) Shri D D Misra, Director(HR)
v) Shri A K Dwivedi, Director (Exploration)
vi) Shri Ashok Verma, Director(Onshore) up to 31.07.2015
vii) Shri V. P Mahawar, Director (Onshore) w.e.f 01.08.2015
viii) Shri A. K Banerjee, Director(Finance) up to 30.04.2015
ix) Shri A K Srinivasan, Director (Finance) w.e.f 23.09.2015
x) Shri N K Sinha, Company Secretary up to 30.06.2015
xi) Shri V N Murthy, Company Secretary w.e.f 01.07.2015
xii) Shri NK Verma, Director (Exploration) up to 26.08.2014
xiii) Shri K.S Jamestin, Director (HR) up to 31.07.2014

40.3 Details of Transactions:

40.3.1 Jointly Controlled Entities (₹ in million)

Details	2015-16	2014-15
Sale of Gas-ONGC Tripura Power Co. limited	**4,370.84**	3,247.91
Services Received from :		
a) ONGC Teri Biotech Limited	**225.86**	244.72
b) Mangalore SEZ Limited	**0.29**	0.39
c) ONGC Tripura Power Co. Limited	**6.56**	0.17
d) Petronet LNG Limited	**68.63**	-
Services Provided to :		
a) ONGC Teri Biotech Limited	**2.76**	0.15
b) Petronet LNG Limited	**0.36**	0.05
c) ONGC Tripura Power Co. Limited	**-**	125.80
d) ONGC Mangalore Petrochemicals limited (up to 28.02.2015)	**-**	3.49
Dividend Income - Petronet LNG Limited	**187.50**	187.50
Allotment of Equity Share:		
(a) ONGC Tripura Power Co. Limited	**4,645.36**	-
Advance against Equity during the Year:		
a) ONGC Tripura Power Co. Limited	**-**	4,645.36
Refund of Existing Advance against Equity during the year by :		
a) ONGC Tripura Power Co. Limited	**-**	2,925.10
	As at 31.03.2016	**As at 31.03.2015**
Amount Receivable From :		
a) Petronet LNG Limited	**0.10**	0.10
b) ONGC Tripura Power Co. Limited	**238.69**	345.08
c) ONGC Teri Biotech Limited	**0.01**	-
d) ONGC Mangalore Petrochemicals limited (up to 28.02.2015)	**-**	3.46
Amount Payable :		
a) ONGC Teri Biotech Limited	**99.61**	148.33
b) Mangalore SEZ Limited	**0.09**	0.17
c) Petronet LNG Limited	**3.34**	-
d) ONGC Tripura Power Co. Limited	**5.96**	-
Advance towards equity pending allotment :		
a) ONGC Tripura Power Co. Limited	**-**	4,645.36

40.3.2 **Key Managerial Personnel** (₹ in million)

Particulars	2015-16	2014-15
Remuneration to Key Management Personnel	**43.53**	38.04
Amount Receivable	**1.66**	1.04
Amount Payable	**8.29**	9.49

41 Disclosure under Accounting Standard - 19 on 'Leases'

The company has certain office/residential premises on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹ 818.58 million (Previous year ₹ 977.22 million) had been paid towards cancellable Operating Lease.

42 Disclosure under Accounting Standard - 27 on Financial Reporting of Interests in Joint Ventures:

42.1 Jointly Controlled Assets

In respect of certain blocks, the Company's Joint Ventures (JV) with certain bodies corporate have entered into Production Sharing Contracts (PSCs) with GoI. Details of these blocks and JVs as on 31.03.2016 are as under:

Sl. No.	Blocks	Company's PI*	Others Partners and their PI in the JV/Operatorship***
A	**Jointly Operated JVs**		
1	Panna, Mukta and Tapti	40% (40%)	BGEPIL 30%, RIL 30%
2	NK-CBM-2001/1	55% (80%)	IOC 20%, PEPL 25% (PEPL-Nil)
B	**ONGC Operated JVs**		
3	CB-OS/1 Development Phase**	55.26% (55.26%)	TPL 6.7%, HOEC 38.04%
4	MN-DWN-98/3**	100% (100%)	
5	MN-OSN-2000/2	40% (40%)	GAIL 20%, IOC 20%, OIL 20%
6	AA-ONN-2001/2	80% (80%)	IOC 20%
7	CY-ONN-2002/2	60% (60%)	BPRL 40%
8	KG-ONN-2003/1	51% (51%)	Cairn India-49%
9	CB-ONN-2004/1**	60% (60%)	GSPC 40%,
10	CB-ONN-2004/2	55% (55%)	GSPC 45%
11	CB-ONN-2004/3	65% (65%)	GSPC 35%
12	CY-ONN-2004/2	80% (80%)	BPRL 20%
13	MB-OSN-2005-1	80% (80%)	GSPC 20%
14	Raniganj	74% (74%)	CIL 26%
15	Jharia	74% (74%)	CIL 26%
16	BK-CBM-2001/1	80% (80%)	IOC 20%
17	CB-ONN-2005/10**	100% (100%)	
18	WB-ONN-2005/4	75% (75%)	OIL 25%

Sl. No.	Blocks	Company's PI*	Others Partners and their PI in the JV/Operatorship***
19	GK-OSN-2009/1	40% (40%)	AWEL 20%, GSPC 20%, IOC 20%
20	GK-OSN-2009/2	40%(40%)	AWEL 30%, IOC 30%
21	KG-OSN-2009/2	90% (90%)	APGIC 10%
22	KG-OSN-2009/4	50% (50%)	APGIC 10%, OIL 30%, NTPC 10%
23	CB-ONN-2009/4	50% (50%)	GSPC 50%
24	GK-OSN-2010/1	60% (60%)	OIL-30%, GAIL-10%
25	GK-OSN-2010/2	90% (90%)	GAIL- 10%
26	CB-ONN-2010/6	80% (80%)	IOC- 20%
27	MB-OSN-2005/3	70%(Nil)	EEPL-30% (EEPL-100%)
	Operated by JV Partners		
28	Ravva	40% (40%)	Cairn India (Operator) 22.5% , VIL 25%, ROPL 12.5%
29	CY-OS-90/1 (PY3)	40% (40%)	HEPI (operator) 18%, HOEC 21% TPL 21%
30	RJ-ON-90/1	30% (30%)	Cairn India (Operator) 35%, CEHL 35%
31	CB-OS/2 –Development Phase	50% (50%)	Cairn India (operator) 40% , TPL 10%
32	CB-ON/7 –Development Phase	30% (30%)	HOEC (Operator) 35%, GSPC 35%
33	CB-ON/3 – Development Phase	30% (30%)	EOL (Operator)70%
34	AN-DWN-2003/2	45 % (45%)	ENI (Operator) 40% GAIL 15%
35	PR-OSN-2004/1	35% (35%)	Cairn India (Operator) 35%, TPL 30%
36	CB-ON/2- Development phase	30% (30%)	GSPC (Operator) 56%, Geo-Global Resources 14%
37	AA-ONN-2009/4	50% (50%)	OIL(Operator) 50%
38	CY-OSN-2009/2	50% (50%)	OIL 50% (Operator)
39	AA-ONN-2010/2	30% (30%)	OIL -40%(Operator), GAIL-20%, EWP-10%
40	AA-ONN-2010/3	40 % (40%)	OIL-40%(Operator), BPRL-20%

* PI – Participating Interest

**Approval towards assignment of PI is awaited from GoI

*** There is no change in previous year details unless otherwise stated.

Abbreviations:- APGIC- AP Gas Infrastructure Corporation Limited, AWEL- Adani Welspun Exploration Limited, BGEPIL- British Gas Exploration & Production India Limited, BPRL- Bharat Petro Resources Limited, Cairn India- Cairn India Limited, CEHL- Cairn Energy Hydrocarbons Limited, CIL- Coal India Limited, EEPL- Essar Exploration & production Limited, ENI- Ente Nazionale Idrocarburi, EOL-Essar Oil Limited, GAIL- Gas Authority of India Limited, GSPC- Gujarat State Petroleum Corporation Limited, HEPI- Hardy Exploration & Production India Limited, HOEC- Hindustan Oil Exploration Company Limited, IOC- Indian Oil Corporation Limited, NTPC- National Thermal Power Corporation Limited, OIL- Oil India Limited, PEPL-Prabha Energy Pvt Limited, RIL- Reliance Industries Limited, ROPL- Ravva Oil (Singapore) Private Limited, TPL- Tata Petrodyne Limited, VIL- Videocon Industries Limited

42.2 List of the blocks surrendered during the year are given below:

Sl. No.	Joint Ventures / PSCs	Company's PI *
1	RJ-ONN-2005/3	40% (40%)
2	CB-ONN-2005/4	51% (51%)
3.	AN-DWN-2009/2	60 % (60%)
4.	AN-DWN-2009/1	70% (70%)
5.	AN-DWN-2009/5	100% (100%)
6.	AN-DWN-2009/3	60% (60%)
7.	KG-OSN-2009/1	80% (80%)
8.	VN-ONN-2004/2	100% (100%)
9.	AA-ONN-2002/3	70% (70%)
10.	AA-ONN-2009/3	50% (50%)

* PI – Participating Interest

42.3 The Financial position of the JV/NELP blocks are as under:

(₹ in million)

	No. of JVs/ NELP Blocks	Assets	Liabilities	Income	Expenditure	Profit / (-) Loss before tax
NELP Block-100% PI*	15 (16)	62,376.90 (30,348.05)	168.26 (233.14)	15,677.08 (0.17)	11,751.23 (24,557.43)	3,925.85 (-24,557.26)
Blocks with other partners	40 (48)	89,574.11 (93,976.40)	45,827.49 (46,927.5)	85,275.81 (1,46,952.80)	72,672.75 (1,08,133.48)	12,603.06 (38,819.32)
Surrendered (note 42.3.5)	80 (70)	3,379.48 (4,680.45)	12,689.16 (12,369.44)	3,775.63 (276.54)	4,430.07 (12,024.63)	-654.44 (-11,748.09)
Total	**135 (134)**	**155,330.49 (129,004.90)**	**58,684.91 (59,530.15)**	**104,728.52 (147,229.51)**	**88,854.05 (144,715.54)**	**15,874.47 (2,513.97)**

42.3.1 The financial statements of 124 (previous year 117) out of 135 (previous year 134) JVs/NELP have been incorporated in the accounts to the extent of Company's participating interest in assets, liabilities, income, expenditure and profit / (loss) before tax on the basis of statements certified in accordance with production sharing contract and in respect of balance 11 (previous year 17) JVs/NELP, the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Both the figures have been adjusted for changes as per Note No. 2.j.1 The financial positions of JV/NELP are as under:

(₹ in million)

	No. of JVs/ NELP Blocks	Assets	Liabilities	Income	Expenditure	Profit / (-) Loss before tax
Audited	124 (117)	153,945.22 (121,162.67)	54,110.41 (48,412.46)	104,297.65 (134,036.87)	87,977.90 (132,756.44)	16,319.75 (1,280.43)
Unaudited	11 (17)	1,385.27 (7,842.23)	4,574.50 (11,117.69)	430.87 (13,192.64)	876.15 (11,959.10)	-445.28 (1,233.54)
Total	135 (134)	155,330.49 (129,004.90)	58,684.91 (59,530.15)	104,728.52 (147,229.51)	88,854.05 (144,715.54)	15,874.47 (2,513.97)

42.3.2 In respect of 10 NELP blocks (previous year 3) which have expired as on 31st March, 2016, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to ₹ 2,966.53 million (previous year to ₹ 820.40 million) has not been provided for since the company has already applied for further extension of period in these blocks as 'excusable delay'/ special dispensations citing technical complexities, within the extension policy of NELP Blocks, which are under active consideration of GoI. The delays have occurred generally on account of pending statutory clearances from various Govt. authorities like Ministry of Defense, Ministry of Commerce, environmental clearances, State Govt. permissions etc. The above MWP amount of ₹ 2,966.53 (previous year ₹ 820.40 million) is included in MWP commitment under note no. 45.1.6.

42.3.3 As per the Production Sharing Contracts signed by the Company with the GoI, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) is payable for extension of time to complete MWP. Further, in case the Company does not complete MWP or surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI. LD amounting to ₹ nil (Previous year ₹ 24.08 million) and cost of unfinished MWP (net of reversal) ₹ 454.13 million (Previous year ₹ 1,420.64 million), paid/payable to the GoI is included in survey and wells written off expenditure.

42.3.4 The company had acquired Participating Interest (PI) of British Gas Exploration & Production India Limited (BGEPIL) in the following blocks, effective from the following dates as approved by the board of directors.

Name of the Block	PI	Date of Transfer of PI
KG OSN 2004/1	45%	25.11.2011
KG DWN 98/4	30%	18.05.2011
MN DWN 2002/2	25%	01.12.2011

British Gas had agreed to pay a lump sum amount of USD 50 Million, towards full and final settlement of carry costs/cash calls due in all the above blocks, subject to government approval for transfer of PI. Consequent upon receipt of Government approval and receipt of USD 50 Million (₹ 3,326.50 million) from BGEIPL, company has carried out accounting adjustments for ₹ 3,326.50 million (equivalent to USD 50 Million) in respect of outstanding Cash call receivable of ₹1,761.95 million (₹1,683.81 million provided for doubtful cash call receivable, has been written back) and balance amount of ₹ 1,564.55 million considered as other income.

42.3.5 The company has relinquished 30% Participating Interest (PI) in SGL Field with future interest in block RJ-ON/6 Jaisalmer Basin Rajasthan to Focus Energy Limited (Operator), on condition that Focus Energy Limited (Operator) to pay towards 100% past royalty obligation, PEL/ML fees, other statutory levies and waive off development/ Production costs payable by ONGC in SGL Field of the block as well as take all future 100% royalty obligation of ONGC as licensee and also not exercise its option of acquiring 30% PI in two gas discoveries namely SSG-1 and SSF-2 in Block. Pending farm out agreement/ government approval, no adjustment is made in the accounts in respect of relinquishment of RJ-ON/6.

42.4 Jointly Controlled Entities:

42.4.1 Company has ownership interest in following Jointly Controlled Entities:

Name	Country of Incorporation	Ownership Interest (%)	
		As at 31.03.2016	As at 31.03.2015
Petronet LNG Limited	India	**12.50**	12.50
Petronet MHB Limited	India	**28.77**	28.77
Mangalore SEZ Limited	India	**26.00**	26.00
ONGC Petro-additions Limited	India	**49.36**	49.36
ONGC Tripura Power Co. Limited	India	**50.00**	49.52
ONGC Teri Biotech Limited	India	**49.98**	49.98
Dahej SEZ Limited	India	**50.00**	50.00

42.4.2 The Company's share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:

(₹ in million)

Description	As at/for the year ended 31.03.2016	As at/for the year ended 31.03.2015
i) Assets		
Fixed Assets	**153,848.53**	134,214.88
Other Non-Current Asset	**10,420.62**	12,754.17
Deferred Tax Assets	**633.25**	548.63
Current Asset	**11,365.23**	11,410.67
ii) Liabilities		
Long Term Borrowings	**81,611.57**	92,189.53
Other Non-Current liabilities and provisions	**8,655.08**	6,328.85
Deferred Tax Liability	**2,093.33**	1,604.41
Current liabilities and provisions	**48,526.91**	29,965.13
iii) Income	**41,513.79**	61,119.59
iv) Expenses	**40,019.03**	63,002.08
v) Contingent liabilities	**1,793.49**	13,212.91
vi) Capital commitments	**7,616.36**	12,156.07

43. Disclosure under Accounting Standard – 28 "Impairment of Assets" and Guidance note on Accounting for Oil and Gas producing Activities (Revised 2013) issued by ICAI on impairment of Assets"

43.1 The Company is engaged mainly in the business of oil and gas exploration and production in Onshore and Offshore. In case of onshore assets, the fields are using common production/transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

43.2 The Value in Use of producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under circumstances where the further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use.

43.3 In assessing value in use, the estimated future cash flows from the continuing use of the assets and from its disposal at the end of its useful life are discounted to their present value. The present values of cash flows are determined by applying discount rates of 19.06% (previous year 19.71 %) for Rupee transactions and 13.37% (previous year 13.89 %) for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products are computed using the future prices, on the basis of market-based average prices of the Dated Brent crude oil as per assessment by 'Platt's Crude Oil Market wire' and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas is also computed based on the expected future prices on the basis of the notification issued by the Government of India and discounted applying the rate applicable to the cash flows measured in USD in view of the new pricing guidelines issued by GoI. (refer note no.27.3)

43.4 The company had assessed the impairment as at 31st March' 2016 for its cash generating units. As a result, an amount of ₹ 33,107.27 million (Previous Year ₹ 2,136.53 million) has been provided. Out of this, an amount of ₹ 29,865.91 million pertains to Onshore CGU Sibsagar and ₹ 2,257.50 million in respect of Pre NELP JV Block RJ-ON-90/1. Further, ₹ 821.81 million has been provided in respect of Offshore CGUs. Balance impairment loss of ₹ 162.05 million relates to other CGUs namely Silchar, Jodhpur etc.

During the year, ₹ 1,685.14 million (Previous Year ₹ 201.88 million) impairment losses has been reversed. Out of this, an amount of ₹ 1,645.10 million relates to already partially impaired Rajahmundry Offshore CGU. Balance ₹ 40.04 million reversal pertains to Offshore CGU B-121, CY-OS-90/1 (PY-3), Tapti etc.

Considering the fall in crude oil prices in the international market and resultant net impairment being significant during the year, the same has been considered as Exceptional item and disclosed appropriately in the "statement of Profit and Loss".

43.5 Impairment testing of assets under exploratory phase (Exploratory Wells in Progress) has been carried out as on 31.03.2016, and an amount of ₹ 626.36 million (Previous year ₹ 1,172.15 million) has been provided during the year 2015-16 as impairment loss. Further, ₹ 3,466.20 million (Previous Year ₹ 1,203.23 million) impairment losses has been reversed in the Statement of Profit and Loss as exploratory phase assets have been transferred to Oil & Gas Assets.

43.6 The following 2P reserves for the respective CGU considered as a basis for the impairment assessment.

Name of the CGU	Quantity of Reserves used for Impairment Assessment (In MMT)
G1 GS 15	11.78
Jodhpur Onshore Asset	2.03
Silchar Onshore Asset	1.18
RJ-ON-90/1 (Pre NELP PSC Block)	10.43
Ankleshwar	15.69
Cluster B-193	7.78
WO 16	11.13

44 Disclosure under Accounting Standard - 29 on "Provisions, Contingent Liabilities and Contingent Assets":

Movement in Provisions for Abandonment and others:

Other provisions represent provision for Court cases, arbitration etc., where the timing of expected outflows is upon settlement of the proceedings:

(₹ in million)

Particulars	Provision for Abandonment		Others	
	2015-16	2014-15	2015-16	2014-15
Opening Balance	**227,543.61**	228,439.19	**848.69**	805.86
Add: Provision made during the year	**35,869.90**	22,654.15	**-**	42.83
Less: Provision written back/ reclassified/ reduction during the year	**16,831.47**	23,549.73	**109.06**	-
Closing Balance	**246,582.04**	**227,543.61**	**739.63**	**848.69**

45 Other Disclosures under Schedule III to the Companies Act, 2013:

45.1 Contingent liabilities and commitments (to the extent not provided for)

45.1.1 Contingent Liabilities:

Claims against the Company/ disputed demands not acknowledged as debt:-

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
I In respect of Company		
i. Income Tax	**72,595.09**	80,032.68
ii. Excise Duty	**8,045.11**	8,572.86
iii. Custom Duty	**225.52**	190.61
iv. Royalty (Note - 45.1.1.b & 45.1.1.c)	**149,219.29**	117,738.83
v. Cess	**6.57**	6.57
vi. AP Mineral Bearing Lands (Infrastructure) Cess	**2,543.98**	2,371.76
vii. Sales Tax	**27,539.80**	24,776.47
viii. Service Tax	**1,652.90**	1,374.57
ix. Octroi & other Municipal Taxes	**222.22**	205.52
x. Specified Land Tax (Assam)	**4,197.21**	3,863.05
xi. Claims of contractors (Incl. LAQ) in Arbitration/Court	**107,608.72**	72,750.49
xii. Employees Provident Fund	**66.35**	66.35
xiii. Others	**42,336.92**	53,578.89
Sub Total (A)	**416,259.68**	**365,528.65**
II In respect of Joint Ventures		
i. Income Tax	**8.91**	8.91
ii. Excise Duty	**4.17**	4.17
iii. Custom Duty	**152.54**	1,473.86
iv. Sales Tax and Service Tax	**3,548.44**	2,880.48
v Claims of contractors in Arbitration / Court	**5,662.05**	5,356.90
vi. Others	**1,366.37**	867.31
Sub Total (B)	**10,742.48**	**10,591.63**
TOTAL (A + B)	**427,002.16**	**376,120.27**

a. The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax / Statutory/ Government Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

b. In terms of the statutory provisions of Oilfields (Regulation and Development) Act, 1948 (ORDA), Petroleum & Natural Gas (PNG) Rules 1959 and Notifications issued thereunder; the Company is liable to pay royalty to the Central Government (GoI) and State Governments, on production of Crude Oil and Natural Gas from offshore and onshore fields, respectively. Since 2008-09, the Company has been paying royalty on crude oil at realized price which is net of under-recovery of the OMCs shared by the Company as per GoI directives. On an application filed by the State of Gujarat, the Hon'ble High Court of Gujarat in its order dated 30.11.2013 has directed the Company to pay the shortfall of royalty on crude oil produced from the onshore fields in the State of Gujarat on pre-discount prices from 01.04.2008 onwards. Based on the Special Leave Petition filed by the Company against the said order of the Hon'ble High Court of Gujarat, pending further orders, Hon'ble Supreme Court vide order dated 13.02.2014 stayed the operation of the impugned judgment subject to the condition that the company pays royalty to the State of Gujarat on pre-discounted price of crude oil w.e.f. 01.02.2014 onwards. Accordingly, differential amount of ₹ 117,864.64 million on this account for the period from April, 2008 to March, 2016 (₹ 117,242.00 million as on 31.03.2015) has been considered as Contingent Liability. Pending the final outcome of the SLP filed before the Hon'ble Supreme Court, differential royalty (royalty on pre-discount price minus royalty on post-discount price) amounting to ₹ 21,690.24 million deposited w.e.f. February, 2014 (₹ 21,067.60 million as on 31.03.2015) in terms of Hon'ble Supreme Court order has been shown as deposit.

c. Government of Assam has filed a writ petition in the Hon'ble High Court of Guwahati for payment of differential royalty of ₹ 23,367.30 million on post and pre discount sale price of crude oil for the period 2008-09 to 2013-14 which is pending adjudication. The amount of demand as above together with amount of differential royalty up to 31.03.2016 including interest thereon estimated to be ₹ 30,857.82 million has accordingly been included and shown as contingent liability.

45.1.2 Corporate Guarantees executed by the Company on behalf of its wholly owned subsidiary, ONGC Videsh Limited (OVL):

45.1.3 Guarantees executed for financial obligations:

i) Amount of Guarantee ₹ 323,516.26 million (Previous year ₹ 304,152.81 million)

ii) Amount outstanding ₹ 320,902.11 million (Previous year ₹ 301,671.35 million)

45.1.4 Corporate Guarantees executed by the Company on behalf of its subsidiary, MRPL:

i) Amount of Guarantee ₹ 31,516.25 million (Previous year ₹ 29,754.00 million)

ii) Amount outstanding ₹ 10,269.62 million (Previous year ₹ 3,290.04 million)

45.1.5 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account:-

i) In respect of Company: ₹ 122,679.23 million (Previous year ₹ 134,081.19 million).

ii) In respect of Joint Ventures: ₹ 20.52 million (Previous year ₹ 3,842.99 million).

45.1.6 Other Commitments

a) Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts' with Government of India/ Nominated Blocks:

i) In respect of NELP blocks in which the Company has 100% participating interest: ₹ 2,394.45 million (Previous year ₹ 3,000.14million).

ii) In respect of NELP blocks in Joint Ventures, company's share: ₹ 24,680.51 million (Previous year ₹ 32,705.26 million).

b) In respect of ONGC Petro Additions Limited, A Joint Venture Company ₹ 480.50 million on account of subscription of Share Warrants with a condition to convert it to shares after a balance payment of ₹ 0.25/- per share.

45.1.7 The Company has given an undertaking to The State Bank of India, for a Rupee term loan agreement amounting to ₹ 30,350 million (previous year ₹ 30,350 million) in respect of ONGC Tripura Power Co. Limited (OTPC) for not to dilute the shareholding till two years after Commercial Operation Date (COD) of the project and to bear any cost overrun to the extent of 10% of the estimated project cost of ₹40,470 million.

45.2 Quantitative Details

45.2.1 Production Quantities (Certified by the Management):

Products	Unit	2015-16	2014-15
Crude Oil	MT	**259,27,483**	259,42,770
Natural Gas	000 M^3	**225,29,543**	235,23,675
Liquefied Petroleum Gas	MT	**11,95,162**	10,95,081
Ethane/Propane	MT	**374,701**	336,802
Propane	MT	**28,796**	2,517
Naphtha	MT	**10,42,624**	11,54,660
Superior Kerosene Oil	MT	**66,780**	72,189
Aviation Turbine Fuel	MT	**3,119**	11,448
Low Sulphur Heavy Stock	MT	**21,586**	18,841
High Speed Diesel	MT	**33,481**	28,703
Mineral Turpentine Oil	MT	**2,075**	852

Note :

1. Production includes internal consumption and intermediary losses.
2. Crude oil production includes condensate of 1.285 MMT (Previous year 1.448 MMT).

45.2.2 Purchases (Traded Products):

Particulars	Unit	2015-16		2014-15	
		Quantity	Value (₹ in million)	Quantity	Value (₹ in million)
High Speed Diesel	KL	**1,150**	**41.34**	400	16.65
Motor Spirit	KL	**678**	**29.88**	548	27.18
Others		**-**	**0.29**	-	0.28
Total			**71.51**		**44.11**

45.2.3 Raw Material Consumed:

For production of Liquefied Petroleum Gas, Ethane/Propane, Naphtha, Superior Kerosene Oil, Low Sulphur High Stock, Aviation Turbine Fuel and High Speed Diesel.	Unit	2015-16		2014-15	
		Quantity	Value at cost (₹ in million)	Quantity	Value at cost (₹ in million)
Out of own production:					
Crude Oil	MT	**77,808**	**827.91**	60,374	710.35
Natural Gas	000M^3	**967,445**	**6,537.48**	919,773	5,700.30
Gas Equivalent Condensate	000M^3	**399,779**	**2,094.32**	410,900	1,768.98
Purchases					
Gas Equivalent Condensate	MT	**9,689**	**236.11**	15,908	664.93
Liquefied Natural Gas	MT	**144,702**	**5,353.34**	-	-

45.3 Consumption of Stores and Spare Parts:

	2015-16		2014-15	
	Amount (₹ in million)	%	Amount (₹ in million)	%
Imported	**10,138.23**	**21.44**	10,542.40	21.29
Indigenous	**37,156.28**	**78.56**	38,984.15	78.71
Total	**47,294.51**	**100.00**	**49,526.55**	**100.00**

45.4 Value of Imports on CIF Basis:

(₹ in million)

	2015-16	2014-15
Capital items *	**3,008.89**	1,508.63
Stores and Spare Parts	**10,243.11**	12,268.40
Total	**13,252.00**	**13,777.03**

*Includes stage payments made against capital works.

45.5 Expenditure in Foreign Currency:

(₹ in million)

Particulars	2015-16	2014-15
Services	**216,331.01**	174,771.93
Others	**657.49**	649.03
Total	**216,988.51**	**175,420.96**

45.6 Earnings in Foreign Currency:

(₹ in million)

Particulars	2015-16	2014-15
Services	**20.96**	2.43
FOB value of Sales	**30,281.17**	50,153.48
Others	**29.93**	72.08
Total	**30,332.05**	**50,227.99**



46 Disclosure under Guidance Note on Accounting for "Oil and Gas Producing Activities" (Revised)

46.1 Company's share of Proved Reserves on the geographical basis is as under:

	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)*	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Offshore	Opening	**208.13**	212.16	**187.882**	202.723	**396.00**	414.87
	Addition	**9.36**	12.36	**5.689**	3.480	**15.05**	15.84
	Production	**16.73**	16.39	**17.265**	18.321	**34.00**	34.71
	Closing	**200.76**	**208.13**	**176.306**	**187.882**	**377.05**	**396.00**
Onshore	Opening	**189.75**	189.31	**148.051**	150.595	**337.80**	339.90
	Addition	**6.33**	9.18	**2.002**	2.365	**8.33**	11.55
	Production	**8.35**	8.74	**4.970**	4.909	**13.32**	13.65
	Closing	**187.73**	**189.75**	**145.083**	**148.051**	**332.81**	**337.80**
Total	Opening	**397.88**	401.47	**335.933**	353.318	**733.81**	754.78
	Addition	**15.69**	21.54	**7.691**	5.845	**23.39**	27.39
	Production	**25.08**	25.13	**22.235**	23.230	**47.32**	48.36
	Closing	**388.49**	**397.88**	**321.389**	**335.933**	**709.88**	**733.81**

46.2 Company's share of Proved Developed Reserves on the geographical basis is as under:

	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)*	
		As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Offshore	Opening	**154.48**	158.99	**122.693**	132.710	**277.17**	291.70
	Addition	**8.86**	11.88	**8.097**	8.304	**16.97**	20.18
	Production	**16.73**	16.39	**17.265**	18.321	**34.00**	34.71
	Closing	**146.61**	**154.48**	**113.525**	**122.693**	**260.14**	**277.17**
Onshore	Opening	**143.74**	146.60	**103.835**	106.984	**247.57**	253.58
	Addition	**7.33**	5.99	**1.360**	1.853	**8.69**	7.84
	Production	**8.36**	8.85	**5.023**	5.002	**13.39**	13.85
	Closing	**142.71**	**143.74**	**100.172**	**103.835**	**242.87**	**247.57**
Total	Opening	**298.22**	305.58	**226.528**	239.694	**524.75**	545.28
	Addition	**16.19**	17.88	**9.457**	10.157	**25.66**	28.03
	Production	**25.09**	25.24	**22.288**	23.323	**47.39**	48.56
	Closing	**289.32**	**298.22**	**213.697**	**226.528**	**503.01**	**524.75**

*MMTOE denotes "Million metric Tonne Oil Equivalent" and for calculating Oil equivalent of Gas, 1000 M^3 of Gas has been taken to be equal to 1 MT of Crude Oil.

Variations in totals, if any, are due to internal summations and rounding off.

46.3 The year-end reserves of the company have been estimated by the Reserves Estimation Committee (REC) which follows international reservoir engineering procedures consistently.

The company has adopted deterministic approach for reserves estimation and is following Society of Petroleum Engineers (SPE) – 1997 guidelines which defines reserves as "estimated volumes of crude

oils, condensate, natural gas, natural gas liquids and associated substances anticipated to be commercially recoverable from known accumulations from a given date forward, under existing economic conditions, by established operating practices, and under current Government regulations."

Volumetric estimation is the main procedure in estimation, which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it. As the field gets matured with reasonably good production history is available then performance method such as material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves.

The Company uses the services of third party agencies for due diligence and it gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New in- place Volume and Ultimate Reserves are estimated for new field discoveries or new pool discoveries in already discovered fields. Also, appraisal activities lead to revision in estimates due to new subsurface data. Similarly, reinterpretation exercise is also carried out for old fields due to necessity of revision in petro-physical parameters, updating of static and dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitates revision in estimation of reserves.

47 Disclosure pursuant to SEBI (Listing obligation and isclosure uirements)regulations 2015: **(₹ in million)**

Parliculars	Outstanding as at 31.03.2016	Maximum Amount Outstanding during the year 2015-16	Outstanding as at 31.03.2015	Maximum Amount Outstanding during the year 2014-15
a) Loans to Subsidiaries:*				
i) ONGC Videsh Limited (OVL)*	**57,585.20**	**67,500.00**	66,142.28	66,142.28
ii) Mangalore Refinery and Petrochemicals Limited (MRPL)	**32,571.30**	**39,428.50**	39,428.50	46,285.70
b) Loan to Associate:				
i) Pawan Hans Limited (formerly Pawan Hans Helicopter Limited) (PHL)	**33.16**	**367.84**	367.84	718.17
c) In the nature of loans to Firms\ companies in which directors are interested:	**Nil**	**Nil**	Nil	Nil

*Excludes Current account transaction



Investments by the ONGC Videsh Limited (OVL), loanee:

Name of Subsidiary	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	₹ in million	No. of Shares	₹ in million
a) ONGC Nile Ganga B.V.				
Equity Shares Class A	**40**	**8,462.12**	40	8,462.12
Class B	**100**	**21,155.29**	100	21,155.29
Class C	**880**	**234.25**	880	234.25
b) ONGC Narmada Limited				
Equity Shares	**20,000,000**	**6.94**	20,000,000	6.94
c) ONGC Amazon Alaknanda Limited				
Equity Shares	**12,000**	**0.56**	12,000	0.56
Preference Shares	**151,965,012**	**7,013.19**	165,797,732	7,651.57
d) Imperial Energy Limited (formerly Jarpeno Limited)				
Equity Shares	**1,450**	**15,574.46**	1,450	15,574.46
Preference Shares	**192,210**	**86,744.37**	192,210	86,744.37
e) Carabobo One AB				
Equity Shares	**377,678**	**2,822.02**	377,678	2,822.02
f) ONGC (BTC) Limited				
Equity Shares	**1,237,502**	**391.31**	7,398,001	2,339.30
g) Beas Rovuma Energy Mozambique Limited				
Equity Shares	**7,680**	**93,710.60**	7,680	94,289.92
h) ONGC Videsh Rovuma Limited				
Equity Shares	**20,000**	**1.31**	10,000	0.19
i) ONGC Videsh Atlantic Limited				
Equity Shares	**2,040,000**	**136.72**	40,000	1.06

Notes :

1. Loan to OVL is repayable within a notice period of fifteen months and carries no interest during the years 2015-16 and 2014-15.
2. Loan to MRPL carries interest @State Bank Advance Rate (SBAR) with a spread of minus 385 basis points. The Loan is repayable quarterly in 28 equal instalments. The repayment of loan had started from the last quarter of FY 2013-14. ONGC can call these loans on notice of 90 days. MRPL can prepay whole or part of the loan to ONGC as per its requirement.
3. The Company has not advanced any money to its employees for the purposes of investment in the securities of the Company.

48. **Disclosure on Foreign currency exposures at year end that have not been hedged by derivative instrument or otherwise are given below:**

(Figures in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Foreign Currency	Equivalent ₹	Foreign Currency	Equivalent ₹
Import Creditors				
AED	**0.29**	**5.28**	0.27	4.61
AUD	**0.38**	**19.04**	1.07	51.11
CHF	**-**	**-**	0.11	6.82
EUR	**16.75**	**1,255.68**	12.15	821.82
GBP	**25.89**	**2,464.83**	3.58	331.68
JPY	**486.62**	**287.30**	519.05	270.48
NOK	**12.08**	**96.26**	1.28	10.01
OMR	**0.04**	**6.70**	0.04	6.33
SEK	**0.03**	**0.24**	0.03	0.22
SGD	**0.10**	**4.88**	0.38	17.51
USD	**842.28**	**55,885.24**	782.90	49,040.84
Total		**60,025.45**		**50,561.44**
Export Receivables				
USD	**147.41**	**9,780.74**	197.92	12,397.94
MWP Provision				
USD	**169.47**	**11,244.39**	175.30	10,980.66
Cash Call Payable				
USD	**0.07**	**4.36**	1.18	74.13
Cash Call Receivable				
USD	**-**	**-**	47.78	2,992.94

49 The Company has a system of physical verification of Inventory, Fixed Assets and Capital Stores in a phased manner to cover all items over a period of three years. Adjustment of differences, if any, is carried out on completion of reconciliation.

50 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

51 Some balances of Trade/Other Receivables, Trade/Other Payables and Loans and Advances are subject to confirmation/ reconciliation. Adjustments, if any, will be accounted for on confirmation/ reconciliation of the same, which will not have a material impact.

52 Previous year's figures have been regrouped/ reclassified, wherever necessary, to conform to current year's classification.

53 Figures in parenthesis as given in these Notes to Financial Statement relate to previous year.

Segment Information - Standalone

(₹ in million)

Particulars	2015-16					2014-15				
	Offshore	Onshore	Total Segments	Unallocated	Grand Total	Offshore	Onshore	Total Segments	Unallocated	Grand Total
Revenue										
External Sales	**568,671**	**217,176**	**785,847**	**-**	**785,847**	596,731	234,204	830,935	-	830,935
Inter Segment Sales	**-**	**-**	**-**		**-**			-		-
Gross Revenue	**568,671**	**217,176**	**785,847**	**-**	**785,847**	596,731	234,204	830,935	-	830,935
Less: Excise Duty	**1,724**	**247**	**1,971**		**1,971**	2,032	193	2,225		2,225
Total Revenue	**566,947**	**216,929**	**783,876**	**-**	**783,876**	**594,699**	**234,011**	**828,710**	**-**	**828,710**
Results										
Segment Result Profit(+)/Loss(-)	**235,738**	**(18,584)**	**217,154**		**217,154**	226,272	19,946	246,218		246,218
Unallocated Corporate Expenses			**-**	**16,298**	**16,298**			-	16,092	16,092
Operating Profit	**235,738**	**(18,584)**	**217,154**	**(16,298)**	**200,856**	**226,272**	**19,946**	**246,218**	**(16,092)**	**230,126**
Interest Expenses			**-**	**114**	**114**			-	28	28
Interest/Dividend Income			**-**	**33,161**	**33,161**			-	35,454	35,454
Income Taxes			**-**	**73,867**	**73,867**			-	88,223	88,223
Profit from Ordinary Activities	**235,738**	**(18,584)**	**217,154**	**(57,118)**	**160,036**	226,272	19,946	246,218	(68,889)	177,329
Extraordinary Gain			**-**		**-**			-		-
Net Profit	**235,738**	**(18,584)**	**217,154**	**(57,118)**	**160,036**	**226,272**	**19,946**	**246,218**	**(68,889)**	**177,329**
Other Information										
Segment Assets	**1,038,666**	**514,058**	**1,552,724**		**1,552,724**	1,004,659	537,448	1,542,107		1,542,107
Unallocated Corporate Assets			**-**	**648,334**	**648,334**			-	538,692	538,692
Total Assets	**1,038,666**	**514,058**	**1,552,724**	**648,334**	**2,201,058**	**1,004,659**	**537,448**	**1,542,107**	**538,692**	**2,080,799**
Segment Liabilities	**300,809**	**107,971**	**408,780**		**408,780**	289,560	103,877	393,437		393,437
Unallocated Corporate Liabilities			**-**	**273,751**	**273,751**			-	241,351	241,351
Total Liabilities	**300,809**	**107,971**	**408,780**	**273,751**	**682,531**	**289,560**	**103,877**	**393,437**	**241,351**	**634,788**
Capital Expenditure	**181,104**	**44,738**	**225,842**	**1,795**	**227,637**	184,284	74,557	258,841	4,237	263,078
Depreciation, Depletion and Amortisation	**88,917**	**25,815**	**114,732**	**700**	**115,432**	88,224	25,120	113,344	1,167	114,511
Non-cash Expenses	**2,760**	**1,170**	**3,930**	**8**	**3,938**	755	1,001	1,756	6	1,762

Statement Pursuant to Section 129 (AOC-1)

Group Performance at a Glance

Independent Auditors' Report on Consolidated Financial Statement

Consolidated Financial Statement



ONGC Ahmedabad Asset Well No. K#01



Hands On: Lady Officer at work in Mumbai Offshore

Form- AOC-1

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures as on 31.03.2016

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in million)

				As at 31.03.2016					For the year 2015-16					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sl. No.	Name of the subsidiary	Reporting period for the subsidiary	Reporting currency and Exchange rate $$	Share capital	Reserves & surplus	Total assets	Total Liabilities	Details of Investment	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	ONGC Videsh Limited	31.03.2016	INR	100,000.00	140,382.44	724,731.50	484,349.06	205,666.05	71,117.40	(16,852.67)	3,741.67	(20,594.34)	-	100.00%
2	Mangalore Refinery & Petrochemicals Limited	31.03.2016	INR	17,526.64	46,677.80	373,552.34	309,347.90	13,496.73	396,474.41	11,735.10	253.51	11,481.59		71.63%
3	ONGC Mangalore Petrochemicals Limited (Refer Note 3.1)	31.03.2016	INR	18,776.26	(14,074.13)	76,602.70	71,900.57	4.80	41,875.74	(8,753.52)	-	(8,753.52)	-	85.53%
4	ONGC Nile Ganga B.V.	31.03.2016	USD	4.64	177,414.28	192,754.11	15,335.19	118,776.94	10,330.88	(2,230.64)	(169.38)	(2,061.26)	-	100% for A&B and 77.491% for Class C
5	ONGC Campos Ltda.	31.03.2016	BRL; 1 USD= BRL 3.5589	19,595.61	(22,198.04)	61,267.58	63,870.01	-	10,153.45	(3,724.15)	(1,265.42)	(2,458.73)	315.51	100.00%
6	ONGC Nile Ganga (Cyprus) Limited	31.03.2016	USD	0.15	9,446.86	9,447.54	0.53	-	-	(0.51)	(18.27)	17.76	-	100.00%
7	ONGC Nile Ganga (San Cristobal) B.V.	31.03.2016	USD	3.85	38,427.38	38,947.41	516.18	11,982.16	95.51	(458.26)	-	(458.26)	917.37	100.00%
8	ONGC Satpayev E&P B.V. *	31.03.2016	USD	-	-	-	-	-	-	1.45	-	1.45	-	100.00%
9	ONGC Caspian E&P B.V.	31.03.2016	USD	2.57	7,722.66	8,093.26	368.03	1.05	-	427.47	89.92	337.55	1,466.88	100.00%
10	ONGC Amazon Alaknanda Limited	31.03.2016	USD	10,083.67	37,651.62	52,531.45	4,796.15	-	8,092.84	(822.32)	(399.68)	(422.64)	-	100.00%
11	ONGC Narmada Limited	31.03.2016	USD	10.33	(2,023.44)	122.46	2,135.57	-	-	-	-	-	-	100.00%
12	ONGC (BTC) Limited	31.03.2016	USD	82.11	(77.43)	87.71	0.21	-	3,584.06	3,582.51	81.78	3,500.74	-	100.00%
13	Carabobo One AB	31.03.2016	Euro: 1 USD= 1.14 Euro	301.75	3,069.75	3,563.58	192.09	3,560.61	-	(1.74)	-	(1.74)	-	100.00%
14	Petro Carabobo Ganga B.V.	31.03.2016	USD	1.43	11,280.03	11,434.04	152.58	1.61	67.78	(237.37)	2.15	(239.51)	-	100.00%
15	Imperial Energy Limited	31.03.2016	USD	14.37	37,031.12	39,540.16	(2,494.67)	-	-	9,868.47	4.19	9,864.28	-	100.00%
16	Imperial Energy Tomsk Limited	31.03.2016	USD	-	144.29	148.86	(4.57)	-	-	76.83	-	76.83	-	100.00%
17	Imperial Energy (Cyprus) Limited	31.03.2016	USD	-	3,627.93	3,631.93	(3.99)	-	-	1.71	-	1.71	-	100.00%
18	Imperial Energy Nord Limited	31.03.2016	USD	-	15,062.36	15,085.90	(23.54)	-	-	1.45	-	1.45	-	100.00%
19	Biancus Holdings Limited	31.03.2016	USD	-	265.56	2,940.03	(2,674.47)	-	-	(85.54)	-	(85.54)	-	100.00%
20	Redcliffe Holdings Limited	31.03.2016	USD	-	890.47	892.43	(1.96)	-	-	1.59	-	1.59	-	100.00%
21	Imperial Frac Services (Cyprus) Limited	31.03.2016	USD	-	12.60	12.08	(0.14)	-	-	(47.45)	-	(47.45)	-	100.00%
22	San Agio Investments Limited	31.03.2016	USD	-	(3.02)	383.63	(385.99)	-	-	53.78	-	53.78	-	100.00%
23	LLC Sibinterneft	31.03.2016	USD	-	(347.30)	109.01	(456.31)	-	-	72.91	-	72.91	-	55.90%
24	LLC Alliancenefтegaz	31.03.2016	USD	-	(1,622.67)	2,907.86	(4,530.53)	-	(3,605.41)	798.22	-	798.22	-	100.00%
25	LLC Nord Imperial	31.03.2016	USD	-	2,786.83	3,849.13	(1,062.30)	-	(1,967.54)	147.12	-	147.12	-	100.00%
26	LLC Rus Imperial Group	31.03.2016	USD	-	(91.07)	296.29	(387.36)	-	(139.57)	32.36	-	32.36	-	100.00%
27	LLC Imperial Frac Services	31.03.2016	USD	-	38.33	41.32	(2.98)	-	(562.22)	(376.42)	16.79	(393.20)	-	50.00%
28	Beas Rovuma Energy Mozambique Ltd.	31.03.2016	USD	35,057.52	(14,576.25)	33,640.22	13,158.95	-	-	(189.19)	-	(189.19)	-	60.00%
29	ONGC Videsh Rovuma Ltd.	31.03.2016	USD	1.33	(1.19)	0.35	0.21	-	-	(0.79)	-	(0.79)	-	100.00%
30	ONGC Videsh Atlantic Inc.	31.03.2016	USD	135.35	1.90	232.21	94.96	-	-	4.70	1.78	2.92	-	100.00%

Notes:

1. Exchange Rate
   For Balance Sheet items - 1 USD = ₹66.35
   For Profit & Loss items - 1 USD = ₹65.48

* Subsidiaries Liquidated during the year 2015-16

1 ONGC Satpayev E&P B.V. has been liquidated w.e.f. 01 February 2016.

For and on behalf of the Board

(V.N Murthy) **Company Secretary**

(A K Srinivasan) **Director (Finance)**

(D.K.Sarraf) **Chairman & Managing Director**

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP	For Lodha & Co.	For G D Apte & Co.	For Khandelwal Jain & Co.	For Dass Gupta & Associates	For K C Mehta & Co.
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Reg. No. 003990S/S200018	Firm Reg. No.301051E	Firm Reg. No. 100515W	Firm Reg. No.105049W	Firm Reg. No.000112N	Firm Reg. No.106237W
(S.Narasimhan)	(R. P Singh)	(U.S. Abhyankar)	(Narendra Jain)	(Raaja Jindal)	(Vishal P Doshi)
Partner (M.No. 206047)	Partner (M. No. 052438)	Partner (M.No. 113053)	Partner (M. No. 048725)	Partner (M.No. 504111)	Partner (M. No. 101533)

New Delhi
May 26th, 2016

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in million)

1	2	3	4	5	6	7	8	9	10	
Sl. No.	Name of the Joint Ventures/ Associates	Latest audited Balance Sheet Date	Shares of Associates/Joinit Ventures held by the company on the year end			Description of how there is significant influence	Reason why Associate & JV not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/Loss for the year	
			No.	Amount of Investment in Associates/ Joint Ventures	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
Joint Venture										
1	Petronet LNG Limited (PLL)	31.03.2016	93750000	987.50	12.50	By virtue of shareholding agreement	NA	8,030.59	1,160.66	-
2	Petronet MHB Ltd (PMHBL)	31.03.2016	157841000	1,578.41	28.77	Share holding more than 20%	NA	1,668.55	178.78	-
3	Mangalore SEZ Ltd (MSEZ)	31.03.2016	13000000	130.00	26.82	Share holding more than 20%	NA	198.46	(10.39)	-
4	ONGC Petro Additions Ltd. (OPaL)	31.03.2015	997955639	9,979.55	49.36	Share holding more than 20%	NA	9,973.60	(513.41)	-
5	ONGC Tripura Power Company Ltd. (OTPC)	31.03.2015	559999996	5,600.00	50.00	Share holding more than 20%	NA	2,963.29	(216.50)	-
6	ONGC Teri Biotech Ltd. (OTBL)	31.03.2016	24990	0.25	49.98	Share holding more than 20%	NA	144.60	40.83	-
7	Dahej SEZ Limited (DSEZ)	31.03.2015	23025000	230.25	50.00	Share holding more than 20%	NA	675.67	107.72	-
8	Shell MRPL Aviation Fuels & Services Limited (SMASL)(through MRPL)	31.03.2016	15000000	150.00	50.00	Share holding more than 20%	NA	366.96	19.11	-
9	Mangalam Retail Services Limited (MRSL) (through MRPL)	31.03.2016	49960	0.50	49.98	Share holding more than 20%	NA	0.59	0.02	-
10	ONGC Mittal Energy Ltd (OMEL) (through OVL)	31.12.2014	24990000	1,113.72	49.98	According to PI	NA	(9,060.16)	-	-
11	Petrolera Indovenezolana S.A.	31.03.2016	40000	12,691.83	40.00	According to PI	N/A	25,573.28	3,596.17	-
12	South-East Asia Gas Pipeline Company Limited	31.03.2016	16694	1.11	8.35	According to PI	N/A	4,063.94	1,557.23	-
13	Tamba B.V.	31.03.2016	1620	18,403.70	27.00	According to PI	N/A	25,280.68	2,807.93	-
14	Himalaya Energy (Syria) B.V.	31.03.2016	45000	22,378.96	50.00	According to PI	N/A	59.05	45.12	-
15	Petro Carabobo S.A.	31.03.2016	11000	1.70	11.00	According to PI	N/A	102.18	2,549.83	-
16	Carabobo Ingenieria y Construcciones, S.A.	31.03.2016	275	0.00	37.93	According to PI	N/A	-	-	-
Associates										
1	Pawan Hans Ltd. (PHL)	31.03.2015	120350	1203.5	49	share holding more than 20%	NA	2,651.54	125.91	-

1 Names of associates or joint ventures which are yet to commence operations (Nil)

2 Names of associates or joint ventures which have been liquidated or sold during the year (Nil)

For and on behalf of the Board

(V.N Murthy)	(A K Srinivasan)	(D.K.Sarraf)
Company Secretary	**Director (Finance)**	**Chairman & Managing Director**

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP	For Lodha & Co.	For G D Apte & Co.	For Khandelwal Jain & Co.	For Dass Gupta & Associates	For K C Mehta & Co.
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(S.Narasimhan)	(R. P. Singh)	(U.S. Abhyankar)	(Narendra Jain)	(Raaja Jindal)	(Vishal P Doshi)
Partner (M.No. 206047)	Partner (M. No. 052438)	Partner (M.No. 113053)	Partner (M. No. 048725)	Partner (M.No. 504111)	Partner (M. No. 101533)

New Delhi
May 26th, 2016

ONGC Group
Performance at a Glance

(₹ in million unless otherwise stated)	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
FINANCIAL						
Income form Operations	**1,429,271**	1,663,888	1,782,051	1,658,482	1,511,003	1,252,873
Other Non-operating Income	**70,228**	59,253	68,899	54,907	47,934	37,180
Total Revenue	**1,499,499**	1,723,141	1,850,950	1,713,389	1,558,937	1,290,053
Statutory Levies	**330,494**	306,836	299,174	284,369	269,402	247,631
Operating Expenses	**617,007**	824,585	901,110	824,465	639,629	488,606
Exchange Loss/(Gain)	**468**	(465)	(650)	4,206	11,925	42
Exploration costs written off *	**60,797**	109,514	84,881	110,457	105,136	92,620
Profit Before Interest, Depreciation & Tax (PBIDT)	**490,733**	482,671	566,435	489,892	532,845	461,154
Depreciation, Depletion, Amortisation and Impairment	**180,087**	180,330	166,057	117,633	131,866	113,644
Profit Before Interest & Tax (PBIT)	**310,646**	302,341	400,377	372,259	400,979	347,510
Interest Payment	**21,573**	28,637	6,243	4,838	4,349	4,377
Profit before Tax and Exceptional Items	**289,073**	273,704	394,134	367,421	396,630	343,133
Exceptional item	**(61,894)**	-	-	-	31,405	-
Profit before Tax	**227,179**	273,704	394,134	367,421	428,035	343,133
Corporate Tax	**84,170**	96,974	127,604	127,519	143,746	114,883
Profit after Tax	**143,009**	176,730	266,530	239,902	284,289	228,250
Share in Associates for the year	**126**	303	118	38	(11)	30
Profit relating to minority	**1,897**	(6,302)	1,583	(2,256)	2,842	3,720
Group Profit after Tax	**141,238**	183,335	265,065	242,196	281,436	224,560
Dividend	**72,722**	81,277	81,277	81,277	83,416	74,859
Tax on Dividend	**14,844**	16,317	13,842	13,053	13,611	12,528
Share Capital	**42,778**	42,778	42,778	42,778	42,778	42,778
Net Worth (Equity)	**1,839,121**	1,794,742	1,710,556	1,510,417	1,352,666	1,145,312
Long-term Borrowings	**462,719**	475,755	316,809	88,428	52,086	39,771
Working Capital	**(85,469)**	15,427	(44,857)	63,899	96,213	75,237
Capital Employed	**1,745,056**	1,781,995	1,447,991	1,183,203	1,003,223	909,267
FINANCIAL PERFORMANCE RATIOS						
PBIDT to Turnover (%)	**34.33**	29.01	31.79	29.54	35.26	36.81
PBDT to Turnover (%)	**32.83**	27.29	31.44	29.25	34.98	36.46
Profit Margin (%)- incl. exceptional items	**9.88**	11.02	14.87	14.60	18.63	17.92
ROCE(PBIDT to Capital Employed) (%)	**28.12**	27.09	39.12	41.40	53.11	50.72
Net Profit to Equity (%)- incl. exceptional items	**7.68**	10.22	15.50	16.04	20.81	19.61
BALANCE SHEET RATIOS						
Current Ratio	**0.91:1**	1.03:1	0.93:1	1.13: 1	1.21:1	1.21:1
Debt Equity Ratio	**0.25**	0.27	0.19	0.06	0.04	0.03
Debtors Turnover Ratio (Days)	**36.39**	38.22	32.83	33.88	28.31	29.05
PER SHARE DATA						
Earning Per Share (₹)	**16.51**	21.43	30.98	28.31	32.90	26.25
Dividend (%)	**170**	190	190	190	195	175
Book Value Per Share (₹)	**215**	210	200	177	158	134

In view of the Notification no. S.O 447(E) dated 28.02.2011, issued by Ministry of Corporate Affairs, the Balance sheet of the Company is mandatorily required to be prepared in Revised Schedule VI w.e.f 1 April, 2011 onwards (Schedule III after implementation of Companies Act, 2013 w.e.f. 1st April, 2014). Accordingly, the figures of FY 2015-16 and FY 2014-15 are given as per requirement of Schedule-III. Figures for FY 2010-11 to FY 2013-14 are given as per the requirement of Revised Schedule VI and for earlier years figures are as per Old Schedule VI.

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

ONGC Group
Performance at a Glance

(₹ in million unless otherwise stated)	2009-10	2008-09	2007-08	2006-07
FINANCIAL				
Income from Operations	1,085,787	1,105,621	1,036,483	898,872
Statutory Levies	213,391	229,963	240,025	216,411
Operating Expenses	407,693	430,150	374,072	307,502
Exchange Loss/(Gain)	(10,671)	11,716	1,018	(2,675)
Profit Before Interest Depreciation & Tax (PBIDT)	475,374	433,792	421,368	377,634
Recouped Costs	187,391	155,705	139,533	124,154
Operating Income (PBIT)	287,983	278,087	281,835	253,480
Interest(Net)	(16,431)	(32,950)	(27,375)	(19,241)
Profit before Tax and Extraordinary Items	304,414	311,037	309,210	272,721
Extraordinary Items- Excess of Insurance Claims over Book Value	-	658	-	4,751
Profit before Tax	304,414	311,695	309,210	277,472
Corporate Tax	107,138	110,094	106,999	98,454
Profit after Tax	197,276	201,601	202,211	179,018
Share in Associates for the year	78	99	21	102
Profit relating to minority	3,319	3,747	3,509	1,424
Group Profit after Tax	194,035	197,953	198,723	177,696
Dividend	70,583	68,444	68,444	66,305
Tax on Dividend	11,992	12,017	12,014	10,383
Share Capital	21,389	21,389	21,535	21,416
Net Worth (Equity)	1,005,653	915,729	774,127	661,994
Borrowings	51,769	13,091	9,427	12,964
Working Capital	192,787	172,257	240,202	202,408
Capital Employed	869,009	752,781	693,329	618,263
FINANCIAL PERFORMANCE RATIOS				
PBIDT to Turnover (%)	43.78	39.21	40.70	41.96
PBDT to Turnover (%)	45.29	42.18	43.27	44.20
Profit Margin(%)- incl. extraordinary items	17.87	17.89	19.16	19.80
ROCE(PBIDT to Capital Employed) (%)	54.70	57.63	60.77	61.08
Net Profit to Equity (%)- incl. extraordinary items	19.29	21.62	25.67	26.84
BALANCE SHEET RATIOS				
Current Ratio	1.38:1	1.31:1	1.75:1	1.79:1
Debt Equity Ratio	0.05	0.01	0.01	0.02
Debtors Turnover Ratio(Days)	24	24	25	20
PER SHARE DATA				
Earning Per Share (₹) - before extraordinary items*	22.68	23.09	23.23	20.40
Earning Per Share (₹)- after extraordinary items*	22.68	23.14	23.23	20.77
Dividend (%)	330	320	320	310
Book Value Per Share(₹)*	118	107	90	77

*restated Post Bonus & Split

Statement of Income and Retained Earnings of ONGC Group

(₹ in million)	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
REVENUES						
Sales						
Crude Oil	**587,208**	662,845	654,029	621,576	640,041	558,993
Natural Gas	**200,825**	204,306	194,594	174,558	151,320	135,329
LPG	**35,194**	34,380	30,145	31,484	23,711	18,368
Naptha	**30,611**	50,835	75,743	76,805	72,167	56,342
Ethane/Propane	**9,441**	10,064	14,837	13,440	12,741	8,796
Superior Kerosene Oil	**2,118**	2,770	2,779	3,686	1,520	679
HSD	**406**	312	522	170	103	134
Motor Spirit	**-**	-	-	-	30	-
Others	**541,149**	679,914	796,713	727,355	599,982	447,972
Price Revision Arrears	**-**	-	-		-	-
Sub-Total	**1,406,952**	1,645,426	1,769,362	1,649,074	1,501,615	1,226,613
Traded Products	**120**	60	44	43	34	172
Other Operating Revenue	**22,199**	18,402	12,645	9,365	9,354	26,088
Total Revenue from Operations	**1,429,271**	1,663,888	1,782,051	1,658,482	1,511,003	1,252,873
Other Non-operating Income	**70,228**	59,253	68,899	54,907	47,934	37,180
Total Revenues	**1,499,499**	1,723,141	1,850,950	1,713,389	1,558,937	1,290,053
COST & EXPENSES						
Operating, Selling & General						
Statutory Levies						
(a) Royalties	**102,634**	141,451	150,102	137,210	155,316	126,529
(b) Cess	**101,916**	102,535	99,734	99,971	57,831	56,963
(c) Motor Spirit Cess	**-**	-	3			
(d) Excise Duty	**115,901**	52,669	37,432	34,732	37,427	51,544
(e) Natural Calamity Contingent Duty - Crude Oil	**1,137**	1,123	1,097	1,101	1,097	1,114
(f) Sales Tax	**2,652**	2,586	3,123	3,834	3,339	3,112
(g) Service Tax	**339**	298	439	353	8,337	2,018
(h) Education Cess	**-**	91	2,348	3,111	1,871	1,828
(i) Octroi & Port Trust Charges	**5,915**	6,083	4,896	4,057	4,184	4,523
Sub-Total (a to i)	**330,494**	306,836	299,174	284,369	269,402	247,631
(Accretion) / Decretion in stock	**7,229**	17,229	(5,285)	(11,205)	(4,641)	(8,917)
Production, Transportation, Selling and Distribution Expenditure	**607,488**	793,345	898,504	813,428	632,912	487,776
Provisions and Writ-offs	**9,109**	10,876	10,315	22,243	11,599	9,635
Exchange Loss / Gain	**468**	(465)	(650)	4,206	11,925	42
Adjustments relating to Prior Period (Net)	**(6,819)**	3,135	(2,423)	(1)	(241)	112
Exploration Costs Written off						
- Survey Costs	**17,401**	20,835	17,471	18,078	14,947	19,542
- Exploratory Well Costs	**43,396**	88,679	67,410	92,379	90,189	73,078
Profit Before Depreciation, Interest &Tax	**490,733**	482,671	566,435	489,892	532,845	461,154
Depreciation, Depletion, Amortisation and Impairment	**180,087**	180,330	166,057	117,633	131,866	113,644
Total Cost & Expenses	**1,188,853**	1,420,800	1,450,573	1,341,130	1,157,958	942,543
Operating Income Before Interest & Tax	**310,646**	302,341	400,377	372,259	400,979	347,510
Interest Payment	**21,573**	28,637	6,243	4,838	4,349	4,377
Profit before Tax and Exceptional item	**289,073**	273,704	394,134	367,421	396,630	343,133
Exceptional item	**(61,894)**	-	-	-	31,405	-
Profit before Tax	**227,179**	273,704	394,134	367,421	428,035	343,133
Corporate Tax (Net)	**84,170**	96,974	127,604	127,519	143,746	114,883
Profit after Tax	**143,009**	176,730	266,530	239,902	284,289	228,250
Share in Associates for the year	**126**	303	118	38	(11)	30
Profit relating to minority	**1,897**	(6,302)	1,583	(2,256)	2,842	3,720
Group Profit after Tax	**141,238**	183,335	265,065	242,196	281,436	224,560
Profit & Loss Account Balance b/f	**214,095**	233,115	205,773	179,959	144,332	116,377
Adjustments due to change in share holding /other adjustment	**1,939**	1	46	59	44	(137)
Transfer to Capital Redemption Reserve	**-**	-	-	46	46	-
Dividend	**72,722**	81,277	81,277	81,277	83,416	74,859
Tax on Dividend	**14,844**	16,317	13,842	13,053	13,611	12,528
Transfer to Self Insurance Reserves	**7**	4	-	-	-	-
Transfer to CSR Reserves	**1**	-	-	-	-	-
Transfer to general Reserve	**78,711**	80,755	132,250	117,757	144,461	104,773
Transfer to Debenture Redemption Reserve	**30,137**	24,003	10,400	4,308	4,319	4,308
Retained Earnings at Close	**160,850**	214,095	233,115	205,773	179,959	144,332

Statement of Income and Retained Earnings of ONGC Group

(₹ in million)	2009-10	2008-09	2007-08	2006-07
REVENUES				
Sales				
Crude Oil	527,312	491,127	543,631	475,295
Natural Gas	81,405	82,835	78,560	80,117
LPG	21,924	22,752	20,169	14,867
Naptha/Aromatic Rich Naptha	47,137	48,406	43,848	37,907
Ethane/Propane	10,249	9,890	9,291	9,095
Superior Kerosene Oil	3,255	16,701	10,775	15,754
HSD	156	61,910	48,621	42,037
Motor Spirit	27	11,062	9,159	4,530
Others	370,250	349,257	254,297	183,064
Price Revision Arrears	-	-	-	11
Sub- Total	1,061,715	1,093,940	1,018,351	862,677
Write Back of Excess Liability				-
Pipeline Revenue	3,126	5,267	4,644	3,351
Other Receipts	17,217	9,858	12,387	23,029
Accretion / (Decretion) in stock	3,729	(3,444)	1,101	9,815
Total Revenues	1,085,787	1,105,621	1,036,483	898,872
COST & EXPENSES				
Operating, Selling & General				
(a) Royalties	103,561	111,574	121,057	104,558
(b) Cess/ Excise Duty	98,831	103,571	108,838	100,160
(c) Natural Calamity Contingent Duty - Crude Oil	1,062	1,081	1,127	1,149
(d) Sales Tax	3,734	7,823	2,947	6,009
(e) Education Cess	1,719	1,784	1,861	1,303
(f) Octroi & Port Trust Charges	4,484	4,130	4,195	3,232
(g) VAT	816	800	685	1,063
Sub-Total (a to g)	213,391	229,963	240,025	216,411
Pipeline Operations (Excluding Depreciation)	11,967	10,725	10,343	9,122
Other Operating Costs	395,726	419,425	363,729	298,380
Exchange Loss/(Gain)	(10,671)	11,716	1,018	(2,675)
Recouped Costs				
(a) Depletion	62,242	55,883	49,259	46,439
(b) Depreciation	20,767	21,822	27,874	29,060
(c) Amortisation	104,815	81,110	62,837	46,925
(d) Impairment	(433)	(3,110)	(437)	1,730
Sub-Total (a to d)	187,391	155,705	139,533	124,154
Total Cost & Expenses	797,804	827,534	754,648	645,392
Operating Income Before Interest &Tax	287,983	278,087	281,835	253,480
Interest				
- Payments	5,564	2,386	1,135	1,906
- Receipts	21,995	35,336	28,510	21,147
- Net Interest	(16,431)	(32,950)	(27,375)	(19,241)
Profit before Tax and Extraordinary Items	304,414	311,037	309,210	272,721
Extraordinary Items- Excess of Insurance Claims over Book Value	-	658	-	4,751
Profit before Tax	304,414	311,695	309,210	277,472
Corporate Tax (Net)	107,138	110,094	106,999	98,454
Profit after Tax	197,276	201,601	202,211	179,018
Share in Associates for the year	78	99	21	102
Profit relating to minority	3,319	3,747	3,509	1,424
Group Profit after Tax	194,035	197,953	198,723	177,696
Profit & Loss Account Balance b/f	93,335	58,990	28,795	8,848
Adjustments	(21)	(107)	-	-
Dividend	70,583	68,444	68,444	66,305
Tax on Dividend	11,992	12,017	12,014	10,383
Retained Earnings For The Year	204,774	176,375	147,060	109,856

Statement of Financial Position of ONGC Group

(₹ in million)	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
RESOURCES						
A. Own						
1. Net Worth						
(a) Equity						
i) Share Capital	**42,778**	42,778	42,778	42,778	42,778	42,778
ii) Reserves & Surplus	**1,804,666**	1,761,766	1,678,738	1,482,498	1,321,614	1,110,495
Sub-Total	**1,847,444**	1,804,544	1,721,516	1,525,276	1,364,392	1,153,273
(b) **Less:** Miscellaneous Expenditure	**8,323**	9,802	10,960	14,859	11,726	7,961
Net Worth	**1,839,121**	1,794,742	1,710,556	1,510,417	1,352,666	1,145,312
B. Long-term Borrowings	**462,719**	475,755	316,809	88,428	52,086	39,771
C. Deferred Tax Liability (Net)	**203,553**	181,759	178,635	142,251	121,846	111,526
D. Minority Interest	**25,067**	24,731	29,120	19,466	22,240	19,891
TOTAL RESOURCES (A+B+C+D)	**2,530,460**	2,476,987	2,235,120	1,760,562	1,548,838	1,316,500
DISPOSITION OF RESOURCES						
A. Non-current assets						
1. Block Capital (Net)						
i) Fixed Assets*	**371,445**	686,712	462,254	406,745	306,080	266,924
ii) Oil and Gas Assets/Producing Properties*	**1,306,586**	910,049	912,681	705,395	608,004	571,896
iii) Intangible Assets	**1,310**	1,169	754	1,041	1,364	1,735
Total Block Capital	**1,679,341**	1,597,930	1,375,689	1,113,181	915,448	840,555
2. Goodwill on consolidation	**176,432**	201,399	183,545	83,255	77,976	89,928
3. Long-term Loans and Advances(Excluding Capital Advance)	**97,880**	94,164	83,077	67,002	51,029	58,250
4. Deposit with Bank Under Site Restoration Fund Scheme	**147,749**	136,424	120,830	106,349	94,753	81,262
5. Other non-current Assets (Excluding DRE)	**101,839**	71,270	53,474	19,642	20,302	5,619
6. Sub-Total= (1+2+3+4+5)	**2,203,241**	2,101,187	1,816,615	1,389,429	1,159,508	1,075,614
7. **Less:** Non-current Liabilities & Provision						
a. Other Long Term Liabilities	**17,658**	7,625	18,467	17,163	10,758	9,731
b. Provision for Abandonment Cost	**323,500**	298,198	274,266	207,255	203,982	198,469
c. Long Term Provisions	**31,558**	28,796	31,034	45,707	37,758	33,384
Sub-Total (7)	**372,716**	334,619	323,767	270,125	252,498	241,584
Net Non Current Asset (A)=(6)-(7)	**1,830,525**	1,766,568	1,492,848	1,119,304	907,010	834,030
B. Net Working Capital						
1. Current Assets						
i) Inventories	**100,897**	106,198	148,015	127,726	131,680	85,676
ii) Trade Receivables	**96,865**	188,158	160,290	153,956	117,181	99,730
iii) Cash & Bank Balances	**257,839**	160,969	244,801	196,190	278,914	208,158
iv) Short-term Loans & Advances	**89,558**	100,174	66,317	59,766	52,210	40,124
v) Others Current Assets (Excluding DRE)	**8,068**	9,635	8,135	9,082	19,643	5,955
Sub-Total	**553,227**	565,134	627,558	546,720	599,628	439,643
Less:						
2. Current Liabilities						
i) Short-term borrowings	**73,206**	53,448	139,073	115,271	100,538	20,843
ii) Trade payables	**338,861**	304,660	306,803	186,148	176,036	155,863
iii) Other current liabilities	**172,318**	168,205	217,039	170,869	202,917	176,615
iv) Short-term provisions	**54,311**	23,394	9,500	10,533	23,924	11,085
Sub-Total	**638,696**	549,707	672,415	482,821	503,415	364,406
Net Working Capital	**(85,469)**	15,427	(44,857)	63,899	96,213	75,237
C. Capital Employed	**1,745,056**	1,781,995	1,447,991	1,183,203	1,003,223	909,267
D. Investments						
i) Non-current Investments	**56,941**	47,470	47,205	20,453	20,412	28,920
ii) Current Investments	**30,881**	22	254	829	8,795	2,080
E. Capital Works in Progress (Including Capital Advance)	**443,457**	435,533	557,603	419,676	399,855	273,854
F. Exploratory/Development Wells in Progress	**254,125**	211,967	182,067	136,401	116,553	102,379
TOTAL DISPOSITION (C+D+E+F)	**2,530,460**	2,476,987	2,235,120	1,760,562	1,548,838	1,316,500

* Note: In FY 2015-16, Company has transferred Producing Properties as " Oil and Gas Assets". Further, net book value of assets pertaining to production & allied facilities has also been transferred from other fixed assets to refelect aggregate amount of "Oil and Gas Assets" (refer note no.14.2 of consolidated financial statements)

Statement of Financial Position of ONGC Group

(₹ in million)	2009-10	2008-09	2007-08	2006-07
RESOURCES				
A. Own				
1. Net Worth				
a) Equity				
i) Share Capital	21,389	21,389	21,535	21,416
ii) Reserves & Surplus	992,677	900,846	759,331	645,719
Sub-Total	1,014,066	922,235	780,866	667,135
b) **Less:** Miscellaneous Expenditure	8,413	6,506	6,739	5,141
Net Worth	1,005,653	915,729	774,127	661,994
2. Long Term Liabilities				
Net Deferred Tax Liability	102,912	92,231	87,376	81,119
Total Own Funds (1 + 2)	1,108,565	1,007,960	861,503	743,113
B. Minority Interest	16,432	14,113	11,448	8,321
C. Outside				
1. Unsecured Loans				
a) Indian Loans	34,550	6,015	2,079	1,881
b) Foreign Loans	10,260	1,492	1,458	4,526
Total Unsecured Loans	44,810	7,507	3,537	6,407
2. Secured Loans	6,959	5,584	5,890	6,557
Total Outside Resources	51,769	13,091	9,427	12,964
TOTAL RESOURCES (A+ B+C)	1,176,766	1,035,164	882,378	764,398
DISPOSITION OF RESOURCES				
A. Goodwill on consolidation	95,385	114,039	25,777	30,616
B. Block Capital				
1. Fixed Assets	243,762	184,956	193,961	185,355
2. Producing Properties (Gross)	511,665	452,980	362,714	351,741
Less: Libility for Abandonment Cost	174,590	171,451	129,325	151,857
Total Block Capital	580,837	466,485	427,350	385,239
C. Working Capital				
a) Current Assets				
i) Inventories	82,400	65,424	72,985	58,744
ii) Debtors (Net of Provision)	71,424	71,814	70,469	48,167
iii) Cash & Bank Balances	149,704	156,331	186,525	150,653
iv) Deposit with Bank Under Site Restoration Fund Scheme#	74,138	69,624	64,034	56,103
v) Loans & Advances and Others	127,998	143,953	81,332	74,738
Sub-Total	505,664	507,146	475,345	388,405
Less:				
b) Current Liabilities and Provisions				
and Short Term Loans	312,877	334,889	235,143	185,997
Working Capital	192,787	172,257	240,202	202,408
D. CAPITAL EMPLOYED	869,009	752,781	693,329	618,263
E. INVESTMENTS	51,593	34,803	44,821	35,832
F. CAPITAL WORKS IN PROGRESS	176,039	165,222	86,351	64,055
G. EXPLORATORY/DEVELOPMENT WELLS IN PROGRESS	80,125	82,358	57,877	46,248
TOTAL DISPOSITION	1,176,766	1,035,164	882,378	764,398

Excluded for Current Ratio.



ONGC Videsh (OVL) with participation in 36 projects in 17 countries has produced 166 thousand barrels of oil and oil equivalent gas per day during FY'16. Seen in the picture, OVL's operation in Vietnam



ONGC Videsh's DeKastri Oil Export Terminal

Independent Auditors' Report on Consolidated Financial Statements

To

The Members of Oil And Natural Gas Corporation Limited

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Oil and Natural Gas Corporation Limited ("hereinafter referred to as "the Holding Company ") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act 2013 ("hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014. The respective Boards of Directors of the companies included in the Group and of its Associate and Jointly Controlled Entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 6(iii) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

5. Emphasis of Matters

i. We draw attention to Note 46.1.1.3 to the consolidated financial statements with regard to the dispute between the Holding company and the Government of Gujarat in respect of payment of Royalty on the crude oil produced in the State. The accrual of the additional liability of ₹ 117,864.64 million, against which an amount of ₹ 21,690.24 million has been paid with effect from February 2014 and considered as deposit, would depend on the decision of the Hon'ble Supreme Court of India. The amount of ₹ 117,864.64 million has been disclosed as contingent liability.

ii. We draw attention to Note no. 46.1.1.4 to the consolidated financial statements with regard to the similar dispute before High Court of Guwahati where Government of Assam has claimed royalty on the crude oil produced in the state. This amount of demand

including interest thereon of ₹ 30,857.82 million is disclosed as contingent liability.

Our opinion is not modified in respect of these matters.

6. Other Matters

i. The consolidated financial statements include the Holding Company's share in the total value of assets, liabilities, expenditure and income of 135 blocks under New Exploration Licensing Policy (NELPs)/Joint Venture (JVs) accounts for exploration and production out of which 6 NELPs / JVs accounts have been certified by other Chartered Accountants and 11 NELP/ JVs have been certified by the management in respect of NELPs / JVs operated by other operators. Our opinion is based solely on the certificate of the other Chartered Accountants and management certified accounts in respect of these 17 NELP/JVs.

ii. We have placed reliance on technical/commercial evaluation by the management in respect of categorization by the Holding Company of wells as exploratory, development, producing and dry well, allocation of cost incurred on them, proved developed hydrocarbon reserves and depletion thereof on Oil and Gas Assets, impairment, liability for abandonment costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme and allocation of depreciation on process platforms to transportation and facilities.

iii. We did not audit the financial statements of two subsidiaries and four Jointly Controlled Entities whose financial statements reflect total assets as at March 31,2016 total revenues and net cash inflow/(outflow) for the year ended on that date considered as under in the consolidated financial statements based on audited financial statements by other auditors:

Subsidiaries

(₹ in million)

Name of the Subsidiary	Total Assets as at March 31, 2016#	Total Revenue for the year ended 31 March, 2016#	Net Cash Inflow/(Outflow)#
ONGC Videsh Limited (OVL)	993,044.84	127,719.87	(10,324.30)
Mangalore Refinery and Petrochemicals Limited (MRPL)	437,805.05	406,193.66	58,504.78

As per the Consolidated Financial Statements of OVL/MRPL.

Jointly Controlled Entities

(₹ in million)

Name of the Jointly Controlled Entities	Group Effective share in Total Assets as at 31st March, 2016	Group Effective share in Total Revenue for the year ended 31st March, 2016	Group Effective share in Net Cash Inflow/(Outflow)
Petronet LNG Limited #	15,909.30	34,244.45	2,274.80
Petronet MHB Limited $	1,953.18	470.21	332.26
ONGC Teri Biotech Limited $	272.45	117.00	69.43
Mangalore SEZ Limited #	4,241.86	306.84	43.66

As per the Consolidated Financial Statements of the Jointly Controlled Entities.

$ As per the Standalone Financial Statements of the Jointly Controlled Entities.

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of subsections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

iv. We did not audit the financial statements of three Jointly Controlled Entities whose financial statements reflect total assets as at March 31, 2016, total revenues and net cash inflow/(outflow) for the year ended on that date considered as under in the consolidated financial statements, unaudited and as furnished by the Management:

Jointly Controlled Entities

(₹ in million)

Name of the Jointly Controlled Entities	Group Effective share in Total Assets as at 31st March, 2016	Group Effective share in Total Revenue for the year ended 31st March, 2016	Group Effective share in Net Cash Inflow/(Outflow)
Dahej SEZ Limited $	4,889.33	314.38	120.61
ONGC Tripura Power Company Limited #	23,008.35	6,041.40	(2,338.35)
ONGC Petro Additions Limited $	125,419.93	18.93	(406.73)

$ As per the Standalone Financial Statements of the Jointly Controlled Entities.

As per the Consolidated Financial Statements of the Jointly Controlled Entities.

These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as its relates to the amounts and disclosures included in respect of this jointly controlled entities, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited financial statements.

v. The consolidated financial statements also include the group share of net profit of ₹ 125.91 million for the year ended March 31, 2016 as considered in the consolidated financial statements, in respect of Pawan Hans Limited, an associate whose financial information has not been audited by us. This financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as its relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on unaudited financial information. In our opinion and according to information and explanations given to us by the Management, this financial information is not material to the Group.

vi. Based on the report of the auditors on the consolidated financial statements of one of the subsidiary, ONGC Videsh Limited, we draw attention to Note No.44.6 of the consolidated financial statements regarding provisions for impairment amounting to ₹ 30,471.74 Millions in respect of 3 Cash Generating Units (CGUs), where the auditors of subsidiary have stated that they have relied upon the results of the Impairment test conducted by the management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

7. Report on Other Legal and Regulatory Requirements

1. Based on the comments in the auditors' reports of the Holding company and the subsidiary companies and jointly controlled entities incorporated in India as referred to in para 6(iii) above, we report that a paragraph on the directions/additional sub-directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act has been included in respect of the auditors' report of Holding Company and its subsidiaries (OVL & MRPL). Accordingly, we give a report on the directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act in **"Annexure 1".**

2. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section

133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.

e. As required by section 143(3) of the Act, based on the comments in the auditors' reports we report that:

i. in respect of the Holding company and one subsidiary company (MRPL) as per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, section 164(2) as regards the disqualifications of Directors is not applicable to the Companies, since they are government companies;

ii. in respect of one subsidiary company (OVL) and jointly controlled entities of MRPL, on the basis of the written representations received from the directors as on 31st March 2016, taken on record by the Board of Directors of the Company incorporated in India, none of the directors of the Company incorporated in India are disqualified as on 31 March 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in **"Annexure A".**

g. The matter described under "Emphasis of Matters" para above in the event of being decided unfavorably, in our opinion, may have an adverse impact on the functioning of the Holding Company.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements have disclosed the impact of the pending litigations on its financial position of the Group, its associate and the jointly controlled entities. – Refer Note 46.1.1 to the consolidated financial statements;

ii. According to information and explanations given to us, the Group, its associate & Jointly Controlled Entities have made provision for material foreseeable losses in respect of long term contract including derivative contracts - Refer Note 32.9 to the consolidated financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protections Fund by the Group, its associate and its jointly controlled entities incorporated in India.

For G. D. Apte & Co. **Chartered Accountants** **Firm Reg. No: 100515W**	**For Khandelwal Jain & Co.** **Chartered Accountants** **Firm Reg. No: 105049W**	**For Lodha & Co.** **Chartered Accountants** **Firm Reg. No: 301051E**
(U. S. Abhyankar) **Partner (M.No. 113053)**	(Narendra Jain) **Partner (M.No. 048725)**	(R.P Singh) **Partner (M.No. 052438)**
For P K F Sridhar & Santhanam LLP **Chartered Accountants** **Firm Reg. No.003990S/S200018**	**For Dass Gupta & Associates** **Chartered Accountants** **Firm Reg. No. 000112N**	**For K C Mehta & Co.** **Chartered Accountants** **Firm Reg. No.106237W**
(S.Narasimhan) **Partner (M. No 206047)**	(Raaja Jindal) **Partner (M. No.504111)**	(Vishal P Doshi) **Partner (M. No.101533)**

Place : New Delhi
Date : May 26, 2016

Annexure 1 to Independent Auditors' Report on Consolidated Financial Statements

(Referred to in paragraph 7 (1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Directions/ Additional sub directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act

Holding Company:

a. On the basis of the information to the extent compiled by the company pending the reconciliation of the available records with the books of account and considering the voluminous nature and various locations, we report that the company has title/lease deeds for free hold/lease hold land except for the following where the title deeds and area details for the same are not available with the company: (₹ in million)

Nature	No. of assets	Block Gross	Net Block
Lease hold land	15	1,903.98	1,679.02
Free hold land	158	184.61	184.61
Total	**173**	**2,088.59**	**1,863.63**

Pending compilation by the management of the complete details covering all the units, area under respective line items for the above could not be given.

b. According to information and explanations given to us, the cases of waiver/write off of debts/loans/interest wherever applicable during the year along with the reasons and amounts involved are as under:

Sr.No.	Reasons	₹ in million
1	Bad debts written off	5.62
2	Write off of Old Insurance Claims	1.45
3	Advance to employee write off	1.79
4	Others long outstanding balances	2.04
	Total	**10.90**

c. According to information and explanations given to us, the company has maintained adequate records in respect of inventories lying with third parties and assets received by the company as a gift/grants from Government or other authorities.

d. We have verified ceiling test calculation for all oil and gas fields/Cash Generating Units for determination of impairment provision of Fixed Assets of the Company.

Subsidiaries and Jointly Controlled Entities:

S.No.	Particulars	PMHBL	OMPL	MRPL	OVL
1	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	As per Enclosure A	No Adverse Comments	No Adverse Comments	No Adverse Comments
2	Whether there are any cases of waiver/write off of debts/lands/ interest etc., if yes, the reasons there for and amount involved.	No Adverse Comments	No Adverse Comments	These have been expenses to the Statement to Profit and Loss on account of prevailing industry practice. i) Bad debts written off Rs. 0.70 million and ii) Central Sales Tax on sales to PSU Oil Marketing Companies Rs 2,183.92 Million	No Adverse Comments
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities.	No Adverse Comments	No Adverse Comments	No Adverse Comments	No Adverse Comments

Additional Sub Directions

S. No.	Particulars	PMHBL	OMPL	MRPL	OVL
1	Acquisition cost of oil and gas property in exploration and development stage were being taken to acquisition cost under the respective category. Now, acquisition cost relating to projects under exploration or development are to be initially accounted for as 'Capital work-in-progress'. Such costs would then be capitalized by transferring to 'Producing Property' when a well is ready to commence commercial production. In case of abandonment/relinquishment such costs are written off. The same may be verified.	Not Applicable	Not Applicable	Not Applicable	No Adverse Comments
2	Independent verification may be made of information/inputs furnished to Actuary, viz number of employees, average salary, retirement age and assumptions made by the Actuary regarding discount rate, future cost increase, mortality rate, etc for arriving at the provision for liability of retirement benefits, viz gratuity, leave encashment, post-retirement medical benefits etc.	Not Applicable	Not Applicable	Not Applicable	The employees of the Company are deputed from the parent company Oil and Natural Gas Corporation Limited and governed as per the parent company policy for employee benefit. All the scheme relating to employee benefits are administered by the parent company and accordingly the year end provision of employee benefits for the current year are settled by transfer to the parent company.

Enclosure A to the Report on the Directions/ Additional sub directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act

S. No.	Location	Extent of holding	Remarks
1	Sectional Valve (SV)-1 station land- Mogar, Mangalore Taluk	0.4 Acres	Possession Certificate is available. Lease Cum Sale Agreement with KIADB is executed but yet to be registered. Absolute Sale Deed is yet to be executed
2	SV - 5 station land- Hantanamane, Alur Taluk	0.15 Acres	Possession Certificate is available. Lease cum Sale Agreement with KIADB is yet to be executed, though the company has submitted the required documents. Lease term has expired and Absolute Sale Deed is yet to be executed.
3	SV - 6 station land- Kalenhalli, Chennarayaptna Taluk	0.15 Acres	Possession Certificate is available. Lease cum Sale Agreement with KIADB is yet to be executed, though the company has submitted the required documents. Lease term has expired and Absolute Sale Deed is yet to be executed.
4	SV - 7 station land- Karikyatanahalli, Chennarayaptna Taluk	0.2 Acres	Possession Certificate is available. Lease cum Sale Agreement with KIADB is yet to be executed, though the company has submitted the required documents. Lease term has expired and Absolute Sale Deed is yet to be executed.
5	SV - 8 station land- Jeddigere, Kunigal Taluk	0.15 Acres	Possession Certificate is available. Lease cum Sale Agreement with KIADB is yet to be executed. Company has submitted the required document for execution of Lease Cum Sale Agreement

S. No.	Location	Extent of holding	Remarks
6	IP Station land- Kurudihalli, Kunigal Taluk	1 Acre	Possession Certificate is available. Lease cum Sale Agreement with KIADB is yet to be executed. Company has submitted the required document for execution of Lease Cum Sale Agreement
7	SV - 9 station land - Ennegere, Magadi Taluk	0.15 Acres	Possession Certificate is available. Lease cum Sale Agreement with KIADB is yet to be executed. Company has submitted the required document for execution of Lease Cum Sale Agreement
8	Neriya station land Neriya, Beltangady Taluk	4.85 and 2.9 Acres	Lease cum Sale Agreement with KIADB executed. Absolute Sale Deed not yet executed.
9	66 KV transmission line ROW at Hassan- KIADB	2.03 Acres	Lease cum Sale Agreement with KIADB executed. Lease Term Expired and Absolute Sale Deed not yet executed.
	Leasehold Land		
1	Mangalore	18.07 Acres	Lease Deed with Hindustan Petroleum Corp. Ltd. Is yet to be executed. Lease Rental paid based on Minutes of Meeting date 17/03/2003
2	Hassan	16.69 Acres	Lease Deed with Hindustan Petroleum Corp. Ltd. Is yet to be executed. Lease Rental paid based on Minutes of Meeting date 17/03/2003
3	Devengonthi	14.30 Acres	Lease Deed with Hindustan Petroleum Corp. Ltd. Is yet to be executed. Lease Rental paid based on Minutes of Meeting date 17/03/2003



Even inclement weather cannot deter our Energy Soldiers - Team Tripura undertaking hydro - fracking for the first time in its history at Khubal and Baramura fields, Tripura

Annexure A to Independent Auditors' Report on Consolidated Financial Statements

(Referred to in paragraph 7 (2) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of **Oil and Natural Gas Corporation Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies and jointly controlled entities which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled entities which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by ICAI deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal

financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of

collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3) (If the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 subsidiary companies and 4 jointly controlled entities, which are companies incorporated in India, is based on the corresponding standalone / consolidated reports of the auditors, as applicable, of such companies incorporated in India.

In respect of 17 NELPs/incorporated JVs which are operated by others, 1 associate and 3 jointly controlled entities there are no reports from Chartered Accountants in respect of internal financial control system over financial reporting and hence, these are not covered in this report.

For G. D. Apte & Co. **Chartered Accountants** **Firm Reg. No: 100515W** (U. S. Abhyankar) **Partner (M.No. 113053)**	**For Khandelwal Jain & Co.** **Chartered Accountants** **Firm Reg. No: 105049W** (Narendra Jain) **Partner (M.No. 048725)**	**For Lodha & Co.** **Chartered Accountants** **Firm Reg. No: 301051E** (R.P. Singh) **Partner (M.No. 052438)**
For P K F Sridhar & Santhanam LLP **Chartered Accountants** **Firm Reg. No.003990S/S200018** (S.Narasimhan) **Partner (M. No 206047)**	**For Dass Gupta & Associates** **Chartered Accountants** **Firm Reg. No. 000112N** (Raaja Jindal) **Partner (M. No.504111)**	**For K C Mehta & Co.** **Chartered Accountants** **Firm Reg. No.106237W** (Vishal P Doshi) **Partner (M. No.101533**

Place : New Delhi
Date : May 26, 2016



View of field party Base Camp: Home away from home for many ONGCians

Consolidated Balance Sheet as at 31st March, 2016

(₹ in million)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Owner's Fund			
(i) Share capital	4	42,777.60	42,777.60
(ii) Reserves and surplus	5	1,804,665.67	1,761,766.43
(b) Minority Interest		25,067.12	24,731.33
2 Non-current liabilities			
(a) Long-term borrowings	6	462,719.32	475,754.62
(b) Deferred tax liabilities	7	215,470.39	193,565.02
(c) Other Long term liabilities	8	17,658.32	7,624.84
(d) Long-term provisions	9	355,057.91	326,994.46
3 Current liabilities			
(a) Short-term borrowings	10	73,206.59	53,447.95
(b) Trade payables	11		
Total outstanding dues of Micro & Small Enterprises		53.93	95.63
Total outstanding dues of Creditors other than Micro & Small enterprises		338,807.17	304,564.06
(c) Other current liabilities	12	172,317.71	168,205.51
(d) Short-term provisions	13	54,310.75	23,393.80
TOTAL		3,562,112.47	3,382,921.24
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets			
(a) Oil and Gas Assets	14	1,306,585.75	910,049.33
(b) Other Tangible assets	15	371,445.08	686,712.14
(ii) Intangible assets	16	1,310.06	1,169.25
(iii) Capital work-in-progress	17		
(a) Development Wells in Progress		46,762.25	57,094.69
(b) Others		278,318.74	269,507.50
(iv) Intangible assets under development	18		
(a) Exploratory Wells in Progress		207,362.35	154,872.56
(b) Others		153,506.81	152,458.99
(b) Goodwill on consolidation	19	176,432.38	201,398.86
(c) Non-current investments	20	56,941.26	47,469.93
(d) Deferred tax Asset	7	11,917.66	11,805.98
(e) Long-term loans and advances	21	109,511.29	107,730.41
(f) Deposit under Site Restoration Fund Scheme	26.5	147,748.71	136,423.99
(g) Other non-current assets	22	106,597.29	76,855.59
2 Current assets			
(a) Current investments	23	30,881.13	21.46
(b) Inventories	24	100,897.40	106,198.15
(c) Trade receivables	25	96,864.51	188,158.17
(d) Cash and Bank Balances	26	257,839.20	160,969.17
(e) Short-term loans and advances	27	89,557.98	100,174.01
(f) Other current assets	28	11,632.62	13,851.07
TOTAL		3,562,112.47	3,382,921.24
Accompanying Notes are an integral of this Financial Statements.	1 to 49		

For and on behalf of the Board

(V.N Murthy)	(A K Srinivasan)	(D.K.Sarraf)
Company Secretary	**Director (Finance)**	**Chairman & Managing Director**

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018
(S.Narasimhan)
Partner (M.No. 206047)

For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No.105049W
(Narendra Jain)
Partner (M. No. 048725)

For Lodha & Co.
Chartered Accountants
Firm Reg. No.301051E
(R. P Singh)
Partner (M. No. 052438)

For Dass Gupta & Associates
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Firm Reg. No.000112N
(Raaja Jindal)
Partner (M.No. 504111)

For G D Apte & Co.
Chartered Accountants
Firm Reg. No. 100515W
(U.S. Abhyankar)
Partner (M.No. 113053)

For K C Mehta & Co.
Chartered Accountants
Firm Reg. No.106237W
(Vishal P Doshi)
Partner (M. No. 101533)

New Delhi
May 26th, 2016

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in million)

	Particulars	Note No.	2015-16	2014-15
I	**REVENUE**			
	Revenue from Operations (Gross)	29	1,429,271.23	1,663,888.42
	Less : Excise Duty		114,292.54	51,771.15
	Revenue from Operations (Net)		1,314,978.69	1,612,117.27
	Other Income	30	70,227.61	59,252.94
	Total Revenue		1,385,206.30	1,671,370.21
II	**EXPENSES**			
	(Increase)/ Decrease in Inventories	31	7,228.72	17,229.15
	Purchases of stock-in-trade		20.93	-
	Production, Transportation, Selling and Distribution Expenditure	32	824,136.51	1,047,945.15
	Exploration Costs written off			
	- Survey costs		17,400.79	20,834.87
	- Exploratory well costs		43,396.46	88,679.32
	Depreciation, Depletion, Amortisation and Impairment	33	180,086.80	180,329.65
	Finance Costs	34	21,573.20	28,637.50
	Provisions and Write-offs	35	9,109.29	10,875.98
	Adjustments relating to Prior Period (Net)	36	(6,819.40)	3,134.93
	Total Expenses		1,096,133.30	1,397,666.55
	Profit before Exceptional, Extraordinary items and Tax		289,073.00	273,703.65
	Exceptional items	44.4 & 44.6	(61,893.87)	-
	Profit before Extraordinary items and Tax		227,179.13	273,703.65
	Extraordinary items		-	-
	PROFIT BEFORE TAX		227,179.13	273,703.65
	Tax Expenses			
	- Current Tax		72,394.28	100,649.25
	- Earlier years		(1,780.68)	(5,895.19)
	- MAT Credit		(2,405.67)	(422.77)
	- Deferred Tax		15,961.86	2,642.81
	PROFIT AFTER TAX		143,009.34	176,729.55
	Add: Share of Profit/(Loss) in Associate	20.4	125.91	303.10
	GROUP PROFIT AFTER TAX		143,135.25	177,032.65
	Attributable to:			
	Equity holders of Parent (ONGC)		141,238.09	183,335.20
	Minority Interest		1,897.16	(6,302.55)
			143,135.25	177,032.65
	Net Group Profit atributable to ONGC Equity holders		141,238.09	183,335.20
	Earning per Equity Share-Basic and Diluted (₹)	37	16.51	21.43
	(Face Value ₹ 5/- per Share)			
	Accompanying Notes are an integral of this Financial Statements.	1 to 49		

For and on behalf of the Board

(V.N Murthy)	(A K Srinivasan)	(D.K.Sarraf)
Company Secretary	**Director (Finance)**	**Chairman & Managing Director**

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018
(S.Narasimhan)
Partner (M.No. 206047)

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Partner (M.No. 113053)

For K C Mehta & Co.
Chartered Accountants
Firm Reg. No.106237W
(Vishal P Doshi)
Partner (M. No. 101533)

New Delhi
May 26th, 2016

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in million)

	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax and extraordinary items		**227,179.13**		**273,703.65**
Adjustments For:				
- Exceptional Items	**61,893.87**		-	
- Prior Period Items	**(6,819.40)**		3,134.93	
- Depreciation, Depletion and Amortisation & Impairment	**180,086.80**		180,329.63	
- Exploration Well Costs Written off	**43,396.46**		88,679.32	
- Interest on Borrowings	**21,199.51**		28,623.77	
- Foreign Exchange Loss/Translation Adjustment	**(15,623.26)**		1,529.83	
- Provision for Employee Benefits	**2,699.99**		4,836.30	
- Provision for Abandonment	**(137.93)**		283.48	
- Profit/Loss on sale of fixed assets	**3.98**		(1.49)	
- Other Provision and Write offs	**9,224.09**		10,875.98	
- Other non cash expentiture written off (Note no. 32.8)	**2,950.48**		-	
- Laibility no longer written back	**(19,304.71)**		(7,379.91)	
- Interest Income	**(30,518.27)**		(34,477.24)	
- Deffered Government Grant	**(2.48)**		(14.17)	
- Dividend Received	**(5,495.50)**		(4,679.25)	
- Provision for Mark to Market loss on Derivative contracts	**184.85**		(18.95)	
- Profit on sale of investment	**(1,314.00)**		(75.74)	
		242,409.71		271,646.49
Operating Profit before Working Capital Changes		**469,588.84**		**545,350.14**
Adjustments for:-				
- Receivables	**111,022.63**		(60,395.74)	
- Loans and Advances	**(4,242.99)**		(30,071.45)	
- Other Current Assets	**(14,119.81)**		(30,783.59)	
- Inventories	**4,698.25**		44,624.37	
- Trade Payable and Other Liabilities	**30,885.47**		(39,722.71)	
		128,243.56		(116,349.12)
Cash generated from Operations		**597,832.40**		**429,001.02**
Direct Taxes Paid (Net of tax refund)		**(76,260.24)**		(90,292.34)
Cash Flow before prior period and Extra ordinary Items		**521,572.16**		**338,708.68**
Prior period items		**6,185.72**		795.56
Net Cash Flow from Operating Activities 'A'		**527,757.88**		**339,504.24**
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets		**(113,242.29)**		(169,059.75)
Sale of Fixed Assets		**551.75**		86.51
Acquisition, Exploration and Development Cost		**(219,257.27)**		(185,278.12)
Investments in Term deposits with maturity 3 to 12 months		**(65,204.74)**		47,739.20
Sale of Investments-Net		**3,036.73**		332.22
Advance/Investment in Joint Controlled Entities/Associates		**(5,354.59)**		(757.39)
Gain on Foreign Exchange Forward exchange Contract		**116.24**		126.41
Deposit in Site Restoration Fund		**(11,324.73)**		(15,594.43)
Project Development/ Preoperative expenditure (net of advances)		**(4,433.16)**		(15,396.59)
Dividend Received		**5,495.50**		4,679.25
Interest Received		**29,845.62**		29,926.14
Net Cash Flow from Investing Activities 'B'		**(379,770.94)**		**(303,196.55)**

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in million)

		Year Ended 31st March, 2016	Year Ended 31st March, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Share Issue Expense		**447.27**	(22.55)
Proceeds from Borrowings		**55,216.48**	170,779.95
Repayment of Borrowings		**(38,311.68)**	(151,136.67)
Foreign Exchange Fluctuation Related to Borrowing Cost		**(6,103.12)**	(18,040.26)
Dividend Paid		**(49,190.56)**	(79,203.67)
Tax on Dividend		**(10,005.30)**	(15,748.94)
Interest Paid		**(14,664.26)**	(11,991.38)
Change in Minority Interest		**385.94**	(1,044.24)
Net Cash Flow from Financing Activities 'C'		**(62,225.23)**	**(106,407.76)**
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		**85,761.71**	**(70,100.07)**
Cash and Cash Equivalents as at 1st April, 2015 (Opening Balance)	**Note 26**	**57,174.52**	124,661.29
Add: Other Adjustments to Cash and Cash Equivalent #		**28.14**	2,613.30
		57,202.66	**127,274.59**
Cash and Cash Equivalents as at 31st March, 2016 (Closing Balance)	**Note 26**	**142,964.37**	57,174.52
		85,761.71	**(70,100.07)**

Reconciliation of Cash and Cash Equivalents is as follows:

	As at 31st March 2016	As at 31st March 2015
Cash and Cash Equivalents as shown in Note 26	**112,083.24**	57,153.06
Add: Short term investments in liquid mutual funds shown in Note 23 as current investments	**30,881.13**	21.46
Cash and Cash Equivalents as per Accounting Standard (AS) 3 for Cash Flow Statement	**142,964.37**	**57,174.52**

#Adjustment on account of increase in shareholding in ONGC Tripura Power Company Ltd.(Previous year ONGC Mangalore Petrochemical ltd.)

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement.
2. Cash Balance includes ₹ 424.75 million share of jointly controlled entity. (Previous year ₹ 2,738.86 million)
3. In Case of ONGC Videsh Ltd, the adjustment have not been made to purchase of fixed assets etc. (investing activities), on account of increase / decrease in Capital Creditors. The impact of the above is not readily ascertainable.
4. Bracket indicates cash out flow.
5. Previous years figures have been regrouped wherever necessary to conform to current year's classification.

For and on behalf of the Board

(V.N Murthy)	(A K Srinivasan)	(D.K.Sarraf)
Company Secretary	**Director (Finance)**	**Chairman & Managing Director**

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018
(S.Narasimhan)
Partner (M.No. 206047)

For Khandelwal Jain & Co.
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For K C Mehta & Co.
Chartered Accountants
Firm Reg. No.106237W
(Vishal P Doshi)
Partner (M. No. 101533)

New Delhi
May 26th, 2016

Notes to Consolidated Financial Statements for the year ended 31st March, 2016

1. Group information

Oil and Natural Gas Corporation Limited ('ONGC' or 'the Company') is a public limited company domiciled and incorporated in India. The Company's shares are listed and traded on Stock exchanges in India. The Consolidated Financial Statements relate to the Company, its Subsidiaries, Joint Venture Entities and Associate. The Group (comprising of Company and its subsidiaries), Joint Venture Entities and Associate are mainly engaged in Exploration & Production (E&P) of Oil & Gas in India and abroad including Refinery, Power Generation, Petrochemicals, LNG supply, Pipeline Transportation, SEZ development and Helicopter services.

2. Significant Group Accounting Policies

2.1 Principles of Consolidation

The Consolidated Financial Statements have been prepared on the following basis: -

i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".

ii) The financial statements of Joint Venture entities are combined by applying proportionate consolidation method on a line by line basis on like items of assets, liabilities, income and expenses after eliminating proportionate share of unrealized profits or losses in accordance with Accounting Standard (AS) 27 - "Financial Reporting of Interests in Joint Ventures".

iii) Investments in Associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements".

iv) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate Financial Statements except as otherwise stated.

v) The difference between the cost of investment in the subsidiaries/ associates/Joint ventures, and the net assets at the time of acquisition of shares in the subsidiaries/associates/joint ventures is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.

vi) Profit or loss attributable to minority interest and to owners of the parent in the statement of profit and loss has been presented as allocation for the period.

vii) Minorities' share of Net Assets of subsidiaries is identified and presented in the Consolidated Balance Sheet within equity, separately from the equity of the parent Company's shareholders.

viii) In case of foreign subsidiaries and joint ventures, foreign currency transactions are translated as per the provisions of Accounting Standard (AS) 11 – "Accounting for Effects of changes in Foreign Exchange Rates" in the Consolidated Financial Statements.

ix) The difference between the proceeds from disposal of investments in a subsidiary and the carrying amount of its net assets as on the date of disposal is recognized in the Consolidated Statement of Profit and Loss.

2.2 Other significant Accounting Policies

a. Basis of preparation

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP) applicable in India, applying the Successful Efforts Method as per the Guidance Note on Accounting for Oil and Gas Producing Activities (Revised 2013) issued by the Institute of Chartered Accountants of India and the applicable Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

As the operating cycle cannot be identified in normal course due to the specific special nature of industry, the same has been assumed to have a duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in Indian Rupees and all values are rounded off to the nearest million unless otherwise stated.

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. Management believes that these estimates and assumptions are reasonable and prudent. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

c. Government Grants

Government Grant related to acquisition of Fixed Assets is treated as 'Deferred Government Grant' and amount equal to proportionate depreciation of such assets is credited to Statement of profit and loss.

d. Fixed Assets

d.1 Tangible Assets

d.1.1 Fixed assets are stated at historical cost less accumulated depreciation and impairment. Fixed assets received as donations/gifts are capitalised at assessed values with corresponding credit taken to Capital Reserve. Parts of an item of fixed asset having different useful lives and material value, are accounted for as separate components of the fixed asset.

d.1.2 All costs, net of applicable tax credits, relating to acquisition of fixed assets till the time of bringing the assets to working condition for intended use are capitalised.

d.2 Intangible Assets

Intangible assets are stated at cost of acquisition, net of applicable tax credits, less accumulated amortization and impairment.

e. Exploration, Development and Production Costs

e.1 Pre-acquisition cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

e.2 Acquisition Cost

Acquisition costs of an oil and gas property are the costs related to right to acquire mineral interest and are accounted as follows:-

Exploration and Development stage: Acquisition cost relating to projects under exploration or developments are initially accounted as capital work in progress. Such costs are capitalized by transferring to Oil & Gas Assets when a well is ready to commence commercial production. In case of abandonment/ relinquishment, such costs are written off.

Production stage: Acquisition costs of a producing oil and gas property are capitalized as proved property acquisition cost under Oil & Gas Assets and amortized using the unit of production method over proved reserves of underlying asset.

e.3 Survey Cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

e.4 Exploratory Wells in Progress

e.4.1 All exploration costs incurred in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially capitalized as Exploratory Wells in Progress till the time these are either transferred to Oil & Gas Assets on completion as per Note no. 2.2.f.2 or expensed as exploration cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

e.4.2 Costs of exploratory wells are not carried over unless it could be reasonably demonstarted that there are indications of sufficient quantity of reserves and sufficient progress is being made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per note no. 2.2.n.4.

e.5 Development Wells in Progress

e.5.1 All costs relating to Development Wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil & Gas Assets' on completion as per Note no 2.2.f.2.

f. Oil & Gas Assets

f.1 Oil & Gas Assets are stated at historical cost less accumulated depletion and impairment. These are created in respect of an area/field having proved developed oil and gas reserves when the well in the area/field is ready to commence commercial production.

f.2 Cost of temporary occupation of land, successful exploratory wells, all development wells, producing, processing & allied facilities and estimated future abandonment costs are capitalised and reflected as Oil & Gas Assets.

g. Production Costs

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

h. Side tracking

h.1 In case of an exploratory well, Cost of Side-tracking is treated in the same manner as the cost incurred on a new exploratory well. The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploratory Well Cost written off.

h.2 In case of development wells, the entire cost of abandoned portion and side tracking are capitalised.

h.3 In case of Producing wells, if it results in additional proved developed oil & gas reserves or increases the future economic benefits therefrom beyond previously assessed standard of performance, the cost incurred on side tracking is capitalised, whereas the cost of abandoned portion of the well is depleted in the normal way. Otherwise, the cost of side tracking is expensed as 'Work over Expenditure'.

i. Abandonment Cost

i.1 The full eventual estimated liability towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is completed / facilities are installed. The abandonment cost on dry well is expensed as exploratory well cost.

i.2 Provision for abandonment cost is updated based on the technical assessment at current costs. The effects of changes resulting from revisions to estimated liability are adjusted to the carrying amount of the related Asset and considered for depletion on a prospective basis.

i.3 Provision for abandonment cost in respect of Jointly Controlled Assets is considered as per participating interest of the company on the basis of estimates approved by the respective Operating Committee. Wherever the same are not approved by the respective operating committee, abandonment cost estimates of the company as per 2.2.i.2 above are considered.

j. Jointly Controlled Assets

j.1 Unincorporated Joint Ventures in the nature of Production Sharing Contracts (PSC) have been entered with the Government of India/other countries and various bodies corporate for exploration, development and production and other activities. These unincorporated joint ventures have been classified as Jointly controlled Asset.

j.2 The share in the assets and liabilities along with attributable income, and expenditure, of the Jointly Controlled Assets is merged on line by line basis with the similar items in the Consolidated Financial Statements and adjusted for depreciation, depletion, survey, dry wells, abandonment, impairment and sidetracking in accordance with the accounting policies.

j.3 Disposal of Interest

Gain or loss on sale of interest in a cost centre, is recognized in the statement of profit and loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the company has substantial obligation for future performance. The gain in such a situation is treated as recovery of cost related to that cost centre.

j.4 The hydrocarbon reserves in such areas are taken in proportion to the participating interest.

k. Investments

Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments.

Current Investments are valued at lower of cost and fair value.

l. Inventories

l.1 Finished goods (other than Sulphur) and stock in pipelines/tanks and carbon credits are valued at Cost or net realizable value whichever is lower. Cost of Finished goods is determined on absorption costing method. Sulphur is valued at net realizable value. The value of inventories includes excise duty, royalty (wherever applicable) but excludes Cess.

l.2 Crude oil in semi-finished condition at Group Gathering Stations is valued at cost on absorption costing method or net realisable value whichever is lower. Crude oil in unfinished condition in flow lines up to Group Gathering Stations/platform and Natural gas is not valued as it is not stored.

l.3 Inventory of stores and spare parts is valued at Weighted Average Cost or net realizable value, whichever is lower. Provisions are made for obsolete and non-moving inventories.

l.4 Raw material and Stock in Process is valued at lower of cost or net realizable value. Raw material is valued based on First in First Out (FIFO) basis. Cost of Stock in Process comprises of raw material cost and proportionate Conversion cost.

l.5 Unserviceable and scrap items, when determined, are valued at estimated net realizable value.

m Revenue Recognition

m.1 Revenue from sale of products is recognized on transfer of custody to customers.

m.2 Any difference as of the reporting date between the entitlement quantity minus the quantities sold in respect of crude oil (including condensate), if positive (i.e. under lift quantity) the proportionate production expenditure is treated as prepaid expenses and, if negative (i.e. over lift quantity), a liability for the best estimate of the group's proportionate share of production expenses as per the Joint Operating Agreement/Production Sharing Agreement is created in respect of the quantity of crude oil to be foregone in future period towards settlement of the over-lift quantity of crude oil with corresponding charge to statement of Profit & Loss.

m.3 Any payment received in respect of short lifted gas quantity for which an obligation exists to supply such gas in subsequent periods is recognized as Deferred Revenue in the year of receipt. The same is recognized as revenue in the year in which such gas is actually supplied for the quantity supplied or in the year in which the obligation to supply such gas ceases, whichever is earlier.

m.4 Sale of crude oil and gas (net of levies) produced from Wells in Progress is deducted from expenditure on such wells.

m.5 Sales are inclusive of all statutory levies except Value Added Tax (VAT). Any retrospective revision in prices is accounted for in the year of such revision.

m.6 Revenue in respect of fixed price contracts is recognized for the quantum of work done on the basis of percentage of completion method. The quantum of work done is measured in proportion of cost incurred to date to the estimated total cost of the contract or based on reports of physical work done.

m.7 Finance income in respect of assets given on finance lease is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

m.8 Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

m.9 Lease Premium from the lease of land is recognized over primary lease period as per the agreement. Lease rental income is accounted for on the time proportion basis as per the terms agreed with lessees.

m.10 Revenue in respect of the following is recognized when there is reasonable certainty regarding ultimate collection:

a. Surplus from Gas Pool Account

b. Interest on delayed realization from customers

c. Liquidated damages from contractors/ suppliers

n Depreciation, Depletion, Amortisation and Impairment

n.1 Depreciation on Tangible Assets

n.1.1 Depreciation on fixed assets (other than Oil & Gas assets) is provided for under the written down value method over the useful life of Asset specified in Schedule II to the Companies Act, 2013 except in case of certain items of fixed assets where the useful life has been considered based on technical assessment which is less than useful life prescribed under Schedule II to the Companies Act, 2013.

n.1.2 Depreciation on additions/deletions to fixed assets other than of Oil & Gas Assets during the year is provided for on pro rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition.

n.1.3 Depreciation on subsequent expenditure on fixed assets other than of Oil & Gas Assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation on refurbished/revamped assets other than Oil & Gas Assets which are capitalized separately is provided for over the reassessed useful life, which is not more than the life specified in Schedule II to the Companies Act, 2013.

n.1.4 Depreciation on fixed assets (other than Oil & Gas assets) including support equipment used for exploratory/ development drilling is initially capitalised as part of drilling cost and expensed/depleted as stated in Note no. 2.2.f & 2.2.n.2. Depreciation on equipment/ assets deployed for survey activities is charged to the Statement of Profit and Loss.

n.2 Depletion

n.2.1 Oil & Gas Assets are depleted using the "Unit of Production Method". The rate of depletion is computed with reference to an area covered by individual lease/license/asset/amortization

base by considering the proved developed reserves and related capital costs incurred including estimated future abandonment costs net of salvage value. Acquisition cost of Oil & Gas Assets is depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee of the Company, which follows the International Reservoir Engineering Procedures.

n.3 Amortisation

n.3.1 Leasehold land is amortized over the lease period except perpetual leases.

n.3.2 Right of way/ Right of use of land are amortized on Straight Line Method (SLM) over the estimated life of associated Asset.

n.3.3 Other Intangible Assets (software, copy right, patents etc.) are amortized on Straight Line Method (SLM) over the useful life not exceeding ten years from the date of capitalization

n.4 Impairment

n.4.1 Oil & Gas Assets, Development Wells in Progress (DWIP) and Fixed Assets (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) are reviewed for impairment at each Balance Sheet date. In case, events and circumstances indicate any impairment, recoverable amount of these assets is determined. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount. The recoverable amount is higher of its 'value in use' or 'net selling price' (if determinable). In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.

An impairment loss is reversed if there is increase in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of respective assets, which in case of a CGU, is allocated to its assets on a pro-rata basis. Subsequent to impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.

n.4.2 Impairment testing during exploratory phase is carried out at area level when further exploration activities are not planned in near future or when sufficient data exists to indicate that although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or by sale. Impairment is reversed subsequently, to the extent that conditions for impairment are no longer present.

o. Foreign Exchange Transactions

o.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.

o.2 At each Balance Sheet date, foreign currency monetary items are translated using the mean exchange rates prevailing on the balance sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such item was determined.

o.3 The loss or gain thereon and also the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense and adjusted to the statement of profit & loss.

o.4 In respect of integral foreign operations:

o.4.1 The foreign currency transactions on initial recognition in the reporting currency are recorded following the note no 2.2.o.1. For practical reasons, the average exchange rate of the relevant month is taken for the transactions of the month in respect of joint venture operations, where actual date of transaction is not available.

o.4.2 At each Balance Sheet date, monetary and non-monetary items are translated following the policy stated in note no. 2.2.o.2.

o.4.3 All exchange differences are treated following the policy stated in note no.2.2.o.3.

o.5 **The financial statements of the non-integral foreign operations are incorporated in the financial statements using the following principles:**

o.5.1 The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the average of the exchange rate prevailing on the date of the balance sheet;

o.5.2 Income and expense items of the non-integral foreign operation are translated at the average exchange rates for the period to which the financial statements relate;

o.5.3 The resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operation.

o.5.4 Exchange differences arising on net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of such investment, at

which time they are recognized as income or as expenses.

o.6 In the case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortized as income or expense over the life of the contract as well as exchange difference on such contracts, i.e. difference between the exchange rate at the reporting / settlement date and the exchange rate on the date of inception / the last reporting date, is recognized as income / expense for the period.

p. Employee Benefits

p.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

p.2 Employee Benefits under defined contribution plans comprising provident fund etc. is recognized based on the undiscounted amount of obligations of the group to contribute to the plan. The same is paid to a fund administered through a separate trust.

p.3 Employee benefits under defined benefit plans comprising of gratuity, leave encashment, compensated absences, post-retirement medical benefits and other terminal benefits are recognized based on the present value of defined benefit obligation, which is computed on the basis of actuarial valuation using the Projected Unit Credit Method. Actuarial Liability in excess of respective plan assets is recognized during the year. Actuarial gains and losses in respect of post-employment and other long-term benefits are recognized in the statement of profit & loss. The Company contributes all ascertained liabilities with respect to Gratuity and leave/compensated absences to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LICI) respectively. Other defined benefit schemes are unfunded.

q. Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to statement of profit & loss when incurred.

r. General Administrative Expenses

General administrative expenses which are directly or specifically attributable are allocated to activities and the balance is charged to Statement of Profit & Loss.

s. Insurance claims

The insurance claims are accounted for as under :-

s.1 In case of total loss of asset, by transferring either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to statement of profit & loss.

s.2 In case of partial or other losses, expenditure incurred/payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable-Insurance". Insurance Policy deductibles are expensed in the year the corresponding expenditure is incurred.

s.3 As and when claims are finally received from insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is adjusted to statement of profit & loss.

t. Research Expenditure

Expenditure of capital nature are capitalised and expenses of Revenue nature are charged to the Statement of Profit and Loss, as and when incurred.

u. Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961/other applicable tax laws. Deferred Tax Liability / Asset resulting from 'timing difference' between book profit and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is reasonable certainty that such asset will be realized in future. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is 'virtual certainty" that such deferred tax assets can be realized against taxable profits.

v. Borrowing Costs

Borrowing Cost specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to statement of profit & loss.

w. Rig Days Costs

Rig movement costs are booked to the next location drilled/planned for drilling. Abnormal

Rig days' costs are considered as un-allocable and charged to statement of profit & loss.

x. Unamortized Expenditure

x.1 Dry docking charges of Rigs/ Multipurpose Supply Vessels (MSVs), Geo Technical Vessels (GTVs), Well Stimulation Vessels, Offshore Supply Vessels (OSVs), Rig/equipment mobilization expenses and other related expenditure are amortized over the period of use not exceeding five years and balance is carried under head "Unamortized Expenditure" in the balance sheet.

y Transportation Costs

Transportation Costs in respect of the quantity of gas short transported, for which the right exists to transport such gas in subsequent periods at no charge, is treated as Deferred Expenditure in the year of payment. The same is treated as cost in the year in which the gas is actually transported for the quantity transported or in the year in which the right to transport such gas ceases, whichever is earlier.

z. Lease

z.1 Assets given on Lease:

z.1.1 Assets given on finance lease are accounted for as per Accounting Standard (AS) 19 "Leases". Such assets are included as a receivable at an amount equal to the net investment in the lease.

z.1.2 Initial direct costs incurred in respect of finance leases are recognized in the statement of profit and loss in the year in which such costs are incurred.

z.2 Assets taken on Lease

z.2.1 Assets taken on finance lease are capitalized and recognized at the lower of the fair value of the asset and the discounted value of the minimum lease installments. The lease payments are bifurcated into repayment and interest components, based on a fixed interest rate and installment as derived from the underlying agreement. The lease commitments are carried under liabilities exclusive of interest. The interest component is recognized in the statement of profit & loss in accordance with the lease installments.

z.2.2 Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the statement of profit & loss on accrual basis.

aa Claims

Claims/Surrenders on/to Petroleum Planning and Analysis Cell, Government of India are booked on 'in principle acceptance' thereof on the basis of available instructions/clarifications subject to final adjustments, as stipulated. All other claims and provisions are booked on the merits of each case.

ab Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are disclosed by way of notes to accounts.

ac Accounting for derivatives

Accounting for Derivatives, other than those covered under Accounting Standard (AS) 11, is done on mark to market basis and the losses are charged to statement of Profit & Loss. Unrealized gains are ignored.

ad Amortization of Goodwill

Goodwill arising on Consolidation of Companies having Hydrocarbon reserves are amortized based on "Unit of Production Method" considering the related Proved Reserves. Other goodwill on consolidation is not amortized

ae Earnings per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

af Cash Flow Statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3. The consolidated financial statements represent consolidation of accounts of "Oil and Natural Gas Corporation Limited", its subsidiaries, Joint ventures entities and associate as detailed below:-

Sl No.	Name of the Subsidiaries/ Joint Venture and Associates	Country of Incorporation	Proportion Ownership Interest As on		Status of Audit As on 31.03.2016
			31.03.2016	31.03.2015	
A	**Subsidiaries**				
1	ONGC Videsh Limited (OVL)	India	100%	100%	Audited
1.1	ONGC Nile Ganga B.V. (ONGBV)	The Netherlands	Class A and Class B 100%	Class A and Class B 100%	Audited
1.1 (i)	ONGC Campos Ltda.	Brazil	100%	100%	Audited
1.1 (ii)	ONGC Nile Ganga (Cyprus) Ltd.	Cyprus	100%	100%	Audited
1.1 (iii)	ONGC Nile Ganga (San Cristobal) B.V.	The Netherlands	100%	100%	Audited
1.1 (iv)	ONGC Satpayev E&P B.V.[1]	The Netherlands	-	100%	Audited
1.1 (v)	ONGC Caspian E&P B.V.	The Netherlands	100%	100%	Audited
1.2	ONGC Nile Ganga B.V. (ONGBV)	The Netherlands	Class C 55% direct (balance 45% held by OMEL)	Class C 55% direct (balance 45% held by OMEL)	Audited
1.3	ONGC Narmada Limited (ONL)	Nigeria	100%	100%	Unaudited
1.4	ONGC Amazon Alaknanda Limited (OAAL)	Bermuda	100%	100%	Audited
1.5	Imperial Energy Limited	Cyprus	100%	100%	Audited
1.5 (i)	Imperial Energy Tomsk Limited	Cyprus	100%	100%	Audited
1.5 (ii)	Imperial Energy (Cyprus) Limited	Cyprus	100%	100%	Audited
1.5 (iii)	Imperial Energy Nord Limited	Cyprus	100%	100%	Audited
1.5 (iv)	Biancus Holdings Limited	Cyprus	100%	100%	Audited
1.5 (v)	Redcliffe Holdings Limited	Cyprus	100%	100%	Audited
1.5 (vi)	Imperial Frac Services (Cyprus) Limited	Cyprus	100%	100%	Audited
1.5 (vii)	San Agio Investments Limited	Cyprus	100%	100%	Audited
1.5 (viii)	LLC Sibinterneft[2]	Russia	55.90%	55.90%	Audited
1.5 (ix)	LLC Allianceneftegaz	Russia	100%	100%	Audited
1.5 (x)	LLC Nord Imperial	Russia	100%	100%	Audited
1.5 (xi)	LLC Rus Imperial Group	Russia	100%	100%	Audited
1.5 (xii)	LLC Imperial Frac Services	Russia	50%	50%	Audited
1.6	Carabobo One AB	Sweden	100%	100%	Audited
1.6 (i)	Petro Carabobo Ganga B.V.	The Netherlands	100%	100%	Audited
1.7	ONGC (BTC) Limited	Cayman Islands	100%	100%	Unaudited
1.8	Beas Rovuma Energy Mozambique Ltd.	British Virgin Islands	60%	60%	Audited
1.9	ONGC Videsh Rovuma Ltd. (OVRL)	Mauritius	100%	100%	Audited
1.10	ONGC Videsh Atlantic Inc. (OVAI)	Texas	100%	100%	Audited
2.	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	India	71.63%	71.63%	Audited
2.1	ONGC Mangalore Petrochemicals Ltd. (OMPL) (note 3.1)	India	85.53%	85.53%	Audited
B	**Joint Venture Entities**				
1.	Petronet LNG Limited (PLL)	India	12.50%	12.50%	Audited
2.	Petronet MHB Ltd (PMHBL)	India	28.77%	28.77%	Audited
3.	Mangalore SEZ Ltd (MSEZ) (note 3.2)	India	26.82%	26.82%	Audited
4.	ONGC Petro Additions Ltd. (OPaL)	India	49.36%	49.36%	Unaudited
5.	ONGC Tripura Power Company Ltd. (OTPC)	India	50.00%	49.52%	Unaudited
6.	ONGC Teri Biotech Ltd. (OTBL)	India	49.98%	49.98%	Audited
7.	Dahej SEZ Limited (DSEZ)	India	50.00 %	50.00 %	Unaudited
8.	ONGC Mittal Energy Limited (OMEL) (through OVL)	Cyprus	49.98%	49.98%	Unaudited
9.	Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)	India	50.00%	50.00%	Audited
10.	Mangalam Retail Services Ltd (through MRPL)	India	49.98%	49.98%	Audited
11.	North East Transmission Company Ltd. (NETC) (through OTPC)	India	13.00%	12.88%	unaudited
12.	Mangalore STP Limited (through MSEZ)	India	18.78%	18.78%	Audited
13.	MSEZ Power Ltd (through MSEZ)	India	26.82%	26.82%	Audited
14.	Adani Petronet Dahej Port Pvt Ltd (APPPL)(through PLL)	India	3.25%	3.25%	Audited
C	**Associates**				
1.	Pawan Hans Ltd. (PHL)	India	49.00 %	49.00 %	Unaudited

[1] ONGC Satpayev E&P B.V. has been liquidated w.e.f. 1st February, 2016.

[2] Although the subsidiary company OVL has 47.52% effective ownership interest, it has 55.9% of voting rights in LLC Sibinterneft. LLC Sibinterneft is therefore a subsidiary of the Company, in accordance with the Companies Act, 2013 of India and included in consolidation of accounts accordingly.

3.1 During previous year, OMPL has become subsidiary of ONGC Group on account of direct holding of 48.99% (previous year 46%) by ONGC and indirect holding of 51.00% (previous year 3%) stake through subsidiary company MRPL with effect from 28th February, 2015.

3.2 Includes holding of 0.96% by OMPL.

3.3 In view of different sets of environments/prevalent laws in respect of respective countries in which the subsidiaries /JV are operating, the accounting policies followed (for treatment of depreciation of Tangible Assets, sales revenue and royalty etc.) by the subsidiaries/JVs are different from the accounting policies of the Company. For consolidation of financial statement, the transactions reported which have been arrived using such different accounting policies by the group companies have been considered and disclosed at Note no. 9.2, 13.2, 14.4, 14.5, 15.2,15.3,15.5, 15.6, 15.7, 15.8, 15.9,15.10,16.2, 17.1(b),17.1(c),17.1(d), 17.1(e), 17.1(f), 24.3, 24.4, 24.5, 24.6,24.7, 27.4, 28.2, 29.65, 32.3, & 32.7.

4. Share Capital

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Authorised:		
30,000,000,000 Equity Shares of ₹ 5 each	**150,000.00**	150,000.00
(Previous Year 30,000,000,000 Equity Shares of ₹ 5 each)		
Issued and Subscribed:		
8,555,528,064 Equity Shares of ₹ 5 each	**42,777.64**	42,777.64
(Previous Year 8,555,528,064 Equity Shares of ₹ 5 each)		
Paid up :		
8,555,490,120 Equity Shares of ₹ 5 each	**42,777.45**	42,777.45
(Previous Year 8,555,490,120 Equity Shares of ₹ 5 each)		
Add: Shares forfeited	**0.15**	0.15
TOTAL	**42,777.60**	**42,777.60**

4.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. in million	₹ in million	No. in million	₹ in million
Outstanding at the beginning of the year	**8,555.49**	**42,777.45**	8,555.49	42,777.45
Changes during year	-	-	-	-
Outstanding at the end of the year	**8,555.49**	**42,777.45**	**8,555.49**	**42,777.45**

4.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

4.3 Details of shareholders holding more than 5% shares in the company are as under:-

Name of the share holder	As at 31st March, 2016		As at 31st March, 2015	
	No. in million	% holding	No. in million	% holding
President of India	5,897.68	68.93	5,897.76	68.94
Life Insurance Corporation of India	740.97	8.66	677.18	7.92
Indian Oil Corporation Limited	657.92	7.69	657.92	7.69

5 Reserves and Surplus

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Capital Reserve (Note 5.1)				
a) As per last Balance Sheet	1,273.74		1,273.69	
b) Addition/(deletion)	95.47	1,369.21	0.05	1,273.74
Capital Redemption Reserve (Note 5.3)				
a) As per Last Balance Sheet	91.98		91.97	
b) Addition/(deletion)	-	91.98	0.01	91.98
Securities Premium Account				
a) As per last Balance Sheet	128.18		144.33	
b) **Less:** Share issue expense	-	128.18	16.15	128.18
Debenture Redemption Reserve (Note no. 5.4)				
a) As per Last Balance Sheet	28,791.85		24,488.86	
b) **Add:** Transferred from Surplus Account	30,137.02		24,002.99	
c) **Less:** Transfer to General Reserve	-	58,928.87	19,700.00	28,791.85
Deferred Government Grant (Note 2.2.c)				
a) As per last Balance Sheet	27.56		41.73	
b) Addition during the year	-		-	
c) **Less:** Deduction during the year (Note no. 5.5)	2.48	25.08	14.17	27.56
Self Insurance Reserves ((Note 5.8)				
a) As per Last Balance Sheet	4.35		-	
b) Addition/(deletion)	7.02	11.37	4.35	4.35
Corporate Social Responsibility (CSR) Activity Reserve (Note no.5.a)				
a) As per Last Balance Sheet	-		-	
b) Effect of change in opening balance	2.60		-	
c) Transfer from General reserve	0.89		-	
d) **Less**: Deduction during the year	0.22	3.27	-	-
Foreign Exchange Translation Reserve (Note 5.6)				
a) As per Last Balance Sheet	75,148.62		70,763.79	
b) Addition/(deletion)	(6,842.84)		4,384.84	
c) **Less:** Transfer to Capital Redemption Reserve	-	68,305.78	0.01	75,148.62
Foreign Currency Monetary Item Difference Account (Note no. 5.7)				
a) As per Last Balance Sheet	(8,438.69)		(3,925.56)	
b) Addition/(deletion)	(5,730.44)	(14,169.13)	(4,513.13)	(8,438.69)
Hedging Reserve (Note 32.6)				
a) As per Last Balance Sheet	(0.41)		11.12	
b) Addition/(deletion)	0.41	-	(11.53)	(0.41)
General Reserve				
a) As per Last Balance Sheet	1,450,644.02		1,352,771.69	
b) **Add:** Adj. with opening reserve	(234.04)		(2,582.22)	
c) **Add:** Transfer from Debenture Redemption Reserve	-		19,700.00	
d) **Add:** Transferred from Surplus Accounts	78,710.65	1,529,120.63	80,754.55	1,450,644.02
Surplus				
a) As per last Balance Sheet	214,095.23		233,114.80	
b) **Add:** Transferred from Profit and Loss Account of owners share	141,238.09		183,335.20	
c) **Add:** Adjustment due to change in holding/other adjustment	1,938.68		1.08	
d) **Less:** Proposed Dividend (note 5.2)	27,805.34		4,277.75	
e) **Less:** Interim Dividend	44,916.44		76,999.44	
f) **Less:** Tax on Dividend	14,844.45		16,316.77	
g) **Less:** Transfer to self Insurance Reserve	6.97		4.35	
h) **Less:** Transfer to CSR Reserve	0.89		-	
i) **Less:** Transfer to Debenture redemption reserve	30,137.02		24,002.99	
j) **Less:** Transferred to General Reserve	78,710.65	160,850.43	80,754.55	214,095.23
TOTAL		1,804,665.67		1,761,766.43

5.1 Includes ₹ 159.44 million (Previous year ₹159.44 million) being assessed value of assets received as gift and ₹ 957.14 million (Previous year ₹901.45 million) is being Capital Reserve on Consolidation. Capital Reserve includes ₹39.78 million on account of increase of ONGC shareholding during the year in OTPC to 50% from 49.52% of previous year (refer note 3.B.5).

5.2 The Board of Directors has recommended a final dividend of ₹ 3.25per share (previous year ₹ 0.50 per share) which is subject to the approval of the shareholders in the ensuing Annual General Meeting over and above the interim dividend of ₹ 5.25 per share (Previous year ₹ 9 per share).

5.3 Includes ₹91.86 Million Capital Redemption Reserve created on redemption of Preference share capital during 2011-12 and 2012-13 in respect of subsidiary, MRPL.

5.4 Debenture Redemption Reserve :

Debenture Redemption Reserve includes ₹58,714.29 million (previous Year ₹28,675.17 million) in respect of subsidiary company OVL, as follows:

(₹ in million)

Particulars	Balance as on 31st March, 2015	Addition during year	Transfer during the year	Balance as on 31st March, 2016
8.54 % 10 Years Unsecured Non- Convertible Redeemable Bonds in the nature of Debentures- Series II	1,936.12	370.81	-	**2,306.93**
Total (A)	**1,936.12**	**370.81**	**-**	**2,306.93**
Unsecured 4.625% 10 year USD Bonds - USD 750 Millions	3,343.76	5,183.84	-	**8,527.60**
Unsecured 3.75% 10 years USD Bonds - USD 500 Millions	5,951.83	3,677.27	-	**9,629.10**
Unsecured 2.75% 7 year EUR Bonds - EUR 525 Millions	3,611.89	6,023.97	-	**9,635.86**
Unsecured 3.25% 5 year USD Bonds - USD 750 Millions	6,689.38	10,370.49	-	**17,059.87**
Unsecured 2.50% 5 years USD Bonds - USD 300 Millions	7,142.19	4,412.74	-	**11,554.93**
Total (B)	**26,739.05**	**29,668.31**	**-**	**56,407.36**
Total (A+B)	**28,675.17**	**30,039.12**	**-**	**58,714.29**

5.5 Represents the amount equivalent to depreciation transferred to Statement of Profit and Loss.

5.6 Foreign Exchange Translation Reserve:

The subsidiary, ONGC Videsh Limited has followed the Accounting Standard (AS) 11 - The Effects of Changes in Foreign Exchange Rates (revised 2003) for incorporating in the consolidated financial statements following the principles for translation of the financial statements of Non-integral Foreign Operations. Accordingly, the foreign exchange difference of (-) ₹6,842.84 Million (Previous year ₹4,384.84 Million)has been accounted as foreign exchange translation reserve.

5.7 Foreign Currency Monetary Item Exchange Account:

In case of subsidiary, ONGC Videsh Limited,the details of the exchange differences on long term monetary items are as under:-

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Opening Balance	**(8,438.69)**	(3,925.56)
Additions during the year	**(18,956.01)**	(2,510.24)
Less: Amortized during the year	**(2,802.57)**	1,255.86
Less: Capitalised during year	**(10,423.00)**	3,258.75
Closing Balance	**(14,169.13)**	**(8,438.69)**

5.8 In respect of Joint venture company, OTPC, Self-insurance reserve at the rate 0.1% p.a. on Gross Block of Fixed Assets (except assets covered under mega insurance policy) is created as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks and the same is shown as "self-insurance reserve" under 'Reserve & Surplus'.

5.9 In respect of Joint venture company, OTPC, has created a Corporate Social Responsibility (CSR) activity Reserve of ₹6.99 million (Group share ₹3.49 million) as approved by their Board of Directors under the provision of Companies Act, 2013. The joint venture company has already spent out of ₹ 0.22 million on CSR activities.

5.10 Above Reserve and Surplus includes (-) ₹4,714.27 million share of jointly controlled entities (Previous year (-) ₹ 7,063.15 Million).

6 Long-Term Borrowings

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
A. Secured				
(a) Term Loan (note 6.2.2 to 6.2.9)				
- From Banks	**75,450.68**		103,176.20	
- From Others	**62,335.74**		63,382.74	
(b) Non convertible Debentures	**5,000.00**	**142,786.42**	-	166,558.94
B. Unsecured				
(a) Non Convertible Redeemable Bonds (note 6.3.2)	**1,625.00**		1,625.00	
(b) Non Convertible Redeemable Debentures (note 6.3.1)	**3,700.00**		3,700.00	
(c) Term Loan				
- From Banks (Note 6.3.4)	**117,771.25**		113,186.00	
- From Others	**139.17**		5,250.00	
(d) Non-current maturities of finance lease obligations (note 6.3.3)	**3,588.06**		4,237.84	
(e) Sales Tax Deferment Loan (note 6.3.5)	**1,145.17**		1,603.34	
(f) USD bonds (note 6.3.2)	**191,964.25**	**319,932.90**	179,593.50	309,195.68
TOTAL (A+B)		**462,719.32**		**475,754.62**

6.1 Above include, Secured long term borrowings of ₹84,388.71 million share of jointly controlled entities (Previous year ₹99,069.79 million) and Unsecured long term borrowings of ₹9,212.56 million share of jointly controlled entities (Previous year ₹ 8,506.69 million).

6.2 Secured Loan

6.2.1 The Subsidiary, MRPL has external commercial borrowing (ECB) of ₹ 41,578.15 million (Previous year ₹ 40,628.25 million), secured by first pari passu charge over immovable and movable fixed assets both present and future. The interest rate for ECB are based on 6 month LIBOR plus spread. Further down subsidiary, OMPL has external commercial borrowings (ECB) outstanding of ₹19,302.87 million (Previous year ₹18, 208.95 million), secured by first charge on land and all other fixed asset of company and second charge by way of hypothecation on all movable Fixed Asset & Current Asset. The effective interest rate are 3.4337%, 4.2109%, 3.0760%, 2.6960%, 3.3605%, 3.6544%, 3.6754% and 3.6775% on ₹6,626 million, ₹8,448.15 million, ₹19,878 million, ₹3,313 million, ₹3,313 million, ₹14,198.57 million, ₹ 3,691.63 million and ₹1,412.67 million respectively to be repaid annually by 2023-24.

6.2.2 The Joint Venture, Adani Petronet Dahej Port Pvt Ltd (Joint Venture Company of PLL) has availed term loan from Banks in foreign currency loans carries interest in the range of LIBOR plus 2.85 % to 2.95%. The loans are repayable in 38 to 40 quarterly installments each from the date of obligation of loan. The said loans are secured by way of first pari passu charge by way of first mortgage of all the immovable assets of Adani Petronet Dahej Port Private Ltd, both present and future and are further secured by hypothecation of movable assets, both present and future of JV. Balance outstanding as on 31st March, 2016 is ₹514.48 million out of which group's share ₹ 64.31 million.

6.2.3 The Joint Venture, PLL has external commercial borrowings from International Finance Corporation Washington D.C., USA, Proparco, France & Asian Development Bank at an average cost of 8.47% p.a. (inclusive of hedge cost)and are repayable in 7 to 14 semiannual installments ending 2022. These loans are secured by first ranking mortgage and first charge on pari passu basis on all movable and immovable properties, of PLL, both present and future including current assets except on trade receivables on which second charge is created on pari passu basis. PLL, has entered into derivative contracts to hedge the loan repayment amount including interest. Balance outstanding as on 31st March, 2016, is ₹10,738.40 million (Previous year ₹13,541.10 million) out of which group's share is ₹1,342.30 million (Previous year ₹1,692.63 million).

6.2.4 The Subsidiary, MRPL has term loan from Oil Industry Development Board (OIDB) of ₹2,500.00 million (previous year ₹5,250.00 million). During the year OIDB loan has reclassified as secured as against unsecured in previous year which are secured by first pari passu charge over immovable fixed assets and first ranking pari passu charge over movable fixed assets both present and future. The interest rates on the same are 8.89 %, 9.04%, 8.73% ,8.98%, 8.94%, 9.27%, 9.06% and 9.15% on ₹912.50 million, ₹87.50 million, ₹625.00 million, ₹1,375.00 million, ₹65.92 million, ₹1,672.50 million, ₹299.70 million and ₹211.88 million respectively, which are repayable by 2018-19.

6.2.5 The Subsidiary OMPL has Corporate loan of ₹ 326.51 Million (previous year ₹18,636.49 million) from SBI, rate of interest is 9.90 % is secured by way of second charge on the entire fixed assets of the Company both present and future and first charge on entire inventory, WIP, receivables, book debts and other current assets both present and future. The rate of interest is SBI Base Rate + 0.60% payable on the monthly basis and loan is repayable in unequal installment by 2018-19.

6.2.6 The Subsidiary OMPL has issued ₹ 5,000.00 Million (previous year nil) non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during February 2016 with a coupon rate of 8.40% p.a., and interest payable annually. The NCDs are secured by first raking pari passu charge on the land totaling an extent of 441.438 acres situated in Permude & Kalavar Villages in Mangalore, SEZ, Mangalore Taluk & Registration sub-District, Dakshina Kannada Dist. and other Fixed Assets including Buildings, Roads and Plant and Machinery.

6.2.7 The joint venture, OPaL has borrowed Secured term loan from a Consortium of Banks and has also availed External Commercial Borrowings (ECB), which are secured by first ranking pari passu mortgage/charge on immovable and movable properties and assets both present and future and second ranking pari passu charge on the current assets with working capital lender on reciprocal basis. The details of interest rates, terms of repayment & outstanding amounts are as below:-

(₹ in million)

Type of loan	Effective Rate	Terms of Repayment	Outstanding Amount as on		Group's share in outstanding on	
			31.03.2016	31.03.2015	31.03.2016	31.03.2015
Bank Long Term loans (Facility-I)	11.05% (11.75%)	Repayable in 41 equal installments from Q4FY16-17 up to Q4FY 2026-27	**113,417.98**	113,168.42	**55983.11**	55,859.93
Bank Long Term loans (Facility-II)	11.05%	Repayable in 43 structured quarterly installments from Q2FY 2018-19 up-to Q1FY 2029-30.	**3,891.00**	-	**1,920.60**	-
Sub Debt*	Base rate of respective bank + spread 0.75% (10.25% to 10.70% effectively on 31.03.16)	Repayable after 3 year from date of disbursement (i.e. Dec, 2016).	**19,999.31**	19,999.31	**9871.66**	9871.66
External commercial borrowings USD 50 Million	6 month USD LIBOR +324basis points	9 half yearly installment starting from March, 2016 to Sept, 2019	**3,171.58**	3,153.00	**1,565.49**	1,556.32
External commercial borrowings USD 250 Million	6 month USD LIBOR +range 347 to 352 basis points	15 half yearly installments starting from March, 2016 to March, 2023	**12,051.98**	10,720.20	**5,948.86**	5,291.49
Sub Total			**1,52,531.85**	**1,47,040.93**	**75,289.72**	**72,579.40**
Less : Current Maturity of long term Debt			**24,401.20**	693.66	**12,044.43**	342.39
Total			**1,28,130.65**	**1,46,347.27**	**63,245.29**	**72,237.01**

*A subservient charge secured by way of hypothecation in favor of/for the benefit of the lender over the movable fixed assets and other immovable fixed asset, both present and future located at SEZ Dahej, Gujarat.

6.2.8 The Joint Venture, MSEZ has term loan from a Consortium of Banks at the interest rate "base rate of individual lending bankers" secured by mortgage of 949.1045 acres of land and hypothecation of immovable and movable property of company, repayable in 36 unequal quarterly installment commencing after moratorium period of 6 month from commercial operation date which was extended from 1st April, 2014 to 1st April, 2015. Balance outstanding as on 31st March, 2016 is ₹4,712.57million (Previous year ₹5,447.85 million) out of which group's share ₹1,263.93 million (Previous year ₹1,461.14 million).

6.2.9 The Joint Venture, OTPC has taken Rupees Term loan from State Bank of India(SBI), secured by first rank pari-passu charge on all immoveable

properties - present and future, relating to the project and first charge by way of hypothecation on all moveable properties - present and future, relating to project and first charge on all the receivables, Letter of credit and Escrow Account. Interest on the RTL is at SBI base rate (floating) + 0.40% (spread) and is repayable in 60 equal quarterly installments commencing from the 31st March, 2014. Balance outstanding for the same on 31st March, 2016 is ₹24,714.44 million (Previous year ₹26,944.84 million) out of which group's share is ₹12,357.22 million (Previous year ₹13,344.22 million). Further, the Joint venture company NETC of OTPC (NETC), has availed loan from PFC by creating a first charge on its immovable properties acquired for the project along with the revenue and receivables from the project - present and future against which outstanding Group's share is ₹1,985.34 million (previous year ₹2,111.84 million) as on 31st March, 2016.

6.3 Unsecured Loan

6.3.1 Non-convertible redeemable debenture (Rupee Bonds):

Particulars	Amount (₹ in million)	Date of issue	Due Date of Redemption	Coupon
Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures- Series II of face value of ₹ 1 million each	3,700.00	6-Jan-2010	6-Jan-2020	8.54 %, payable annually in arrears

The above bonds are listed in National Stock Exchange of India Ltd. (NSE). The bonds are guaranteed by Oil and Natural Gas Corporation Limited, the parent company. Further the Company is required to maintain 100% asset cover as per Listing Agreement for Debt Securities. There is no periodical put/ call option. The bonds are repayable in full (bullet repayment) on maturity date.

6.3.2 Foreign Currency Bonds

The subsidiary, OVL, had raised funds from the international financial markets by issuance of non-convertible redeemable Reg-S foreign currency bonds as per following:

Particulars	As at 31st March 2016	As at 31st March 2015	Date of issue	Due date of redemption	Coupon
USD 750 million unsecured non-convertible Reg S Bonds	**45,127.50**	45,127.50	15 July 2014	15 July 2024	4.625%, payable semi-annually in arrears
USD 500 million unsecured non-convertible Reg S Bonds	**27,145.00**	27,145.00	7 May 2013	7 May 2023	3.75%, payable semi -annually in arrears
EUR 525 million unsecured Euro Bonds*	**43,044.75**	43,044.75	15 July 2014	15 July 2021	2.75%, payable annually in arrears
USD 750 million unsecured non-convertible Reg S Bonds	**45,127.50**	45,127.50	15 July 2014	15 July 2019	3.25%, payable semi -annually in arrears
USD 300 million unsecured non-convertible Reg S Bonds	**16,287.00**	16,287.00	7 May, 2013	7 May 2018	2.50%, payable semi -annually in arrears
Foreign Exchange Difference	**15,232.50**	2,861.75			
Total	**1,91,964.25**	**1,79,593.50**			

The foreign exchange difference in respect of the foreign currency bonds* till 31st March 2016 amounting to ₹ 15,232.50 million (Previous year: ₹ 2,861.75 million) has been amortized over the outstanding tenure of the loan as per the provision of Para 46A of AS 11.

*except the Euro designated bonds which are capitalized to the respective assets of block Area 1, Mozambique.

Further Bond Listing details along with its issue price as below:-

Particulars	Listed in	Issue Price	Denomination	Due date of redemption	Coupon
USD 750 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.454%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	15 July 2024	4.625%, payable semi-annually in arrears
USD 500 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.950%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	7 May 2023	3.75%, payable semi -annually in arrears
EUR 525 million unsecured Euro Bonds	Frankfurt Stock Exchange	99.623%	Euro 100,000 and multiples of Euro 1,000 thereafter.	15 July 2021	2.75%, payable annually in arrears
USD 750 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.598%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	15 July 2019	3.25%, payable semi -annually in arrears
USD 300 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.655%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	7 May 2018	2.50%, payable semi -annually in arrears

6.3.3 The subsidiary, OVL has unsecured of finance lease obligation of ₹3,588.06million (Previous year ₹5,515.42 million).

6.3.4 The subsidiary, OVL has availed a term loanfrom Bank:-

(₹ in million)

Particulars	As at 31st March 2016	As at 31st March 2015	Date of loan	Due date of repayment	Coupon
USD 1,775 million Term loans	-	1,11,186.00	28 February 2014	27 November 2015	Libor + 1.65% payable quarterly

The Term loan was obtained from a syndicate of nine banks to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko Petroleum Corporation.

(₹ in million)

Particulars	As at 31st March 2016	As at 31st March 2015	Date of loan	Due date of repayment	Coupon
USD 1,775 million Term loans	**1,17,771.25**	-	27 November 2015	27 November 2020	Libor + 0.95% payable quarterly

The Term loan had been obtained from a syndicate of four banks to refinance the term loan taken to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko Petroleum Corporation.

6.3.5 The Subsidiary, MRPL, has deferred payment liability representing 'Sales Tax deferment' of ₹1,145.17 million (Previous year ₹1,603.34 million) with nil interest rate, to be repaid by 2019-20.

6.3.6 The Subsidiary OMPL, has availed a unsecured RTL from bank amounting to ₹ nil (Previous year ₹2,000.00 million) and during the year repaid entirely in September 2015. The rate of interest was Axis Base Rate + 0.50% payable on monthly basis.

6.3.7 The Joint Venture, PLL has raised the fund by issuing Non-convertible Bonds of ₹13,000.00 million, out of which group share of ₹1,625.00 million (previous year ₹13,000.00 million, out of which group share of ₹1,625.00 million) which are unsecured, non-convertible debenture, carries interest in the range of 8.35 % to 9.05%, repayable at par starting from financial year 2017-18 to financial year 2019-20. Further JV has Inter Corporate Deposit & Unsecured Bills under foreign currency letter of credits from bank of ₹1,113.34 million (out of which group share ₹139.17 million)

7. Deferred Tax Liabilities

The Deferred Tax Liability/Asset of the company, its subsidiaries and joint ventures as at 31st March, 2016 comprises of the major components of Deferred Tax Liabilities and Deferred Tax Assets under Accounting Standard-22 on 'Accounting for Taxes on Income' the details of the same given here under:

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
(i) Liabilities		
Depletion of Oil & Gas Assets	**327,110.75**	2,28,520.78
Depreciation Allocated to Wells in Progress & expenses relating to NELP	**41,643.52**	21,984.40
Unamortized expenditure written off	**2,872.99**	5,006.05
Development wells-in Progress	**10,928.02**	11,103.75
Depreciation	**33,933.89**	30,253.90
Others	**3,502.90**	12,245.43
Deferred tax liability - Subsidiaries of OVL	**10,618.57**	7,037.69
TOTAL	**430,610.64**	**316,152.00**
(ii) Assets		
Depreciation (refer note no. 7.1)	**105,036.09**	14,670.17
Unabsorbed losses and allowances	**21,793.34**	18,237.65
Unclaimed exploratory wells written off	**33,402.98**	29,079.78
Provision for Non-Moving Inventories	**1,928.24**	1,762.13
Provision for Doubtful Debts/ Claims /Advances/ Interest	**5,079.20**	4,858.02
Provision for Abandonment	**37,349.85**	34,364.43
Provision toward Additional Profit Petroleum & interest	**3,854.12**	3,638.61
Provisions unpaid u/s 43B of I. Tax 1961	**2,082.74**	1,754.99
Others	**4,673.75**	14293.30
Deferred tax asset - Subsidiaries of OVL	**11,857.61**	11,733.89
TOTAL	**227,057.92**	**1,34,392.96**

7.1 The above includes Net Deferred Tax Asset of ₹11,917.66 million (Previous year ₹11,805.98 million) and Net Deferred Tax Liability of ₹ 215,407.39 million (Previous Year ₹ 193,565.02 million) in respect of various components /entities consolidated as below.

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Net Deferred Tax Liability(I - ii)-ONGC	**1,95,355.80**	1,77,331.54
Net Deferred Tax Liability of OVL	**7,168.13**	8,066.79
Net Deferred Tax Liability of ONGBV	**6,465.49**	5,462.66
Net Deferred Tax Liability of OAAL	**1,550.03**	1,192.33
Net Deferred Tax Liability of Carabobo One AB	**2,601.26**	382.70
Net Deferred Tax Liability of OVAI	**1.80**	
Net Deferred Tax Liability of MRPL	**807.75**	1.12
Net Deferred Tax Liability of PLL	**1,117.37**	908.75
Net Deferred Tax Liability of OTPC	**141.22**	190.55
Net Deferred Tax Liability of MSEZ	**57.14**	28.58
Net Deferred Tax Liability of OPaL	**204.40**	-
Consolidated Net Deferred Tax Liability	**2,15,470.39**	**1,93,565.02**
Net Deferred Tax Asset of ONGBV	**10,325.35**	11,244.67
Net Deferred Tax Asset of OAAL	**1,532.26**	489.21
Net Deferred Tax Asset of PMHBL	**59.87**	71.99
Net Deferred Tax Asset of OTBL	**0.18**	0.11
Consolidated Net Deferred Tax Asset	**11,917.66**	**11,805.98**

8. Other Long Term Liabilities

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
- Advance from customers (note 8.2)	4,087.75	3,191.20
- Deposits from Suppliers and Contractors	43.69	95.02
- Liability for Capital Goods	673.52	-
- Other Liabilities	12,853.36	4,338.62
TOTAL	**17,658.32**	**7,624.84**

8.1 Above other long term liabilities includes ₹ 8,481.87 million share of jointly controlled entities (Previous year ₹ 6,622.86 million).

8.2 The joint venture company, PLL, has entered into long term agreements for 20 years for providing LNG regasification servicing by allocating its 7 MMTPA regasification capacity from its Dahej Expansion project. The advance received by PLL of ₹1,250.00 million(previous year ₹ 937.50 million of group share is adjustable against charges on regasification service during the course of the agreement.

9. Long Term Provisions

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for Employee benefits (Note no. 38)		
- Unavailed Leave	397.20	316.50
- Gratuity	93.18	81.78
- Post Retirement Medical & Terminal Benefits	29,539.86	27,152.60
Provision for Abandonment (Note no. 45)	323,499.94	298,197.94
Other Provisions (Note no. 45)	1,527.73	1,245.64
TOTAL	**355,057.91**	**326,994.46**

9.1 Above long term provisions includes ₹ 37.76 million share of jointly controlled entities (Previous year ₹ 17.66 million).

9.2 The overseas subsidiaries and the Joint Venture Companies of OVL provide for the retirement benefits in accordance with the laws of their respective jurisdictions. The net impact on account of this difference in accounting policy is not ascertainable.

9.3 In respect of subsidiary company OVL, other provisions includes provision ₹ 1,526.25 million (previous year ₹ 1,245.64 million)for Mark to Market (Refer Note no. 32.7)

10. Short Term Borrowings

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Secured (note 10.1)		
Short Term Loans from Banks	10,619.79	27,694.95
Short Term Loans from Others	-	74.03
Unsecured		
Other Short Term Loans :		
From Banks	38,049.26	21,828.64
From Others	24,537.54	3,850.33
TOTAL	**73,206.59**	**53,447.95**

10.1 Above Secured short term borrowing includes ₹ 10,562.33 million (Previous year ₹10,562.24 million) shares of jointly controlled entities and unsecured short term borrowing includes ₹19,206.86 million (Previous year ₹10,124.79 million) shares of jointly controlled entities.

10.2 Short Term Loan - Secured

10.2.1 The company has short term borrowing of ₹ nil (Previous year ₹13,930.00) secured against ₹ nil (previous year ₹17,340 million) of principal amount of Term deposit receipt with bank.

10.2.2 The subsidiary OMPL has outstanding secured short term Loan from Bank of ₹ 31.85 million (Previous year ₹ 3,168.01), secured by way of hypothecation of OMPL's stock of raw materials, finished goods, stock-in-process, stores, spares, components, book debts, outstanding monies receivable, claim, bills, contracts, engagements, securities, both present and future and further secured by second ranking pari passu charge against company's immovable and movable fixed Asset both present and future.

10.2.3 The subsidiary, MRPL has outstanding secured short term Loan of ₹ 25.61 million (Previous year ₹ 108.73 million) from Bank secured by way of hypothecation of MRPL's immovable and movable fixed Asset both present and future.

10.2.4 The Joint venture company, OPaL has borrowed short term loan from bank repayable by 31.12.2016. The short term loan has been secured by first rank pari passu mortgage/change on immovable and movable properties and assets both present and future except current Assets, first ranking pari passu mortgage/assignment on intangible assets relating to project both present & future and second ranking pari passu charge on any current asset with working capital lenders on reciprocal basis. assignment on intangible assets relating to project both present & future and second ranking pari passu charge on any current asset with working capital asset with working capital lenders on reciprocal basis. The balance outstanding as on 31.03.2016 is of ₹ 21,400.00 million(Previous year ₹ 21,399.86 million) out of which group's share is ₹ 10,563.04 million (Previous year ₹ 10,562.97 million).

10.3 Short term Loan-Unsecured

10.3.1 The Joint venture, OPaL has borrowed short term loans from bank of ₹ 38,100.00 million (Previous year ₹19,460.00 million) and from Tata capital of ₹755.00 million (Previous year ₹ nil) repayable on quarterly basis by 31.03.2017, out of which group's share is ₹19,178.83 million (Previous year ₹ 9,605.46 million).

10.3.2 The Subsidiary, OMPL has borrowed short term loan from bank repayable on demand of ₹19,244 million (Previous year ₹12,199.09 million) and has also borrowed through commercial paper of ₹19,000 million (Previous year ₹ nil).

10.3.3 The Joint venture company, OTPC had borrowed short term loan from TFCSL was repayable within six month from the date of first disbursement of loan at rate of 10.60% p.a payable monthly, The balance outstanding as on 31.03.2016 is of ₹nil (Previous year ₹1,000.00 million) out of which group's share is ₹nil (Previous year ₹495.20 million).

10.3.4 The Joint venture Company, PLL had taken Inter corporate deposit is received from Adani Ports and Special Economic Zone Ltd, at the interest rate of 11.00% of ₹ 234.90 million out of which group share is ₹ 29.36 million.

10.3.5 The Joint venture company, OTPC had borrowed short term loan from Axis Bank was repayable within six month from the date of first disbursement of loan at rate of base rate +0.50% p.a payable monthly, The balance outstanding as on 31.03.2016 is of ₹ nil (Previous year ₹ 50.00 million) out of which group's share is ₹ nil (Previous year ₹ 24.76 million).

11. Total Outstanding dues to other than Micro & Small Enterprises:-

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
- Total Outstanding dues to other than Micro & Small Enterprises (note 11.3)	**338,738.92**	304,527.43
- Deferred Credit on Gas Sale (note 11.2)	**68.25**	36.63
TOTAL	**338,807.17**	**304,564.06**

11.1 Above trade payable includes ₹1,696.21 million share of jointly controlled entities (Previous year ₹ 1,144.91million).

11.2 Deferred credit on gas sales represents amounts received from gas customers against "Take or Pay" obligations under relevant gas sales agreements. The amounts are to be utilized to supply gas in subsequent year(s) free of charge to such customers.

11.3 In case of subsidiary MRPL, trade payables include ₹177,990.35 million (previous year ₹147,854.73 million)being overdue amount payable to National Iranian Oil Company (NIOC) pending settlement due to non-finalization of remittance channel even after removal of UN/US/EU backed sanctions.

11.4 Disclosure relating to due to Micro, Small and Medium Enterprises*:-

(₹ in million)

Particulars		2015-16	2014-15
a)	Principal & Interest amount remaining unpaid but not due as at year end	53.93	95.63
b)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
c)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
d)	Interest accrued and remaining unpaid as at year end	-	-
e)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise		

Based on the confirmation from Vendors

12. Other Current Liabilities

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Current Maturity of Long Term debt (note 6.2 & 6.3)		23,182.16		8,964.53
Current Maturity of Finance Lease Obligations (Note 6.3.3)		1,355.72		1,277.58
Interest Accrued but not due on Borrowings		3,329.77		3,060.28
Interest Accrued and due on Borrowings		163.25		148.39
Interest Accrued and due on mature debenture (note 12.3)		0.19		0.19
Non- Recourse Deferred Credit(Note 12.4)	1,152.64		1,088.19	
Less: Set off against Provision for non receipt of instalments	772.15	380.49	728.97	359.22
Advance from Customers		1,054.76		1,271.88
Unclaimed Dividend (note 12.2)		280.48		255.07
Liability for Capital Goods		36,402.41		33,879.95
Liability for Statutory Payments		16,241.23		30,075.52
Liability for Gratuity		27.08		24.98
Deposits from Suppliers and Contractors		4,076.68		3,347.11
Amount payble to operator		4,241.52		6,217.40
Cash Call payable to JV Partners		20,565.39		18,527.83
Liability for Employees		6,705.65		5,981.08
Liability for Superannuation Benefits		1,167.36		1,125.95
Liabilities for Liquidated Damages		22,091.30		17,649.05
Other Liabilities		31,052.27		36,039.50
TOTAL		172,317.71		168,205.51

12.1 Above other current liabilities includes ₹16,768.58 million share of jointly controlled entities (Previous year ₹ 82,263.97 million).

12.2 No amount is due for deposit in Investor Education and Protection Fund.

12.3 Liabilities for interest towards disputed claim in respect of subsidiary company, MRPL.

12.4 Non-recourse deferred credit: ₹1,152.64 million (Previous year: ₹1,088.19 million) represents the non-recourse deferred credit from contractors of pipeline project executed by the Company in Sudan. The Non-recourse deferred credit is repayable from the installments of pipeline lease rentals from Ministry of Energy and Mining (MEM), Sudan. (Refer Note 42.1).

13. Short Term Provisions

(₹ in million)

Particulars		As at 31st March, 2016		As at 31st March, 2015
Provision for Employees Benefits (Note no. 38)				
Unavailed Leave		**4,048.83**		4,227.88
Gratuity		**11.39**		6.41
Post Retirement Medical & Terminal Benefits		**1,512.47**		1,632.18
Provision for Abandonment (note 45)		**481.47**		**411.60**
Provision for Others				
Proposed Dividend		**27,805.34**		4,277.75
Tax on Proposed Dividend		**5,709.73**		910.15
Provision for wealth Tax	**81.60**		115.16	
Less: Paid	**81.60**		65.16	50.00
Provision for taxation (Net of Advance tax & TDS)		**8,421.85**		8,675.22
MAT Payable		**126.78**		96.29
Other Provisions (note no. 13.2 & 45)		**6,192.89**		3,106.32
TOTAL		**54,310.75**		**23,393.80**

13.1 Above short term provisions includes ₹508.07 million share of jointly controlled entities (Previous year ₹453.08 million).

13.2 The subsidiary, MRPL, had recognized liability based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on 31st March, 2016 for ₹3,506.98 Million (Previous year ₹ 2,057.60 million).



Hands On: ONGC lady Officers engaged in deliberations

14. Oil & Gas Assets

(₹ in million)

Particulars		As at 31st March, 2016		As at 31st March, 2015
Gross Cost				
Opening Balance	**19,45,229.91**		18,23,490.87	
Expenditure during year	**29,235.73**		13,697.42	
Transfer from Exploratory Wells-in-Progress	**7,392.86**		11,571.40	
Transfer from Development Wells-in-Progress	**1,14,171.95**		87,305.45	
Depreciation on Facilities	-		33,475.86	
Increase/(Decrease) in estimated Abandonment costs	**22,828.58**		20,765.91	
Net Book Value of Oil & Gas Facilities transferred from other tangible Assets (note 14.2 & 15.1.c)	**3,46,044.76**			
Facilities Added during year	**58,396.94**			
Deletion/Retirement of facilities during period	**(1,841.56)**			
Foreign Currency Translation Adjustments (note 14.4 & 14.5)	**5,171.12**		(39,045.50)	
Other Adjustments	**(133.30)**		(6,031.50)	
		25,26,496.99		19,45,229.91
Less: Depletion & Impairment				
Depletion				
Opening Balance	**10,28,441.87**		9,06,970.01	
Depletion for the year (note no. 33 & 36)	**1,49,109.67**		1,42,587.83	
Deletion/Retirement of facilities during period	**(1,812.48)**		0.00	
Foreign Currency Translation Adjustments	**4,482.74**		(15,659.48)	
Other Adjustments	**1,045.88**		(5,456.49)	
		11,81,267.68		10,28,441.87
Impairment				
Opening Balance	**6,738.71**		3,839.39	
Impairment recalssification-Facility	**1,120.83**		0.00	
Deletion/Retirement -Impairment on facility	**0.00**		0.00	
Impairment provided for the period	**31,157.08**		3,089.37	
Write back of Impairment	**(373.06)**		(190.05)	
		38,643.56		6,738.71
NET OIL & GAS ASSETS		**13,06,585.75**		**9,10,049.33**

14.1 Above includes ₹ nil share of jointly controlled entities (previous year ₹ nil)

14.2 In terms of guidance note on accounting for Oil & Gas Producing Activities (Revised 2013) and EAC opinion issued by the Institute of Chartered Accountants of India (ICAI), the Company has transferred Producing Properties as "Oil and Gas Assets" under Tangible Assets. Net book value of Assets pertaining to production & allied facilities has been transferred from other tangible assets to reflect the aggregate amount of "Oil and Gas Assets". Accordingly, the company has w.e.f. 01.04.2015, made changes in accounting estimates by changing the useful life of certain production & allied facilities shown as Oil and Gas Assets by linking it with the respective Oil & Gas reserves for the purpose of charging depletion on such Oil & Gas Assets. Such change in accounting estimates has been

accounted for prospectively as per Accounting Standard (AS)-5. Consequent to such change, the "Depreciation and amortization expenses" for the year ended 31st March 2016 is lower by ₹ 846.10 million and the profit before tax for the year ended 31st March 2016 is higher by ₹ 846.10 million.

14.3 During the year ended 31.03.2016, the company has reviewed and changed the accounting treatment of charging off the water injector side track wells which are service wells drilled for the purpose of supporting production from the existing offshore fields, in line with Guidance note on accounting for Oil & Gas Producing Activities (Revised 2013) issued by ICAI. Accordingly, an amount of ₹ 4,212.57 million in respect of such wells capitalised under Oil & Gas Assets and consequently, profit before tax for the year ended 31st March' 2016 is higher by ₹ 3,656.47 million.

14.4 The above includes Foreign currency translation differences on the abandonment liability in pursuance to Para 46A of the Accounting Standard-11 (Changes in Foreign Exchange Rates). The details of the foreign currency translation monetary item difference account related are as follows:-

(₹ in million)

Exchange loss arising on reporting of long-term foreign currency monetary items relating to depreciable assets:-	Year ended 31.03.2016	Year ended 31.03.2015
Amount remaining to be amortized at the beginning of the year	**5,156.91**	4,696.94
Exchange loss/(gain) arising during the year	**3,221.87**	1,320.84
Less: Depletion charged to statement of profit and loss for the year	**989.83**	860.87
Amount remaining to be amortized at the end of the year	**7,388.95**	**5,156.91**

14.5 Pursuant to Notification no. G.S.R.(914) E dated 29 December 2011 issued by MCA inserting para 46A in the Accounting Standard (AS)-11 'The Effects of Changes in Foreign Exchange Rates', the Company had opted in the financial year 2012-13 to adjust exchange differences arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable assets, against the cost of such assets and depreciate the said adjustment over the balance life of the asset.

14.5.1 BC-10, Brazil (an un-incorporated joint venture of the group) has USD currency denominated long-term finance lease agreement with Tamba BV. Netherlands (a joint venture company of the group), wherein the later is providing major oil field equipments like floating production storage and offloading vessel (FPSO) and other sub-sea assets to the former. These assets have been capitalized in the books of ONGC Campos Ltda. (a subsidiary of ONGC Videsh Limited) which has 27% (Previous year 27%) participating interest in BC-10, Brazil project. ONGC Campos Ltda prepares its financial statements in Brazilian Real (BRL) which are translated into USD for consolidation in holding company ONGC Nile Ganga B.V.'s consolidated financial statements, which are further translated into `for consolidation in ONGC Videsh Limited consolidated financial statements. The forex gain/loss arising due to conversion of BRL to USD (& subsequently`) on account of revaluation of long-term finance lease liability was being recognized in the Statement of Profit and Loss. However, in accordance with the opinion obtained from the Expert Advisory Committee (EAC) of the ICAI, the Company has applied the provisions of para 46A of AS -11 retrospectively from financial year 2012-13 and the revaluation gain/loss of the long-term finance lease is capitalized to Oil & Gas assets and depleted using unit of production method. The impact of the change of the accounting treatment on the Statement of the Profit and Loss is as below-

(₹ in million)

A.	Prior period adjustments:	2015-16	2014-15
	a) Foreign exchange loss /(gain)	**(8,184.77)**	-
	b) Depletion	**1,068.11**	-
	c) Deferred tax on (a & b) above	**2,419.66**	-
	d) Total (a+b+c)	**(4,697.00)**	-
B.	**For the year :**		
	a) Depletion	**547.29**	-
	b) Deferred tax on a) above	**(186.08)**	-
	c) Total (a+b)	**361.21**	-

14.5.2 The details of Oil & Gas assets remaining to be amortized as at 31st March 2016 in respect of the long-term finance lease agreement is as below:

(₹ in million)

Exchange loss arising on reporting of long-term foreign currency monetary items relating to depreciable assets:	As at 31st March 2016	As at 31st March 2015
Amount remaining to be amortised at the beginning of the year	-	-
Add: Prior period Exchange loss/(gain)	8,184.77	-
Add: Exchange loss/(gain) arising during the year	1,454.21	-
Less: Prior period depletion	1,068.11	-
Less: Depletion charged to Statement of Profit and Loss for the year	547.29	-
Add: Foreign currency translation adjustment	106.20	-
Amount remaining to be amortised at the end of the year	8,129.78	-

15. Other Tangible Assets

(₹ in million)

Description	Gross Block				Accumulated Depreciation				Accumulated Impairment					Net Block	
	At 1st April, 2015	Additions	Deletion/ Adjustment	At 31st March, 2016	At 1st April, 2015	For the year	Deletion/ Adjustment	At 31st March, 2016	At 1st April, 2015	For the year	Written back	Re classification	At 31st March, 2016	As 31st March, 2016	At 31st March, 2015
Land Freehold	4,736.81	1,861.01	1.59	**6,596.23**	-			-	-				-	**6,596.23**	4,736.81
Land Leasehold	19,677.23	203.34	(22.72)	**19,903.29**	2,047.67	54.48	(1.04)	**2,103.19**	-				-	**17,800.10**	17,629.56
Building & Bunk Houses	44,873.83	8,179.19	8,240.58	**44,812.44**	18,158.31	2,159.78	2,776.04	**17,542.05**	127.11	371.69		0.74	**498.06**	**26,772.33**	26,588.41
Plant & Equipment	1,599,165.57	61,607.98	995,269.34	**665,504.21**	970,461.17	29,048.64	647,835.60	**351,674.21**	1,943.85	205.28	18.13	921.01	**1,209.99**	**312,620.01**	626,760.55
Furnitures & Fixtures	17,647.41	755.76	9,876.66	**8,526.51**	14,402.11	910.63	8,858.43	**6,454.31**	13.36	18.37	0.42	(0.36)	**31.67**	**2,040.53**	3,231.94
Office Equipment	9,252.64	678.75	(7,892.95)	**17,824.34**	6,670.24	1,297.18	(7,675.85)	**15,643.27**	21.88	10.35	0.29	2.55	**29.39**	**2,151.68**	2,560.52
Vehicles includes Survey Ships, Crew Boats and Helicopters (note14.1(k))	11,745.96	1,642.21	3,828.43	**9,559.74**	6,531.36	342.12	800.57	**6,072.91**	10.25	13.21	0.83		**22.63**	**3,464.20**	5,204.35
Total	**1,707,099.45**	**74,928.24**	**1,009,300.93**	**772,726.76**	**1,018,270.86**	**33,812.83**	**652,593.75**	**399,489.94**	**2,116.45**	**618.90**	**19.67**	**923.94**	**1,791.74**	**371,445.08**	**686,712.14**
Previous Year	1,403,672.42	309,453.22	6,026.19	**1,707,099.45**	939,321.96	78,330.60	(618.30)	**1,018,270.86**	2,096.95	22.90	-	3.40	**2,116.45**	**686,712.14**	
The above includes the company's share in Joint Venture Assets	130,037.81	236,170.11	209,812.59	**156,395.33**	62,583.46	6,723.44	(6,713.20)	**76,020.10**	821.73	229.79	-	788.44	**263.08**	**80,112.15**	66,632.62
Previous Year	273,306.67	25,795.19	169,064.05	**130,037.81**	155,802.36	5,906.86	99,125.76	**62,583.46**	821.73	-	-	-	**821.73**	**66,632.62**	

15.1 Above includes:-

(a) Additions to Tangible Fixed Assets are net of (-) ₹ 1,498.73 million on account of foreign currency translation adjustment during the year (Previous year ₹ 4,353.08 million).

(b) Land includes land in respect of certain projects for which execution of lease/ conveyance deeds are in process.

© Deletion/Adjustment/transfer during year included assets transferred to Oil & Gas Assets (refer note no. 15.2)

(d) Registration of title deeds in respect of certain Buildings is pending execution.

(e) Building includes cost of undivided interest of land.

(f) In respect of subsidiary MRPL, land lease hold of ₹ 253.25 million (Previous year ₹ 249.96 million) has not been amortized in view of the fact that eventually the ownership will get transferred to the company on expiry of the lease period.

(g) Plant & Equipment includes an amount of ₹ 782.98 million (Previous year ₹ 782.98 million)being MRPL's share of an asset jointly owned with another company. Net Block ₹ 39.15 million (Previous year ₹ 39.15 million).

(h) In respect of subsidiary MRPL land lease hold of ₹ 28.82 million (previous year ₹ 28.82 million) is in possession of the company towards which formal lease deeds are yet to be executed. Net block ₹ 28.82 million (previous year ₹ 28.82 million).

(i) Net Tangible Assets include ₹ 52,437.21 million share of jointly controlled entities (Previous year ₹ 39,489.11 million).

(j) Depreciation for the year includes ₹ 484.76 million pertaining to prior period (Previous year ₹ 19.32 million).

(k) Plant & Equipment includes Jetty & Trestle having Gross block of ₹ 12,974.80 million (Previous year ₹ 12,873.80 million) (Dahej) and ₹ 3,843.10 million (Previous year ₹ 3,843.10 million) (Kochi) in the books of Joint Venture Company, Petronet LNG Ltd, out of which Group share is ₹1,621.85 million (Previous year ₹ 1,609.23 million)(Dahej) and ₹ 480.39 million (Previous year ₹ 480.39 million)(Kochi). As per the agreement, ownership of Jetty & Trestle (Dahej) would be transferred to the Gujarat Maritime Board in the year 2035 and ownership of Jetty & Trestle (Kochi) would be transferred to the Cochin Port Trust in the year 2039.

(l) Vehicles includes Tugs and boats assets purchased by the Joint venture company, Adani Petronet Dahej Port Private Ltd (through PLL) and are in the process of registration in the name of the said company amounting to group share of ₹ 46.21 million (Previous Year ₹ 46.21 million), accumulated depreciation ₹ 14.27 million (Previous Year ₹ 12.14 million)

(m) Vehicles include Survey Ships, Crew Boats and Helicopters. (Refer to note no. 32.8)

(n) Ministry of Corporate Affairs (MCA) vide notification dated August 29, 2014 had amended Schedule II to the Companies Act, 2013 requiring mandatory componentization of fixed assets for financial statements in respect of financial years commencing on or after 1st April 2015. During the year the group has under taken the componentization of fixed assets w.e.f. 01.04.2015 on the basis of technical evaluation and useful life thereof. Consequently, the "Depreciation, Depletion and amortization expenses"is higher by ₹89.29 million for the year ended 31st March 2016 and the profit before tax for the year ended 31st March 2016 is lower by ₹ 89.29 million. Further adjustment to reserve & surplus account (net of tax) by ₹326.74 million in respect of subsidiary company MRPL on account of higher depreciation on componentization was having zero residual life.

(o) In respect of parent company, ONGC, in case of certain items of plant and equipment where useful life ranging from 3 to 25 years has been considered based on technical assessment by the management which is lower than the useful life prescribed under schedule II to the Companies Act 2013 (refer Accounting policy no. 2.2.n.1.1).

(p) The Joint venture company, OPaL, has revised useful life of an asset "Leasehold Development" from 27 years to 57 years on a consideration that the company has option to extend the lease period for further period of 30 years over primary lease period of 30 years and that the expenditure on development such as land filling need not be incurred once again. In view of this the net block of the said asset as at 1st April 2015, group share amounting to ₹ 2,911.60 million has been amortized over the remaining useful life. Consequently the group share of depreciation for the year is lower by ₹ 244.28 Million and the group share of value of asset is higher by ₹ 244.28 million.

15.2 The accounting policies for treatment of depreciation of fixed assets by the subsidiaries/ Joint Venture/ Associate Entities are different from the accounting policies of the Group. Such different policy of depreciation of Fixed Assets have been adopted in respect of the following:-

(₹ in million)

Name of Subsidiaries / JV/ Associate	Accounting Policies		Proportionate Depreciation		Proportionate Net block	
	Company	Subsidiaries/ JV	2015-16	2014-15	2015-16	2014-15
MRPL (note 15.9 & 15.10)	Written Down Value Method at the rates specified in Schedule II.	Straight Line Method	**7,221.51**	3,888.81	**1,51,703.51**	1,43,589.02
OMPL			**2,996.13**	1,336.38	**64,994.29**	66,773.73
Petronet LNG Ltd. (note 15.2.1)			**424.09**	390.12	**8,842.12**	8,665.01
Petronet MHB Ltd. (note 15.2.2)			**24.36**	41.95	**291.20**	276.1
Mangalore SEZ Ltd. (note 15.2.3)			**81.90**	34.28	**2520.12**	2,057.41
OPaL			**16.54**	388.78	**17,749.45**	4,668.77
OTPC (note 15.2.4)			**1,079.64**	534.16	**19,655.48**	20,231.87
Total			**11,844.17**	**6,614.48**	**265,756.17**	**2,46,261.91**

15.2.1 Depreciation on certain Assets whose useful life has been taken on the basis of the technical assessments (refer Accounting policy no. 2.2.n.1.1)

Category	Assets	Estimated Useful Life
Marine Structures	Pneumatic Fender	10 Years
Plant & Machinery	Steel Conveyor belt, Diesel Pile Hammer (construction equipment)	10 Years
Building	Carpeted Roads – Other than RCC Non Carpeted Roads - Other than RCC	6 Years 3 Years
Tugs & Boats	Tug - Outfitting items	15 Years

15.2.2 Depreciation on certain Assets whose useful life has been taken on the basis of the technical assessments (refer Accounting policy no. 2.2.n.1.1)

Tangible Asset	Useful life
SCADA	10 year
Telecom system	15 year
Online Sulphur analyzer system	10 year

15.2.3 Depreciation on certain Assets whose useful life has been taken on the basis of the technical certification (refer Accounting policy no. 2.2.n.1.1):-

Asset	Useful life used for depreciation
Electrical Installations & Equipment	15
Hydrolic works, pipelines & sluices	30
Marine Pipeline Asset-Pipeline inside sea	15
TTP Water Membranes	7

15.2.4 Depreciation has been provided on the basis of CERC Tariff Regulations 2014, as notified by Central Electricity Regulatory Commission.

15.3 Title to Fixed Assets under Production Sharing Agreements

OVL, its Subsidiaries and Joint Venture Companies,in consortium with other partners (Consortium) carries on its business in respect of exploration, development and production of hydrocarbons under agreements with the host governments. Several of these agreements, governing OVL's activities in the fields / projects, provide that the title to the fixed assets and other ancillary installations shall pass to host Government or its nominated entities either upon acquisition / first use of such assets or upon 100% recovery of such costs through allocation of "Cost Oil" and "Cost Gas" or upon relinquishment of the relevant contract areas or termination of the relevant agreement. However, as per the terms of the agreements, the Consortium and/ or Operator has the custody of all such assets and is entitled to use, free of charge all such assets for Petroleum Operations throughout the term of the respective agreements. The Consortium also has the custody and maintenance of such assets and bears all risks of accidental loss and damage and all costs necessary to maintain such assets and to replace or repair such damage or loss. Under the circumstances, such assets are kept in the records of the said company during the currency of the respective agreements.

15.4 Apart from the above assets, the joint venture company, Petronet MHB Limited (PMHBL) has taken lease land from HPCL for its stations at Mangalore, Hassan and Devangonthi on a long term lease basis for the period of 30 years on annual rental basis. Also, there are six pieces of land acquired by PMHBL through KIADB for sectionalized valve stations for which absolute sale deeds are yet to be registered in the name of the PMHBL and the amount paid ₹ 0.28 Million (Previous year ₹ 0.28 million) is shown as capital advance under note 21.

15.5 The Subsidiary of OVL "OAAL" and joint venture company of OVL "OMEL" provide depreciation on fixed assets using the straight line method. The amount involved is ₹ 1,701.87 Million (Previous year ₹ 1,460.63 million) shown as depreciation under Note 33.

15.6 Due to different nature of their operation, PHL, an Associate of the Company, follows different accounting policies in respect to depreciation. Depreciation is charged by PHL on straight line method whereas the company provides Written Down Value Method of deprecitaion. It is not practicable for the Company to make adjustment for the purposes of applying the equity method.

15.7 During the year, the Joint Venture Company OPaL, has provided depreciation on mobile phones considering estimated useful life of 3 years & 4 months. The group's share of gross value of Mobile Phones is ₹ 2.45 Million (Previous year ₹ 1.06 million) and net book value of ₹ 1.65Million (Previous year ₹ 0.73 million) (refer Accounting policy no. 2.2.n.1.1).

15.8 The Joint Venture Company OTPC has charged depreciation on assets of electricity generation business on Straight line method following the rates methodology provided under CERC Tariff Regulations 2014 except for IT equipment's (including software) on which depreciation is charged @ 30%. Self-insurance reserve @ 0.1% p.a. on Gross Block of Fixed Assets (except assets covered under mega insurance policy) is created as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks and the same is shown as "self-insurance reserve" under 'Reserve & Surplus' (refer note no. 5.8).

15.9 During the year, subsidiary company MRPL, has depreciated certain Assets whose life is other than life specified in Schedule II of the Companies Act, 2013, based on the company policy. The depreciation for the period would have been higher by ₹ 7.94 million with the consequential impact on the Fixed Assets and Profit/(loss) for the period(refer Accounting policy no. 2.2.n.1.1).

Type of Assets	Life Considered
Plant and Equipment (Employee scheme Computer)	4 Years
Furniture and Fixtures (Employee Scheme Furniture)	7 Years
Vehicles (Employee Scheme Vehicles)	4 Years

15.10 Includes Component of Assets whose life is other than life specified in Schedule II of the Companies Act, 2013 and is based on the technical evaluation (refer Accounting policy no. 2.2.n.1.1):-

Type of Assets Component	Life Considered
Plant and Equipment (Instrumentation Item/DCS) Plant and Equipment (Catalyst)	15 Years Guaranteed useful life as specified by the supplier

16. Intangible Assets

(₹ in million)

Description	Gross Block				Accumulated Depreciation				Accumulated Impairment					Net Block	
	At 1st April, 2015	Additions	Deletion/ Adjustment	At 31st March, 2016	At 1st April, 2015	For the year	Deletion/ Adjustment	At 31st March, 2016	At 1st April, 2015	For the year	Written back	Re classification	At 31st March, 2016	At 31st March, 2016	At 31st March, 2015
Computer Software	7,696.55	514.52	(2.97)	**8,214.04**	6,682.18	369.93	(1.38)	**7,053.49**	22.30	5.39	-	0.02	**27.67**	**1,132.88**	992.07
Copyrights & Patents	56.50			**56.50**	56.50			**56.50**	-				-	-	-
Goodwill (note 16.3)	20.13			**20.13**	16.09	2.01		**18.10**	-				-	**2.03**	4.04
Right of way	199.17	8.76	(1.57)	209.50	**26.03**	8.08	(0.24)	34.35	-				-	**175.15**	**173.14**
Total	**7,972.35**	**523.28**	**(4.54)**	**8,500.17**	**6,780.80**	**380.02**	**(1.62)**	**7,162.44**	**22.30**	**5.39**	-	**0.02**	**27.67**	**1,310.06**	**1,169.25**
Previous Year	7,125.55	953.52	106.72	**7,125.55**	6,348.92	485.65	53.77	**6,780.80**	22.27	0.03			**22.30**	**1,169.25**	
The above includes the Company's share in Joint Venture Assets	415.75	303.32	(596.65)	**1,315.72**	123.31	108.73	(467.99)	**700.03**	-				-	**615.69**	292.44
Previous Year	683.07	156.46	423.78	**415.75**	402.36	38.12	317.17	**123.31**	-				-	292.44	

16.1 **Above includes:-**

(a) Addition to Intangible Asset are net of ₹ 11.78 million on account of foreign currency translation adjustment during the year(previous year ₹ 3.31 million)

(b) Net Intangible asset include ₹ 254.59 million shares of jointly controlled entities (previous year ₹ 260.29 million)

16.2 The Associate, Pawan Hans Ltd, is charging cost of software purchased/ developed in-house up to ₹ 0.50 million each to statement of profit & loss in the year of purchase.

16.3 Represents consideration for purchase of business (Nitrogen Plant) in excess of book value of net assets acquired by subsidiary MRPL.



Night view of Mangalore Refinery and Petrochemicals Limited (MRPL)



17 Capital Works in Progress

(₹ in million)

Particulars		As at 31st March, 2016		As at 31st March, 2015
A DEVELOPMENT WELLS-IN-PROGRESS				
Opening Balance		**58,353.98**		46,189.74
Expenditure during the year	**101,586.61**		98,323.57	
Depreciation during the year	**3,244.77**		3,385.87	
Foreign Currency Translation Adjustments	**(168.29)**		(2,239.75)	
Less: Transfer to Oil & Gas Asset	**114,171.94**	**(9,508.85)**	87,305.45	12,164.24
		48,845.13		58,353.98
Less: Impairment				
Opening Balance	**1,259.29**		612.52	
Provision for the year	**1,189.38**		646.77	
Reclassification	**(202.65)**			
Write back during the year	**(163.14)**		-	
		2,082.88		1,259.29
NET DEVELOPMENT WELL IN PROGRESS (A)		**46,762.25**		**57,094.69**
B OTHER CAPITAL WORK IN PROGRESS				
Buildings	**6,725.48**		8,122.49	
Plant and Equipment	**270,565.29**		256,702.72	
Others	**5,185.20**		3,015.36	
Capital Stores (including in transit)	**3,002.56**		3,953.76	
Less: Provision for Non-Moving Items	**57.89**		87.00	
		285,420.64		**271,707.33**
Less: Impairment				
Opening Balance	**2,199.83**		2,401.23	
Provided for the year	**6,188.46**		164.52	
Write back of Impairment	**(1,213.00)**		(11.83)	
Other adjustments	**(73.39)**		(354.09)	
		7,101.90		2,199.83
NET OTHER CAPITAL WORKS-IN-PROGRESS (B)		**278,318.74**		**269,507.50**
CAPITAL WORK IN PROGRESS (A)+(B)		**325,080.99**		**326,602.19**

17.1 Above includes:-

(a) CWIP of ₹101,600.72 million share of jointly controlled entities (Previous year ₹ 95,132.21 million).

(b) In respect of subsidiary company, MRPL, an amount of ₹ 2,411.43 million (previous year ₹ 1,680.25 million) has been capitalized under CWIP on account of exchange difference arising on reporting of long term foreign currency monetary items pursuant to Notification no GSR (914)E dated 29th December 2011 issued by MCA, from the financial year ending 31st March 2012, to adjust exchange difference arising on reporting of long term foreign currency monetary items, in so far as , they relate to the acquisition of depreciable assets, against the cost of such assets and depreciate the said adjustment, over the balance life of the assets.

(c) In respect of Joint Venture Company, OPaL, an amount of ₹ 14.27 million (Previous year (-) ₹ 118.83 million) has been capitalized under CWIP on account of exchange difference arising on reporting of long term foreign currency monetary items instead of charging to Statement of profit & loss

(d) In respect of subsidiary company, OMPL, an amount of ₹ 1,296.26 million (Previous year ₹267.19 million) has been capitalized under CWIP on account of exchange difference arising on reporting of long term foreign currency monetary items, pursuant to notification no. GSR(914)E dated 29th December, 2011 issued by Ministry of Corporate Affairs, Govt. of India.

(e) In respect of Joint Venture Company, OTPC, an amount of ₹ 33.28 million (Previous year ₹ 39.51 million) has been capitalized under CWIP on account of exchange difference arising on reporting of long term foreign currency monetary

items instead of charging to Statement of profit & loss, pursuant to notification no. GSR(914)E dated 29th December, 2011 issued by Ministry of Corporate Affairs, Govt. of India.

(f) The Subsidiary company OVL, has 60% PI in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since 29 April 2012. In view of the same provision had been made in respect of cost of development wells in progress amounting to ₹ 83.74 million (Previous year: ₹ 83.74 million).

(g) In respect of Joint Venture Company, MSEZ, has an obligation vide Government order no. RD 309REH dated 20.06.2007 to provide various compensation to the Project Displaced Families (PDFs) including one job per family and site for construction. The PDFs can opt for cash in lieu of site and cash in lieu of job. The estimated provision in respect of various compensations is included in capital work in progress of ₹ 32.77 million (previous year ₹ 34.47 million) as group share. Capital work in progress includes of ₹ 251.71 million (previous year ₹ 205.43 million) as group share on account of mandatory and unavoidable expenditure incurred on creation of infrastructure at R&R colony, pursuant to Government of Karnataka Order no. KE309REH, 2006, Bangalore dated 20.06.2007. The expenditure will be transferred to the cost of land in the year in which the obligation is completed.

18. Intangible Assetsunder Development

(₹ in million)

Particulars		As at 31st March, 2016		As at 31st March, 2015
A) EXPLORATORY WELLS-IN-PROGRESS				
Gross Cost				
Opening Balance		**182,856.85**		164,509.06
Expenditure during the year	**81,032.92**		119,971.45	
Less : Sale proceeds of Oil and Gas (Net of levies)	**143.59**	**80,889.33**	547.85	119,423.60
Depreciation during the year		**2,730.48**		3,284.46
		266,476.66		287,217.12
Less :				
Transfer to Oil & Gas Asset	**7,392.86**		11,571.41	
Wells written off during the year	**42,974.95**		90,738.53	
Foreign Currency Translation Adjustments	**(951.95)**		(588.47)	
Other adjustments	**4.60**	**49,420.46**	2,638.80	104,360.27
		217,056.20		**182,856.85**
Less : Provision/Impairment (Note 18.1.1, 18.1.2 & 18.1.3)				
Opening Balance	**27,984.29**		27,935.56	
Provision for year	**700.18**		1,251.96	
Writeback during year	**(3,508.30)**		(1,203.23)	
Provision reversed	**(15,482.32)**	**9,693.85**	-	27,984.29
NET EXPLORATORY WELLS-IN-PROGRESS (A)		**207,362.35**		**154,872.56**
B) OTHER INTANGIBLE ASSETS				
(i) Acquisition Costs-E&P Asset (note no. 18.1.4)		**162,967.01**		149,008.88
Less : Impairment				
Opening Balance	**408.90**		-	
Provision for year	**13,064.98**	**13,473.88**	408.90	408.90
Net Acquisition Cost-E&P Asset		**149,493.13**		148,599.98
(ii) Other intangible Assets Progress		**4,013.68**		3,859.01
OTHER INTANGIBLE ASSETS (B)=(i)+(ii)		**153,506.81**		**152,458.99**
INTANGIBLE ASSET UNDER DEVELOPMENT (A)+(B)		**360,869.16**		**307,331.55**

18.1 Above includes:-

18.1.1 The company had acquired in 2004-05, 90% Participating Interest in Exploration Block KG-DWN-98/2 from M/s Cairn Energy India Limited for a lump sum consideration of ₹ 3,711.22 million which, together with subsequent exploratory drilling costs of wells had been capitalised under exploratory wells in progress. In 2012-13, the company had acquired the remaining 10% participating interest in the block from M/s Cairn Energy India Limited. On actual past cost basis for a consideration of ₹ 2,124.44 million. Initial in-place reserves were established in this block and adhering to the original PSC time lines, a Declaration of commerciality (DOC) with a conceptual cluster development plan was submitted on 21.12.2009 for Southern Discovery Area and on 15.07.2010 for Northern Discovery Area. Thereafter, in the revised DoC submitted in December, 2013, Cluster-wise development of the Block had been envisaged by division of entire development area into three clusters. The DoC in respect of Cluster II had been reviewed by the Management Committee (MC) of the block on 25.09.2014. Field Development Plan (FDP) for Cluster-II was submitted on 08.09.2015 and the same had been approved by MC on 31.3.2016.

The exploration period of this block had been restructured by Government up to 29.12.2013 in accordance with the Rig Holiday Policy and further extended to 25.01.2014. Under the new policy framework for relaxation, extensions and clarifications at the development and production stage under the PSC regime notified by MoP&NG vide GO dated 10.11.2014; drilling and testing of appraisal wells were completed. Revised DOC for Clusters I and III has been submitted to MC for review on 27.04.2016.

In view of the definite plans for development of discoveries in the block, the company has reversed a provision of ₹ 15,482.32 million created in the past.

18.1.2 The Subsidiary company, OVL, in Block Farsi, Iran has entered into an Exploration Service Contract (ESC) with National Iranian Oil Company (NIOC) on 25 December 2002 along with other consortium partner of the block. After exploratory drilling, FB area of the block proved to be a gas discovery and was later rechristened as Farzad-B. NIOC announced the Date of Commerciality for Farzad-B as 18 August 2008. However, the Development Service Contract is pending. Provision has been made in respect of the Company's investment in exploration in the Farsi Block amounting to ₹ 1,534.93 million (previous year ₹ 1,511.16 million).

18.1.3 The Subsidiary company, OVL has 60% PI in Block XXIV, Syria where the development is currently suspended. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since 29 April 2012. In view of the same provision had been made in respect of cost of exploratory wells amounting to ₹1,914.29 million (Previous period: ₹1,914.29 million) in respect of the project.

18.1.4 Acquisition cost relates to the cost for acquiring property or mineral rights of proved or unproved oil and gas properties which are currently under Exploration/Development stage, such cost which will be transferred to Oil & Gas Assets on commencement of commercial production from the project or written off in case of relinquishment of exploration project.

18.1.5 Above Exploratory well in progress/ Development well in progress includes ₹ nil share of jointly controlled entities (previous year ₹ nil).

19. Goodwill on Consolidation:

(₹ in million)

Particulars	31.03.2016	31.03.2015
Gross Goodwill	**263,400.05**	269,075.41
Less : Accumulated Amortization	**55,634.32**	48,142.86
Less : Provision for Impairment	**31,333.35**	19,533.69
Total	**176,432.38**	**201,398.86**

19.1 Above includes additional goodwill on consolidation of ₹ nil (previous year ₹ 6,124.36 million) resulting on OMPL becoming subsidiary with effect from 28th Feb, 2015 (refer note 3.1).

19.2 Impact of liquidation subsidiary company, ONGC Satpayev E&P B.V. (refer note no. 3.A.1.1.iv) on consolidated financial statements as below:-

(₹ in million)

Consolidation in CFS	FY 15-16	FY 14-15
Asset	-	0.12
Debit balance of Reserve & surplus	-	(1.20)
Liability	-	0.11
Net Profit and (loss)	**1.45**	(0.25)

20 Non-Current Investment

(₹ in million)

Particulars	No. of Shares/ Bonds/Units	Face Value per Share/ Bond/Unit (in ₹)	As at 31st March, 2016	As at 31st March, 2015
A TRADE INVESTMENTS				
Investment in Equity Instruments				
(i) Investment in Associate				
(a) Pawan Hans Limited- (Unquoted) Extent of holding 49% (previous year 49%) (Net of Capital reserve of ₹ 285.32 million) (note 20.3)	120,350	10,000.00	**2,542.57**	2,454.69
(ii) Investment in Others				
(a) Indian Oil Corporation Limited- (Quoted)	334,303,814	10.00	**40,427.97**	40,427.97
(b) GAIL (India) Limited (Quoted)	61,259,323	10.00	**2,451.06**	2,451.06
(c) Oil Spill Response Ltd. (Unquoted)	100	(note 20.1)	**0.01**	0.01
(d) Adani Petronet (Dahej) Port Pvt. Ltd. (Unquoted) (note 20.5)	(11,250,000)	10.00	**-**	112.50
(e) Bharuch Dahej Railway Company Limited (BDRCL)-(Unquoted)	5,563,750 (5000000)	10.00	**55.63**	50.00
(f) India LNG Transport Company(no. 3) Ltd	300	(note. 20.6)	**-**	-
(g) Share Warrant of ONGC Petro Addition Ltd (Paid up ₹ 9.75 per share warrant) (note no.20.7)	1,922,000,000	10.00	**9,490.32**	
B NON-TRADE INVESTMENTS				
Investment in Government or Trust Securities (Unquoted)				
(i) 8.40% Oil Co. GOI Spl. Bonds 2025	197,370	10,000.00	**1,973.70**	1,973.70
(ii) Other Central Govt Securities			**-**	-
Total Non-current Investment			**56,941.26**	**47,469.93**
Total Quoted Investments			**42,879.03**	42,879.03
Total Unquoted Investments			**14,062.23**	4,590.90
TOTAL			**56,941.26**	**47,469.93**

20.1 Shares of Oil Spill response limited valued at GBP one each at the time of issuance. Total value in INR at the time of issuance of shares was ₹ 6,885/-

20.2 Above includes:-

(a) Figures in parenthesis relate to previous year.

(b) Long term investment includes ₹130.27 million share of jointly controlled entities (previous year ₹ 303.48 million).

(c) Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments

20.3 In the financial year 2010-11, Company had acquired an additional number of 95,850 equity shares of ₹10,000/- each in its Associate Pawan Hans Ltd. (PHL) for ₹958.50 million resulting in increase in the holding to 49.00% from 21.54%. The above acquisition has resulted in Capital Reserve of ₹285.32 million, computed in accordance with Accounting Standard (AS) 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements'.

20.4 In respect of PHL (Associate), the Audited Accounts for the Financial year 2015-16, have not been received. For the purpose of consolidation of PHL, the audited Annual Accounts for the year 2014-15 and unaudited accounts for the year 2015-16 have been considered. The difference in share of profit amounting to (-) ₹22.54 million between audited Profit After Tax (PAT) and unaudited PAT for the year 2014-15 has been considered as share of profit in Associate. The share of profit (unaudited) for the year 2015-16 amounting to ₹148.45 million has also been considered as share of profit in Associate. During the year, dividend of ₹38.03 million has been received from Associate and same has been adjusted against carrying value of investment.

20.5 The investment in share of "Adani Petronet (Dahej) Port Pvt. Ltd, which is further joint venture company of PLL (joint venture company) has got consolidated based on audited consolidated account of PLL for FY 15-16 in accordance with para 32 of AS-27 (Financial Reporting of Interests in Joint Ventures).

20.6 The Joint venture company, PLL has investment of 300 ordinary shares (previous year 300) of US$ 1 each, fully paid up in "India LNG Transport Company (no. 3) Limited", Malta of value (₹13,476/-).

20.7 During the year the Company has subscribed to Share Warrant with a condition to convert it to equivalent number of Equity Share after the balance payment of ₹0.25/- per share within the prescribed time. As the other Joint venture partner has not subscribed to the said warrant, elimination has been made to the proportionate share of ONGC only.

21 Long - Term Loans And Advances

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Secured and Considered good				
Loans & Advances to Associates	-		33.20	
Loans and Advances to Employees	7,972.82		7,739.54	
Capital Advances	517.82		658.40	
Loans and advances to Others	130.78	8,621.42	138.59	8,569.73
Unsecured				
(Considered Good unless otherwise stated)				
Capital Advances	11,113.31		12,908.26	
Considered Good	4.70		4.70	
Considered Doubtful	4.70	11,113.31	4.70	12,908.26
Less : Provision for doubtful Advances				
Public Sector Undertakings				
Considered Good	-		-	
Considered Doubtful	240.50		240.50	
Less : Provision for doubtful Advances	240.50	-	240.50	-
Advances against Equity pending allotment		-		6,017.62
Loans and Advances to Employees (note 21.2)				
Considered Good	756.20		757.71	
Considered Doubtful	6.39		7.48	
Less : Provision for Doubtful Loan/Advances	6.39	756.20	7.48	757.71
Adv Recoverable in Cash or in kind				
Considered Good (Note 21.4)	4,349.66		7,121.68	
Considered Doubtful (Note 21.3)	15,715.88		14,931.69	
Less : Provision for Doubtful Claims/Advances	15,715.88	4,349.66	14,931.69	7,121.68
Loans & Advances to Others				
Considered Good	1,032.14		1,512.12	
Considered Doubtful (Note 21. 5)	5,093.78		2,506.22	
Less : Provision for Doubtful Loan/Advances	5,093.78	1,032.14	2,506.22	1,512.12
Cash Call Receivable from Jv partners				
Considered Good	165.82		339.52	
Considered Doubtful	6,496.02		6,451.35	
Less : Provision for Doubtful cash call	6,496.02	165.82	6,451.35	339.52
MAT Credit Entitlement		3,592.57		597.01
Advance payment of Tax	323,719.01		258,829.49	
Less : Provision for Taxation	247,883.48	75,835.53	193,710.28	65,119.21
Deposits				
With Customs/Port Trusts etc.	39.76		54.04	
Security Deposits	183.29		124.95	
Other Deposit				
Considered Good	3,821.59		4,608.56	
Considered Doubtful	1,236.41		1,010.69	
Less: Provision for Doubtful Deposits	1,236.41		1,010.69	
		4,044.64		4,787.55
TOTAL		109,511.29		107,730.41

21.1 Above long term loan & advances includes ₹ 9,841 million share of jointly controlled entities (Previous Year ₹ 6,085.96 million).

21.2 Loans and advances to employees include an amount of ₹ 2.94 million (Previous Year ₹ 1.72 million) outstanding from Key Managerial Personnel

21.3 In Ravva Joint Venture, the demand towards additional profit petroleum raised by Government of India (GoI), due to differences in interpretation of the provisions of the Production Sharing Contract (PSC) in respect of computation of Post Tax Rate of Return (PTRR), based on the decision of the Malaysian High Court setting aside an earlier arbitral tribunal award in favour of operator, was disputed by the operator M/s Cairn India Limited. The company is not a party to the dispute but has agreed to abide by the decision applicable to the operator. The company had made a provision towards the claim made by the GoI in earlier years and the amount of provision outstanding as on 31st March, 2016 is Rs.11,136.49 million (equivalent to USD 167.84 million) after adjustments for interest and exchange rate fluctuations. The GoI had recovered the above amount [including interest thereon USD 54.88 million (₹ 3,641.29 million)] from the company in earlier years which has been carried under Long Term Loans and advances in the Balance Sheet as at 31st March 2016.

In subsequent legal proceedings, the Appellate Authority of the Honorable Malaysian High Court of Kuala Lumpur had set aside the decision of the Malaysian High Court and the earlier decision of arbitral tribunal in favour of operator was restored, against which the GoI has preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated 11th October, 2011, has dismissed the said appeal of the GoI.

The company has taken up the matter regarding refund of the recoveries made in view of the favorable judgment of the Federal Court of Malaysia with MoP&NG. However, according to a communication dated 13th January 2012 received, MoP&NG expressed the view that ONGC's proposal would be examined when the issue of ONGC carry under Ravva PSC is decided in its entirety by the Government along with other partners.

In view of the perceived uncertainties in obtaining the refund at this stage, the provision made in the books as above has been retained and netted off against the amount recoverable as above in the financial statements for the year ending 31st March 2016 (Figures in INR are restated).

21.4 During the financial year 2010-11, the Oil Marketing Companies, nominees of the GoI recovered USD 32.07 million (₹2128.01 million) ONGC's share as per directives of GoI in respect of Jointly Controlled Assets-Panna Mukta and Tapti. The recovery is towards certain observations raised by auditors appointed by the Director General of Hydrocarbons (DGH) under Production Sharing Contract (PSC) for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to GoI. BGEPIL along with RIL ("Claimants") have served a notice of arbitration on the GoI in respect of dispute, differences and claims arisen in connection with the terms of Panna, Mukta and Tapti PSCs. Since the company is not a party to the arbitration proceedings, it had requested MoP&NG that in case of an arbitral award the same be made applicable to ONGC also, as a constituent of contractor for both the PSCs. Subsequently, vide letter dated July 4, 2011 MoP&NG has advised ONGC not to participate in the arbitration initiated by RIL and BGEPIL under Panna Mukta and Tapti PSCs. MoP&NG has also stated that in case of an arbitral award, the same will be applicable to ONGC also as a constituent of the contractor for both the PSCs. Pending final arbitral award, the same has been shown as Receivable from GoI under 'Advance Recoverable in Cash or Kind or Value to be Received' under Long Term Loans and Advances. (Figures in INR are restated).

21.5 The subsidiary company OVL has participating interest (PI) in the exploration Blocks 5A South Sudan, Satpayev Area Kazakhstan, SS-04 Bangladesh, SS-09 Bangladesh, EP-3 Myanmar and B-2 Myanmar. As per the carry agreements, the Company is financing expenditure in these exploration blocks during the exploratory period (carry loan). The amount of carry loan will be refunded in the event of commercial discovery and production from the projects. The share of expenditure financed by the Company in these Blocks has been accounted for as loan to JV partners. Provision has been made towards the amount of carry loan of ₹5,093.78 million (Previous year: ₹2,570.65 million) in view of the blocks being under exploration as there is no certainty of commercial discovery. The amount of carry loan in Block Satpayev Area Kazakhstan will be refunded by KMG along with accrued interest in the event of commercial discovery and production from the project. The interest on the carry loan has not been accounted for in view of uncertainty of recovery.

22 Other Non - Current Assets

(₹ in million)

Particulars		As at 31st March, 2016		As at 31st March, 2015	
A Secured and Considered good					
Interest accrued on loan & advances					
- Employees	**3,038.29**	**3,038.29**	3,033.51	3,033.51	
B Unsecured, Considered Good unless otherwise stated					
(i) Investment in Lease					
- Considered doubtful	**4,966.85**		4,638.98		
Less : Provision for doubtful receivables	**4,966.85**	**-**	4,638.98	-	
(ii) Trade Receivables					
- Considered Good	**72,238.48**		53,734.46		
- Considered doubtful	**11,636.03**		9,964.94		
Less : Provision for doubtful receivables	**11,636.03**	**72,238.48**	9,964.94	53,734.46	
(iii) Other Receivables					
- Considered Good (note no. 22.2)	**13,009.09**		2,616.08		
- Considered Doubtful	**5,423.52**		516.63		
Less : Provision for doubtful receivables	**5,423.52**	**13,009.09**	516.63	2,616.08	
(iv) Other receivable Carry Cost		**12,860.47**		11,117.72	
(v) Interest Accrued					
- On Investment	**0.68**		-		
- On Deposits	**37.07**		22.76		
- Issue of Debenture	**382.48**		479.10		
- On Employee	**142.24**		147.27		
- On other Loans & Advances					
- Considered Good	**129.96**		118.73		
- Considered doubtful	**24.84**		22.87		
Less : Provision for interest Accrued	**24.84**	**692.43**	22.87	767.86	
(vi) Unamortised Expenditure					
- Dry Docking Charges	**3,695.21**		4,426.69		
- Mobilisation charges	**1,063.32**	**4,758.53**	1,159.27	5,585.96	
Total Other Non-current Assets		**106,597.29**		**76,855.59**	

22.1 Above other non-current Asset includes ₹ 47.60 million share of jointly controlled entities (previous year ₹ 196.14 million)

22.2 Above includes in respect of subsidiary company, MRPL, an amount of ₹3,373.70 million (previous year ₹ 2,579.25 million) in respect of Income tax paid under dispute.

23 Current Investments

(₹ in million)

Particulars		As at 31st March, 2016	As at 31st March, 2015
Non Trade-Unquoted			
Investments in Mutual Funds	**No. of units**	**-**	-
UTI Liquid Cash Plan	11,784,037.655	**12,013.19**	-
SBI Premier Liquid Fund -Direct Plan	11,978,038.794	**12,016.67**	-
IDBI Liquid Fund -direct Daily Dividend	3,996,327.533	**4,000.71**	-
Canara Robeco Liquid Fund Direct Plan-Daily Dividend	1,990,564.239	**2,001.51**	-
Joint venture share of investment in Mutual fund		**849.05**	21.46
Total Current investments		**30,881.13**	**21.46**

23.1 Above Current investment includes ₹848.75 million share of jointly controlled entities (previous year ₹21.46 million).

24 Inventories (Valuation as per policy no. 2.2.1)

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Raw Material	**9,099.55**		8,331.33	
Raw Material in transit	**5,785.21**	**14,884.76**	4,691.13	13,022.46
Stock in Process		**3,599.15**		12,431.69
Finished Goods (note 24.2)	**21,130.08**		19,557.67	
Less : Provision for Stock loss	**5.91**	**21,124.17**	5.91	19,551.76
Traded Goods		**1.18**		1.48
Stores and spare parts				
- on hand	**62,012.46**		65,119.42	
- in transit	**7,014.10**		3,268.63	
	69,026.56		68,388.05	
Less : Provision for non-moving	**7,872.29**	**61,154.27**	7,344.49	61,043.56
Unserviceable Items		**133.87**		147.20
TOTAL		**100,897.40**		**106,198.15**

24.1 Above inventories includes ₹ 747.50 million share of jointly controlled entities (Previous year ₹ 1,370.37 million).

24.2 This includes an amount of ₹ 3.37 million (previous year ₹ 7.68 million) in respect of Carbon Credits.

24.3 In respect of joint venture arrangements of OVL, where the property in crude oil produced does not pass on up-to a specific delivery point, the stock of crude oil till such delivery point is not recognized.

24.4 Finished goods of subsidiary company MRPL, includes Sulphur amounting to ₹86.77 million (previous year ₹49.45 million) which is valued lower of cost or net realizable value.

24.5 The subsidiary company, MRPL does not quantify or value the scrap and unserviceable items.

24.6 In respect of joint venture company PMHBL, group share of store & spares includes, ₹28.15 million (previous year ₹27.89 million) valued at the lower of cost on FIFO basis and net realizable value.

24.7 In respect of joint venture company OPaL, group share of raw material includes, ₹151.80 million (previous year ₹148.25 million) valued at the lower of cost on weight average and net realizable value.

25 Trade Receivables

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
(Secured, Considered Good)				
Trade Receivables - Outstanding for a period exceeding six months	**-**		-	
Other	**52.17**	**52.17**	-	-
(Unsecured, Considered Good unless otherwise stated)				
Trade Receivables - Outstanding for a period exceeding six months :				
- Considered Good	**9,098.16**		19,336.90	
- Considered Doubtful	**1,332.18**		914.28	
Less Provision for Doubtful debts	**1,332.18**	**9,098.16**	914.28	19,336.90
Other:				
- Considered Good	**87,714.18**		168,821.27	
- Considered Doubtful	**210.85**		242.66	
Less Provision for Doubtful debts	**210.85**	**87,714.18**	242.66	168,821.27
TOTAL		**96,864.51**		**188,158.17**

25.1 Above trade receivable includes ₹ 2,905.15 million share of jointly controlled entities (Previous year ₹ 2,85.3 3million).

26 Cash and Bank Balances

(₹ in million)

Particulars	As at 31st March, 2016	As at 31st March, 2015
A. Cash and Cash Equivalents		
Balance with Bank in Current Accounts	**16,208.62**	13,408.52
Cash on hand	**12.58**	10.77
Bank Deposit with original maturity up to 3 month	**95,862.04**	43,733.77
Cash and Cash Equivalents (A)	**112,083.24**	**57,153.06**
B. Other Bank Balances		
Bank Deposit with original maturity up to 3 to 12 months	**135,696.80**	70,432.36
Bank Deposit for original maturity more than 12 months	**439.09**	31,376.77
Deposit towards margin money against guarantees issued	**9,238.16**	1,627.23
Unpaid Interest on debentures Account	**0.19**	0.19
Unclaimed Dividend Account (Note 26.2)	**381.72**	379.56
Other Bank Balances (B)	**145,755.96**	103,816.11
Total (A)+(B)	**257,839.20**	**160,969.17**

26.1 Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose.

26.2 Unclaimed dividend Accounts includes ₹101.24 million (previous year ₹124.49 million) pertaining to minority shares in subsidiary company MRPL.

26.3 Above Cash and Bank balance include ₹ 6,696.89 million share of jointly controlled entities (Previous year ₹ 6,885.17 million).

26.4 The deposits maintained by the company with banks/financial institution comprise time deposit, which can be withdrawn by the company at any point without prior notice or penalty on the principal.

26.5 Above "Cash and Bank Balances" does not include :-

(a) In respect of company deposit under Site Restoration Fund Scheme of amounting to ₹135,591.83 million till 31.03.2016 (previous year ₹125,443.80 million) which have been deposited with banks under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme i.e. towards removal of equipment's and installations in a manner agreed with Central Government pursuant to an abandonment plan to prevent hazards to life, property, environment etc.

(b) In respect of subsidiary company OVL, investment with bank for site restoration amounting to ₹12,156.88 million (previous year ₹10,980.19 million) made in accordance with agreement for Abandonment with respective countries under operation.

These amount saggregating to ₹147,748.71 million (previous year ₹136,423.99 million) are considered as restricted cash and hence not treated as 'Cash and Bank Balances' and disclosed separately as non-current asset on the face of Balance Sheet under the head "Deposit under Site Restoration Fund Scheme".

27 Short Term Loans And Advances

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
(Secured, Considered Good)				
Loan & Advances to Associate	**33.16**		334.64	
Loans and Advances to Employees	**1,995.81**		2,081.81	
Loan and advances to Others	**0.23**	**2,029.20**	0.88	2,417.33
(Unsecured, Considered Good unless otherwise stated)				
Loan to Public Sector Undertakings		**-**		-
Loan & advances to Employees		**448.39**		453.30
Balance with Tax Authorities		**22.25**		24.26
Cash Call Receivable from JV Partners		**5,524.93**		7,809.49
Adv Recoverable in Cash or in kind		**52,566.22**		45,270.52
Advance payment of Tax	**14,228.73**		21,216.50	
Less : Provision for Taxation	**12,338.86**	**1,889.87**	15,548.64	5,667.86
Deposits				
With Customs/Port Trusts etc.	**2,435.93**		5,235.06	
Other Deposits (note no. 27.3)	**24,641.19**	**27,077.12**	33,296.19	38,531.25
TOTAL		**89,557.98**		**100,174.01**

27.1 Above, short term loans And advances includes ₹ 266.97 million share of jointly controlled entities (Previous year ₹ 354.19 million).

27.2 Loans and advances to employees include an amount of ₹ 1.92 million (Previous Year ₹ 1.19 million) outstanding from Key Managerial Personnel

27.3 Includes ₹ 21,690.24 million (previous year ₹ 21,067.60 million) towards differential royalty being deposited by the company from 1st February 2014 as per the interim order of the Hon'ble Supreme Court of India. (also refer Note no. 46.1.1.5)

27.4 The joint venture company, OTPC Prepaid expenses and prior period expenses/ income of ₹ 0.02 million (in case of JV company NETC ₹ 0.10 million) and below are charged to respective head accounts.

28 Other Current Assets

(₹ in million)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
Secured and Considered good				
Interest Accrued on Loans & Advances				
- Employee		**354.04**		296.61
(Unsecured, Considered Good unless otherwise stated)				
Interest Accrued				
- On Investments	**1.38**		1.38	
- On Deposits	**2,838.34**		3,106.83	
- On Loans & Advances	**611.28**	**3,451.00**	457.69	3,565.90
Other Current Assets (note 28.3 & 28.4)		**4,060.13**		5,617.61
Fixed Assets held for sale (note 28.5)		**101.70**		90.28
Cost of Ongoing Project (note 28.2)		**101.52**		64.18
Unamortised Expenditure				
- Dry Docking Charges	**2,866.68**		3,581.16	
- Mobilisation charges	**697.55**	**3,564.23**	635.33	4,216.49
TOTAL		**11,632.62**		**13,851.07**

28.1 Above other current assets includes ₹ 639.51 million share of jointly controlled entities (Previous year ₹ 618.49 million)

28.2 In respect of Joint venture Company OTBL, revenue from projects based on execution and costs attributable and allocable thereto are recognized on substantial completion. Till the time of completion of project same are being carried as costs of ongoing project.

28.3 The subsidiary company, OVL has lease investment in Khartoum-Port Sudan Pipeline Project.(refer note 42.1)

28.4 Includes receivable of ₹ 1351.73 million (Previous Year ₹ 532.02 million) from Gratuity Trust as funded status is more than obligation in respect of the parent company ONGC.

28.5 Includes in respect of subsidiary company MRPL, Fixed Assets of ₹ 77.96 million (previous year ₹ 77.96 million) related to Plant and Machinery and Other depreciable Assets which have been fully depreciated and freehold land at cost which are held for sale. Fixed Assets held for sale are valued at lower of cost or estimated realizable value.

29 Revenue From Operations

(₹ in million)

Particulars		2015-16		2014-15
A. Sale of Products				
Own Product		**1,423,812.41**		1,678,871.30
Less :				
Transfer to Exploratory Wells in Progress	**182.81**		597.04	
Government of India's (GoI's) share in Profit Petroleum	**16,677.04**	**16,859.85**	32,847.82	33,444.86
		1,406,952.56		1,645,426.44
Traded Products Revenue		**119.93**		60.08
B. Other Operating Revenue				
Pipeline Transportation Receipts	**10,669.45**		7,061.35	
Contractual Short Lifted Gas Receipts	**408.00**		224.15	
Surplus from Gas pool Account (note 29.4)	**509.14**		3,267.04	
North-East Gas Subsidy (note 29.3)	**2,901.56**		2,702.83	
SEZ Lease Income (Note no. 29.8)	**216.80**		36.39	
Other Operation Income	**420.02**		737.32	
Processing Charges	**532.97**		445.98	
Sale of Electricity	**6,423.47**		3,817.81	
Production Bonus	**117.33**	**22,198.74**	109.03	**18,401.90**
TOTAL		**1,429,271.23**		**1,663,888.42**

29.1 In terms of the decision of Government of India (GOI), the company has shared ₹ 10,961.20 million (Previous Year ₹3,62,996.20 million) towards under-recoveries of Oil Marketing Companies (OMCs) for the year 2015-16 (as per GoI directives) by extending the discount in the price of Crude Oil based on the rates of discount communicated by Petroleum Planning and Analysis Cell (PPAC) and Ministry of Petroleum and Natural Gas (MoP&NG). The impact of discount on profitability is as under:-

(₹ in million)

Decrease in	2015-16	2014-15
Gross Revenue	**10,961.20**	362,996.20
Less: Value Added Tax (VAT)	**290.29**	10,025.10
Sales Revenue	**10,670.91**	352,971.10
Less: Statutory Levies	**1,383.56**	43,374.95
Profit Before Tax	**9,287.35**	**309,596.15**

29.2 For Crude Oil produced in Assam, sales revenue is based on the pricing formula provided by MoP&NG. Revenue from rest of nominated crude is accounted in terms of Crude Oil Sales Agreements (COSAs) already signed and made effective from 1st April, 2010.

29.3 Sales revenue of Natural Gas is based on domestic gas price of US$ 4.66/mmbtu and US$ 3.82/mmbtu (on GCV basis) notified by GoI for the period 1st April 2015 to 30th September 2015 and 1st October 2015 to 31st March 2016 respectively in terms of "New Domestic Natural Gas Pricing Guidelines, 2014". For gas consumers in North-East, consumer price is 60% of the domestic gas price and the difference between domestic gas price and consumer price is paid to the company through GoI Budget and shown as 'North-East Gas Subsidy'.

29.4 The company is supplying majority of Natural gas to Gas Authority of India Limited (GAIL) which also purchases gas from other sources and sells to different consumers at different prices. Based on the Government directives, excess in Gas Pool Account at the end of financial year is transferred to ONGC/OIL in accordance with their contribution. Based on the details received from GAIL, an amount of ₹ 509.14 million (Previous year ₹ 3,267.04 million) has been considered as 'Surplus from Gas Pool Account' for the year 2015-16'

29.5 OVL's Subsidiary -ONGBV follows the Participating Interest method for revenue recognition in-stead of entitlement method, associated with sale of crude oil and liquids for its share of petroleum production as specified in the Exploration Production Sharing Agreement (EPSA) and Crude Oil Pipeline Agreement (COPA). The amount reported using such method is ₹ 11,060.47 Million (previous year ₹ 23,762.33 million).

29.6 Above revenue from operation includes ₹ 40,011.33 million share of jointly controlled entities (previous year ₹ 61,772.54 million).

29.7 In case of the Joint venture company OTPC, CERC vide provisional order dated 17.06.2015 has allowed billing upto 90 % of the tariff sanctioned. The revenue from operations for the period April 2015 to March 2016 includes unbilled revenue in which group share is ₹ 268.25 million (Previous year ₹ 346.11 million).

29.8 In case of joint venture company MSEZ, pursunt to declaration of Commercil operation date from 1st April, 2015, pending finalization of agreements and based on discussion with customers and having regards to services currently undertaken by the company, income from O&M charges of ₹120.75 million (out of which group share ₹ 32.39 million) is recognized as income "at cost plus markup" basis. The adjustments, if any will be effected in the year of finalization of the agreements. Further income from River water charges includes ₹ 183.49 million (out of which group share ₹ 49.21 million) disputed by customer for which JV company is advised by its legal counsel, the claim of the customer is not sustainable, in term of the agreement.

30 Other Income

(₹ in million)

Particulars	2015-16		2014-15	
Interest Income				
Long Term Investments	**165.79**		166.42	
Deposits with Banks/PSUs	**17,417.58**		18,567.58	
Loans and Advances to Associate	**22.20**		64.52	
Loans and Advances to Employees	**515.22**		504.68	
Income Tax Refund	**4,231.31**		3,371.10	
Site Restoration Fund Deposit	**9,365.86**		10,031.12	
Delayed Payment from Customers and Others	**646.71**	**32,364.67**	406.28	33,111.70
Dividend Income				
Long Term Investments	**4,382.00**		3,453.65	
Short Term -Debt Mutual Funds	**2,297.08**	**6,679.08**	2,620.66	6,074.31
Other Non Operating Income				
Excess Provisions written back (note 18.1.1)	**18,079.40**		6,498.74	
Liabilities no longer required written back	**1,225.45**		923.94	
Contractual Receipts	**538.67**		543.00	
Profit on sale of Investment (note 30.2)	**1,313.95**		89.15	
Miscellaneous Receipts (note no. 43.3.4)	**10,026.39**	**31,183.86**	12,012.10	20,066.93
TOTAL		**70,227.61**		**59,252.94**

30.1 Above other income includes ₹726.15 million share of jointly controlled entities (previous year ₹ 508.98 million).

30.2 Above includes, ₹ 1,068.28 million (previous year ₹ nil) profit on sale of securities represents profit on sale of 17,20,26,144 shares of ONGC Tripura Power Corporation Limited (OTPC).

31 (Increase)/Decrease Inventories

(₹ in million)

Particulars	2015-16		2014-15	
Closing Stock				
- Stock in Process	**3,346.00**		4,046.02	
- Finished Goods and Stock in trade	**21,383.50**	**24,729.50**	27,944.82	31,990.84
Opening Stock				
- Stock in Process	**4,046.02**		4,661.66	
- Finished Goods and Stock in trade	**27,944.82**		42,575.84	
Add/(less) Adj	**(32.62)**	**31,958.22**	1,982.49	49,219.99
NET (INCREASE)/DECREASE IN INVENTORIES		**7,228.72**		**17,229.15**

31.1 Above includes (-) ₹ 0.49 million share of jointly controlled entities (previous year (-) ₹ 316.50 million)

32 Production, Transportation, Selling and Distribution Expenditure

(₹ in million)

Particulars	2015-16	2014-15
Royalty (Note 32.3)	**102,633.92**	141,451.06
Cess	**101,916.31**	102,535.02
Natural Calamity Contingent Duty	**1,136.50**	1,123.42
Excise Duty on stock (Net) (Note 32.4)	**1,608.08**	898.28
Sales Tax	**2,651.56**	2,585.82
Service Tax	**339.42**	297.86
Education cess	**-**	90.85
Octroi and Port Trust Charges	**5,915.33**	6,083.06
Staff Expenditure	**27,128.13**	24,044.77
Workover Operations	**27,353.19**	21,015.21
Water Injection, Desalting and Demulsification	**15,060.92**	12,791.13
Consumption of Raw Materials, Stores and Spares	**358,753.02**	578,723.28
Pollution Control	**7,886.34**	6,573.59
Transport Expenses	**6,084.96**	4,220.30
Insurance	**2,029.09**	2,400.91
Power and Fuel	**9,165.72**	4,429.12
Repairs and Maintenance	**14,108.08**	12,269.93
Contractual payments including Hire charges etc.	**23,878.88**	16,709.49
Other Production Expenditure	**30,790.91**	33,355.31
Transportation and Freight of Products	**19,268.48**	17,545.55
Research and Development	**5,397.37**	5,445.29
Expenditure incurred on CSR	**4,246.57**	2,207.12
General Administrative Expenses	**35,521.41**	34,981.91
Exchange Loss (Net)	**181.33**	(572.20)
Provision for mark to market loss on derivative contracts (note- 32.7)	**286.32**	107.46
Adjustments for overlift/(underlift)	**(494.46)**	(552.96)
Other Expenditure (Note 15.1.m & 32.8)	**21,289.13**	17,184.57
TOTAL	**824,136.51**	**1,047,945.15**

32.1 Above production, transportation, selling and distribution expenditure includes ₹ 32,884.98 million, share of jointly controlled entities (previous year ₹ 56,502.39 million).

32.2 **Details of Nature wise Expenditure**

(₹ in million)

	2015-16		2014-15
Manpower Cost			
(a) Salaries, Wages, Ex-gratia etc.	**72,154.98**		73,821.95
(b) Contribution to Provident and other funds	**10,716.79**		9,960.65
(c) Provision for gratuity	**(760.42)**		433.87
(d) Provision for leave	**4,206.82**		4,430.01
(e) Provision for Post Retirement Medical & Terminal Benefits	**4,728.99**		3,262.08
(f) Staff welfare expenses	**5,605.51**		1,704.86
Sub- Total		**96,652.67**	93,613.42
Consumption of Raw materials, Stores and Spares		**398,387.47**	619,126.39
Cess		**101,916.31**	102,550.46
National Calamity Contingent Duty		**1,136.50**	1,123.45
Excise Duty		**115,900.62**	52,669.43
Royalty		**102,633.93**	141,477.15
Sales Tax		**2,651.56**	2,592.96
Octroi and Port Trust Charges		**5,915.33**	6,083.50
Service Tax		**339.42**	297.86
Education cess		**-**	90.85
Rent		**3,924.70**	5,129.53
Rates and taxes		**2,561.48**	5,481.38
Hire charges of equipments and vehicles		**142,411.77**	133,095.88
Power, fuel and water charges		**13,637.72**	8,763.00
Contractual drilling, logging, workover etc.		**43,290.36**	62,989.38
Contractual security		**5,248.85**	4,798.82
Repairs to building		**1,061.53**	1,052.89
Repairs to plant and equipment		**12,235.24**	8,172.72
Other repairs		**4,820.01**	3,806.90
Insurance		**3,203.72**	4,074.92
Expenditure on Tour / Travel		**3,933.30**	8,604.56
CSR Expenditure		**4,246.15**	2,156.01
Exchange Loss (Net)		**304.41**	-352.45
Adjustment for overlift/(underlift)		**-552.96**	-552.96
other operating expenditure		**28,886.79**	31,668.04
Miscellaneous expenditure		**22,862.48**	17,505.91
		1,117,609.37	**1,316,020.00**
Less:			
Allocated to exploration, development drilling, capital jobs, recoverables etc.		**179,180.32**	216,303.70
Excise duty adjusted against sales revenue		**114,292.54**	51,771.15
Production, Transportation, Selling and Distribution Expenditure		**824,136.51**	**1,047,945.15**

32.3 The Subsidiary of OVL - ONGBV conducts its operations in Sudan jointly with Sudapet the national oil company of Sudan among others. All government stakes other than income taxes are considered to be royalty interest. Royalties on production represent the entitlement of the government of Sudan to a portion of ONGBV's share of crude oil and liquid production and are recorded using the rates in effect under the terms of the contract at the time of production. Royalties / taxes in Syrian concession are accounted similarly by ONGBV. The amount of royalty reported in respect of Sudan is ₹2,410.16 Million under Royalty above (previous year ₹ 8,161.81 million).

32.4 Excise duty on sale of product has been deducted from Sales revenue and Excise duty shown above represents the difference between excise duty on opening and closing stock of finished goods.

32.5 Above Other Expenditure includes Auditor's Remuneration :-

(₹ in million)

Particulars	FY 15-16	FY 14-15
Audit Fee	**26.26**	22.27
Certification Fee	**12.03**	12.73
Out-off pocket	**20.82**	20.69
Total	**59.11**	**55.69**

32.6 Derivative Contracts

The Joint venture company (SMASL) [through subsidiary company MRPL] has hedged the financial risks mainly relating to changes in the exchange rates by using forward contracts, in line with its risk management policy.

Particulars of derivative contracts entered into for hedging foreign currency exchange risks, which are outstanding (group share) as at 31st March 2015 are as under:-

(₹ in million)

Category of derivative Instruments	Group share as on 31st March, 2016	Group share as on 31st March, 2015
Forward contracts for receivables including firm commitments and highly probable forecasted transactions	**30.94**	164.07

Un-hedged foreign currency exposures of group share as at 31st March,2016 are as under (refer note 48):-

(₹ in million)

Particulars	Group share as on 31st March, 2016	Group share as on 31st March, 2015
Receivables, including firm commitments and highly probable forecasted transactions	**142.44**	370.53
Payables including firm commitment and highly probable forecasted transactions	**333.04**	446.85

32.7 Derivative instruments and un-hedged foreign currency exposure:

The subsidiary company, OVL has entered into cross currency swap transactions with various banks whereby it has swapped the principal and interest amounts payable towards Rupee Bonds issued in domestic markets into USD liability. The swap position outstanding as at 31 March 2016 was as follows:

Underlying	Notional Principal Amount (₹ in Million)	Notional Principal Amount (USD in Million)	Termination Date
8.54% 10 Years Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures- Series II	3,700.00	73.93	6th Jan 2020
Total	**3,700.00**	**73.93**	

The above swap position outstanding as at 31 March 2016 has been revalued on that date based on Mark-to-market (MTM) positions reported by the counter-party banks. The Mark-to-market position as at 31 March 2016 amounted to ₹ 1,499.70 million (Previous year : ₹ 1,213.38 million).

The business of the Company is carried out entirely outside India. The revenues of the Company are received entirely in foreign currency and substantially all the expenses are incurred in foreign currency. Accordingly, the Company has swapped the Bonds issued in Indian Rupees into USD so as to align the currency of its liabilities and assets, thereby hedging the resulting exposure.

32.8 Other expenditure includes ₹ 2,950.47 million, pertaining to cost of 23 immediate support vessels (ISVs) handed over to Indian Navy for security of offshore installations, charged off consequent to review carried out during year.

32.9 The group has made provision for material foreseeable losses in respect of long term contract including derivative contracts (refer note 32.6 & 32.7).

32.10 On Corporate Social Responsibility (CSR) activities, amount required to be spent by the group during the year was ₹5,968.29 million (previous year ₹6,606.12 million) out of which amount spent on CSR activities undertaken during the year is ₹ 4,332.87 million (previous year ₹ 5,084.79 million*].

*includes ₹ 2,796.28 million expenditure in respect of Wind Power Project at Jaisalmer-Rajasthan. During the year, the Company has decided to treat the said project as a 'business project', above expenditure along with further amount spent during the year aggregating to ₹ 5,640.86 million has been capitalized as Fixed Assets of the company. Further, revenue generated from sale of electricity amounting to ₹ 800.98 million has been accounted for as Other Operating Income. Hence, the above amount disclosed on CSR in the previous year remains unspent to this extent.

33 Depreciation, Depletion, Amortization And Impairment

(₹ in million)

Particulars		2015-16		2014-15
Depletion		**150,305.38**		142,659.63
Amortisation of Goodwill		**4,796.35**		4,415.75
Depreciation	**33,870.22**		67,955.95	
Less : Allocated to :				
Exploratory Drilling	**2,728.89**		3,284.45	
Development Drilling	**3,216.13**		3,297.72	
Depreciation on Facilities	**-**		33,475.86	
Others	**124.06**	**27,801.14**	297.50	27,600.42
Impairment Loss (note 44)				
During the year	**650.13**		7,058.97	
Less: Reversal during the period	**3,466.20**	**(2,816.07)**	1,405.12	5,653.85
TOTAL		**180,086.80**		**180,329.65**

33.1 Above depreciation, depletion, amortization and impairment, includes ₹ 1,879.56 million share of jointly controlled entities. (previous year ₹ 1,684.00 Million)

34 Finance Costs

(₹ in million)

Particulars	2015-16	2014-15
i) Interest expenses	**12,549.95**	8,694.11
ii) Other borrowing costs	**2,194.42**	1,325.86
iii) Lease Finance Charges	**489.52**	540.41
iv) Foreign Exchange Fluctuation considered as Borrowing Cost	**6,339.31**	18,077.12
TOTAL	**21,573.20**	**28,637.50**

34.1 Above finance Costs includes ₹2,341.32 million share of jointly controlled entities (previous year ₹ 2,730.13. Million)

34.2 The Joint venture company, PMHBL which has issued Zero coupon Bond amounting to ₹ 1,644.40 Million to lender as per CDR Approved scheme repayable in 36 quarterly installments commencing from Sept, 2006 and ending on June, 2015. PMHBL has made payment and cleared the entire liability under facility finalized by consortium of lender bankers. As liability for recompense has already triggered as a financial prudence, provision to the extent of ₹ 318.91 million out of group share ₹ 91.74 Million (previous year ₹ 512.92 million out of group share ₹ 157.55 Million) is made in account. The security (land at Mehsana, Gujarat and Plant & Machinery) offered in respect of original term of loan and the Zero Coupn Bond and charge created with registrar of companies is still subsisting.

35 Provisions And Write Offs

(₹ in million)

Particulars		2015-16		2014-15
PROVISIONS				
For Doubtful Debts (note-35.2)		**3,484.10**		5,246.07
For Doubtful Advances		**2,536.69**		1,176.49
For Non-Moving Inventory		**712.94**		370.87
For Others		**1,943.87**		288.87
Sub-Total		**8,677.60**		**7,082.30**
WRITE-OFFS				
Disposal/Condemnation of Fixed Assets (Net)		**45.17**		242.39
Claims/Advances	**104.72**		3,431.2	
Less: Provisions	**-**	**104.72**	19.01	3,412.19
Inventory		**276.18**		139.10
Bad debts	**5.62**		-	
Less: Provisions	**-**	**5.62**	-	-
Sub-Total		**431.69**		**3,793.68**
TOTAL		**9,109.29**		**10,875.98**

35.1 Above provisions and write offs includes ₹ 0.01 million shares of jointly controlled entities (previous year ₹1.91 million).

35.2 Provision for doubtful debts/claims includes Provision towards carry loan of ₹ 2,523.28 million (Previous year ₹ 809.41 million) to KMG, ₹ 0.76 million (Previous year ₹ 0.36 million) to Machinery & Solutions Company Limited and ₹ 0.34 million (Previous year ₹ 5.76 million) to Bangladesh Petroleum Exploration & Production Company Limited in view of the blocks being under exploration and there is no certainty of commercial discovery (refer note 21.5).

36 Adjustments Relating to Prior Period (Net) :

(₹ in million)

Particulars	2015-16	2014-15
A. EXPENDITURE		
Statutory levies	**(0.19)**	(41.45)
Other production, selling & distribution expenditure	**789.27**	671.40
Interest -Others	**-**	608.30
Exchange Fluctuation	**127.01**	-
Survey	**344.50**	(1,200.17)
Dry Wells	**(0.13)**	3,443.99
Depletion	**(127.40)**	(71.80)
Depreciation	**484.76**	19.32
	1,617.82	**3,429.59**
B. INCOME		
Sales	**194.63**	51.21
Interest -Others	**1.27**	43.13
Other Income	**8,241.32**	200.32
Sub-Total	**8,437.22**	**294.66**
TOTAL (NET)	**(6,819.40)**	**3,134.93**

36.1 Above adjustments relating to prior period include ₹ 444.97 million share of jointly controlled entities (Previous year (-) ₹106.72 million).

37 Earnings Per Equity Share

Particulars	2015-16	2014-15
Net Group Profit after tax atributable to ONGC Equity holders (₹ in million)	**141,238.09**	183,335.20
Weighted Average Number of Shares (Nos. in million)	**8,555.49**	8,555.49
Basic & Diluted earnings per equity share (₹)	**16.51**	21.43
Face Value per equity Share (₹)	**5.00**	5.00

38. Disclosure under the Revised Accounting Standard -15 on "Employee Benefits" of Group (Considered for the company and its subsidiaries OVL & MRPL on standalone basis to the extent available):-

38.1 Brief Description: A general description of the type of Employee Benefits Plans of Group Companies is as follows:

38.1.1 Earned Leave (EL) Benefit

Accrual – 30 days per year

Encashment while in service – 75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days

38.1.2 Good Health Reward (Half pay leave)

Accrual - 20 days per year

Encashment while in service - Nil

Encashment on retirement - 50% of Half Pay Leave balance.

38.1.3 Gratuity

15 days salary for each completed year of service.

Vesting period is 5 years and the payment is restricted to ₹ 1.00 million.

38.1.4 Post-Retirement Medical Benefits

Upon payment of one time prescribed contribution by the employees, full medical benefits on superannuation and on voluntary retirement subject to the completion of minimum 20 years of service and 50 years of age.

An employee should have put in a minimum of 15 years' service rendered in continuity in ONGC at the time of superannuation to be eligible for availing post-retirement medical facilities.

38.1.5 Terminal Benefits

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Travelling Allowance.

38.1.6 In terms of DPE Guidelines, the Company has formulated a Post-Retirement Benefit Scheme (PRBS) as a defined contribution scheme w.e.f. 01.01.2007.

38.2 The amounts recognized in the financial statements for defined contribution plans are as under:

(₹ in million)

Defined Contribution Plans	Amount recognized during the period	Contribution for Key Management Personnel
Contributory Provident Fund(CPF)	**3,902.43** **(3,728.66)**	2.13 (2.13)
Employee Pension Scheme-95(EPF)	**433.74** **(352.75)**	0.05 (0.05)
Composite Social Security Scheme (CSSS)	**635.50** **(625.48)**	0.15 (0.15)
Post Retirement Benefit Scheme (PRBS)	**5,408.47** **(4,961.02)**	2.96 (3.07)

38.3 The amounts recognized in the balance sheet for post-employment benefit plans are as under:

(₹ in million)

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Present Value of Funded Obligation	20,769.54 (-21,220.86)	22,080.25 (-20,099.65)	-	-
2	Present Value of Unfunded Obligation	-	-	30,474.73 -27,617.69	513.92 -494.01
3	Fair Value of Plan Assets	22,092.32 (-21,721.19)	18,130.86 (-15,977.45)	-	-
4	Unrecognized Past Service Cost	-	-	-	-
5	Net Obligation	-1,322.78 (-500.33)	3,949.39 (-4,122.20)	30,474.73 (-27,617.69)	513.92 (-494.01)
6	Liability for Retired employees	-	-	-	-
7	**Total Provision**	**-1,322.78 (-500.33)**	**3,949.39 (-4,122.20)**	**30,474.73 (-27,617.69)**	**513.92 (-494.01)**

38.4 The amounts included in the fair value of plan assets of gratuity fund in respect of Group own financial instruments and any property occupied by, or other assets used by the reporting enterprise are Nil (Previous Year Nil).

38.5 Reconciliation showing the movements during the period in the net liability recognized in the balance sheet:

(₹ in million)

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Opening defined benefit obligation	21,220.86 (-21,339.13)	20,099.65 (-21,867.14)	27,617.69 (-24,363.88)	494.01 (-464.71)
2	Current Service Cost	884.47 (-875.45)	1,057.00 (-872.88)	397.19 (-368.66)	21.63 (-20.54)
3	Interest Cost	1,803.76 (-1,867.18)	1,708.47 (-1,913.38)	2,347.50 (-2,131.83)	41.98 (-40.67)
4	Actuarial losses/(-) gains	-1,426.21 (-1,053.40)	2,881.08 (-3,158.71)	1,913.00 (-2,174.17)	-9.14 (-11.22)
5	Liability Transfer In	1.07 (-0.07)	-	-	-
6	Benefits paid	-1,714.41 (-1,807.57)	-3,665.95 (-7,712.46)	-1,818.65 (-1,420.853)	-34.56 (-20.69)
	Total	**20,769.54 (-20,712.01)**	**22,080.25 (-20,099.65)**	**30,474.73 (-27,617.69)**	**513.92 (-494.01)**

38.6 The total amount recognized in the financial statements before allocation is as follows:

(₹ in million)

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
1	Current Service Cost	884.47 (-875.45)	1,057.00 (-872.88)	397.19 (-368.66)	21.44 (-20.54)
2	Interest on Obligation	1,803.77 (-1,867.18)	1,708.47 (-1,913.38)	2,347.50 (-2,131.84)	41.99 (-40.67)
3	Expected return on plan assets	-1,938.70 (-1,892.43)	-1,518.24 (-1,688.11)	-	-
4	Net actuarial Losses/ (-) Gains recognized in period	-1,219.32 (-912.68)	2,507.44 (-3,017.60)	1,931.01 (-2,174.17)	-9.14 (-11.21)
5	Past Service Cost	-	-	-	-
6	Increase/(decrease) due to adjustment in Opening Corpus Consequent to Audit	-325.9 (-)	-5.28 (-)	-	-
7	Total included in 'employee benefit expense'.	**-795.60** **(-62.48)**	**3,949.39** **(-4,115.74)**	**4,675.69** **(-4,675.66)**	**54.47** **(-50)**
8	Actual return on plan assets	1,731.81 (-1,751.71)	1,691.87 (-1,829.22)	NA	NA

38.7 Statement of Reconciliation of balance of Fair Value of Plans Assets in respect of Gratuity : -

(₹ in million)

Particulars	For Year ended on 31.03.2016	For Year ended on 31.03.2015
Fair Value of Plan Asset at Beginning	**21,721.19**	21,762.24
Adjustment in opening corpus consequent to audit	**326.88**	27.13
Expected Return on Plan Assets	**1,938.71**	1,873.33
Contribution by Employer	**-**	-
Transfer from other Company	**-**	0.07
Benefits Paid	**(1,712.54)**	(1,800.86)
Actuarial gain/loss on Plan Assets	**(206.90)**	(140.72)
Fair Value of Plan Asset at the end of the period (Unaudited)	**22,067.34**	**21,721.19**

38.8 Statement of Reconciliation of balance of Fair Value of Plan Assets in respect of Leave:-

(₹ in million)

Particulars	For Year ended on 31.03.2016	For Year ended on 31.03.2015
Fair Value of Plan Asset at Beginning	**15,977.45**	19,300.46
Adjustment in opening corpus consequent to audit	**3.99**	(7.75)
Expected Return on Plan Assets	**1,518.24**	1,688.11
Contribution by employer	**4,123.49**	2,567.98
Benefits Paid	**(3,665.94)**	(7,712.46)
Actuarial gain/loss on Plan Assets	**173.63**	141.11
Fair Value of Plan Asset at the end of the period (Unaudited)	**18,130.86**	15,977.45

38.9 Other disclosures:

(₹ in million)

Gratuity	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Present Value of Funded obligation as at the end of the period	**20,769.54**	21,220.86	21,339.12	21,470.17	20,828.86
Fair Value of plan assets as at the end of the period	**22,092.22**	21,721.19	21,762.24	21,387.20	20,376.51
Surplus/(Deficit)	**1,322.68**	500.33	423.12	(82.97)	(452.35)
Experience Adjustment on plan Liabilities (loss)/gain	**1,411.01**	1,364.87	1,129.49	1,063.09	550.41
Experience Adjustment on plan Assets (loss)/gain	**(175.95)**	(142.86)	(162.38)	(163.24)	(213.77)

The Group has recognized a gratuity liability of ₹ 82.31 million as on 31.03.2016 (Previous year ₹ 78.72) as per actuarial valuation for 415 (Previous Year 558) Contingent Employees engaged in different work centres. Accordingly, the additional expenditure on account of gratuity liability of contingent employee is ₹ 3.59 million (Previous Year ₹ 3.44 million).

(₹ in million)

Leave Encashment	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Present Value of Funded obligation as at the end of the period	**22,080.25**	20,099.65	21,867.14	-	-
Fair Value of plan assets as at the end of the period	**18,130.86**	15,977.45	19,300.46		
Surplus/(Deficit)	**(-3,949.39)**	(-4,122.20)	(-2,566.68)		
Experience Adjustment on plan Liabilities (loss)/gain	**(-2,895.13)**	(-2,878.21)	(-2,946.96)	-	-
Experience Adjustment on plan Assets (loss)/gain	**293.5**	141.11	(-1,284.72)		

(₹ in million)

Leave Encashment	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Present Value of unfunded obligation as at the end of the period (Note no.35.1.1 and 35.1.2)	-	-	-	19,840.16	17,841.28
Experience Adjustment on plan Liabilities (loss)/gain	-	-	-	(2,943.61)	(2,062.27)

(₹ in million)

Post-Retirement Medical Benefits	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Present Value of Unfunded obligation as at the end of the period	**30,474.73**	27,617.69	24,363.88	21,606.37	19,238.93
Experience Adjustment on plan Liabilities (loss)/gain	**(2,256.34)**	(1,744.08)	(1,729.25)	(1,713.33)	(2,071.54)

(₹ in million)

Sensitivity Analysis (In respect of Post-Retirement Medical Benefits)	As at 31-03-2016	
	1.00 % (+)	1.00 % (+)
Effect on service and interest cost	236.71	(383.13)
Effect on PBO (Closing)	4,121.12	(2,894.75)

(₹ in million)

Terminal Benefits	As at 31-03-2016	As at 31-03-2015	As at 31-03-2014	As at 31-03-2013	As at 31-03-2012
Present Value of Unfunded obligation as at the end of the period	**513.92**	494.01	6,319.04	6,311.19	1,158.72
Experience Adjustment on plan Liabilities (loss)/gain	**9.68**	17.80	883.56	(4,694.35)	(22.77)

38.10 Investments of Gratuity Trust

Particulars	% of Investment	
	For Year ended on 31.03.2016	For Year ended on 31.03.2015
Central Govt. Securities	**4.01**	28.57
State Govt. Securities	**0.00**	15.59
PSU Bonds	**25.09**	27.44
Treasury Bills	**0.00**	0.03
Insurance Investment	**70.89**	28.14
Equity Mutual Fund	**0.01**	0.23
Total	**100.00**	100.00

38.11 Principal actuarial assumption at the balance sheet date (expressed as weighted averages):-

Sl No.	Particulars	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits1
1	Discount rate	8.00% - 8.08% (8.50 %)	8.00% (8.50%)	8.00%-8.08% (8.50%)	8.00%-8.08% (8.50%)
2	Expected return on plan assets	8.08-8.80% (8.50-8.70%)	9.50% (8.75%)	NA	NA
3.	Annual increase in costs	NA	NA	5.50% (6.00%)	5.50% (6.00%)
4.	Annual Increase in Salary	5.50% (6.00%)	5.50%) (6.00%)	NA	NA

The discount rate is based upon the market yield available on Government bonds at the Accounting date with a term that matches. The salary growth rate takes account of inflation, seniority, promotion and other relevant factor on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

39. Disclosure under Accounting Standard-16 on "Borrowing Costs"

Borrowing cost capitalized during the period is ₹ 8,982.32 million (previous year ₹ 16,589.29 million).



Work - Life balance: ONGCians Observing International Yoga Day at Mumbai Offshore

40 Disclosure under Accounting Standard -17 on "Segment Reporting"

40.1 The Consolidated Segment Information as per Accounting Standard AS-17 for the Company is given below :

(₹ in million)

Particulars	2015-16							2014-15						
	In India			Outside India	Unallocated	Elimination of Inter Segment Sales	Grand Total	In India			Outside India	Unallocated	Elimination of Inter Segment Sales	Grand Total
	E&P		Refining					E&P		Refining				
	Offshore	Onshore						Offshore	Onshore					
Revenue														
External Sales	**545,896.20**	**212,010.82**	**508,059.05**	**124,277.33**	**39,222.46**		**1,429,465.86**	558,469.15	232,523.49	624,932.42	189,289.19	58,725.38		1,663,939.63
Inter Segment Sales	**22,774.28**	**3,138.78**	**3,155.93**	-		**(29,068.99)**	-	38,261.35	225.53	53.52			(38,540.40)	-
Gross Revenue	**568,670.48**	**215,149.60**	**511,214.98**	**124,277.33**	**39,222.46**	**(29,068.99)**	**1,429,465.86**	596,730.50	232,749.02	624,985.94	189,289.19	58,725.38	(38,540.40)	1,663,939.63
Less: Excise Duty	**1,723.70**	**20.45**	**112,548.38**	-	-		**114,292.54**	2,031.87	46.84	49,692.44	-	-		51,771.15
Total Revenue	**566,946.78**	**215,129.15**	**398,666.60**	**124,277.33**	**39,222.46**		**1,315,173.32**	594,698.63	232,702.18	575,293.50	189,289.19	58,725.38		1,612,168.48
Results														
Segment Result Profit(+)/ Loss(-)	**235,738.32**	**(18,184.80)**	**5,669.10**	**(840.18)**			**222,382.44**	226,272.22	19,246.94	(25,106.25)	54,941.96			275,354.87
Unallocated Corporate Expenses					**12,611.43**		**12,611.43**					11,605.14		11,605.14
Operating Profit	**235,738.32**	**(18,184.80)**	**5,669.10**	**(840.18)**	**(12,611.43)**		**209,771.01**	226,272.22	19,246.94	(25,106.25)	54,941.96	(11,605.14)		263,749.73
Interest Expenses					**21,636.90**		**21,636.90**					29,232.06		29,232.06
Interest/Dividend Income					**39,045.02**		**39,045.02**					39,185.98		39,185.98
Income Taxes					**84,169.79**		**84,169.79**					96,974.10		96,974.10
Profit from Ordinary Activities	**235,738.32**	**(18,184.80)**	**5,669.10**	**(840.18)**	**(79,373.10)**		**143,009.34**	226,272.22	19,246.94	(25,106.25)	54,941.96	(98,625.32)		176,729.55
Extraordinary Gain							-							-
Net Profit	**235,738.32**	**(18,184.80)**	**5,669.10**	**(840.18)**	**(79,373.10)**		**143,009.34**	226,272.22	19,246.94	(25,106.25)	54,941.96	(98,625.32)		176,729.55
Other Information														
Segment Assets	**1,038,665.90**	**509,086.92**	**429,487.35**	**992,916.99**			**2,970,157.16**	1,004,658.97	537,304.03	404,430.52	985,626.59			2,932,020.11
Unallocated Corporate Assets					**591,955.31**		**591,955.31**					450,901.13		450,901.13
Total Assets	**1,038,665.90**	**509,086.92**	**429,487.35**	**992,916.99**	**591,955.31**		**3,562,112.47**	1,004,658.97	537,304.03	404,430.52	985,626.59	450,901.13		3,382,921.24
Segment Liabilities	**300,809.01**	**107,910.06**	**357,358.96**	**535,515.92**			**1,301,593.95**	289,560.24	103,824.17	328,549.38	486,215.35			1,208,149.14
Unallocated Corporate Liabilities					**413,075.25**		**413,075.25**					370,228.07		370,228.07
Total Liabilities	**300,809.01**	**107,910.06**	**357,358.96**	**535,515.92**	**413,075.25**		**1,714,669.20**	289,560.24	103,824.17	328,549.38	486,215.35	370,228.07		1,578,377.21
Capital Expenditure	**181,104.01**	**44,735.96**	**5,285.08**	**72,528.18**	**22,860.56**		**326,513.78**	184,283.63	74,537.64	86,266.52	62,970.84	6,315.67		414,374.30
Depreciation*	**88,917.26**	**24,488.12**	**10,224.33**	**53,114.89**	**3,699.56**		**180,444.16**	88,223.99	25,109.67	5,245.89	59,042.92	2,654.70		180,277.17
Other Non-cash Expenses	**2,760.04**	**1,170.33**	**379.18**	**4,791.64**	**8.10**		**9,109.29**	754.93	1,000.62	212.20	8,546.26	7.88		10,521.89

*Also Includes Depletion,Amortization and Impairment Loss.

40.1 Notes :

40.1.1 The annexed matrix presentation depicts the geographical segments based on assets as primary segments and business segments as secondary segments.

40.1.2 Segments have been identified and reported taking into account the differing risks and returns, the organization structure and the internal reporting systems. These have been organized into the following main geographical and business segments:

Geographical Segments

a) In India - Offshore
- Onshore

b) Outside India.

Business Segments

a) Exploration & Production

b) Refining

40.1.3 Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis. Un-allocated includes common expenditure incurred for all the segments and expenses incurred at the corporate level.

40.1.4 Inter Segment Sales have been priced at prevailing market rates.

40.1.5 Segment Assets includes ₹ 1,310.06 million of Intangible Assets (Previous year ₹ 1,169.26 million)

40.1.6 Reconciliation of the Segment Revenue with the Revenue as per note 29 & 36 is given below:

(₹ in million)

Particulars	Note	2015-16	2014-15
Revenue from operation (Gross)	29	**14,29,271.23**	16,63,888.42
Prior period Sales	36	**194.63**	51.21
Total		**14,29,465.86**	16,63,939.63
Segment Revenue as per note no. 40.1		**14,29,465.86**	16,63,939.63

41. Disclosure under Accounting Standard -18 on "Related Party Disclosure"

41.1 Name of related parties and description of relationship :

41.1.1 Jointly Controlled Entities (Excluding State Controlled)

Sl No.	Name	Sl No.	Name
i	Petronet LNG Limited (PLL)	ii	ONGC Tripura Power Co. Limited (OTPC)
iii	ONGC Teri Biotech Limited (OTBL)	iv	Adani Petronet (Dahej) Port Pvt. Ltd (through PLL)
v	Mangalore SEZ Limited (MSEZ)	vi	Shell MRPL Aviation Fuels & Services Pvt. Limited (SMAFS) (through MRPL)
vii	Mangalore STP Limited (through MSEZ)	viii	ONGC Mittal Energy Limited, Cyprus (OVL)
ix	Mangalam Retail Services Limited (through MRPL)	x	(ONGC Mangalore Petrochemicals Ltd) (refer note no. 3.1)
xi	MSEZ Power Ltd (through MSEZ)		

41.2 Key Management Personnel:

A.	KMP's of Parent Company
i)	Shri Dinesh K. Sarraf, Chairman and Managing Director
ii)	Shri Shashi Shanker, Director(T&FS)
iii)	Shri T. K. Sengupta, Director (Offshore)
iv)	Shri D. D. Misra, Director(HR)
v)	Shri A. K. Dwivedi, Director (Exploration)
vi)	Shri Ashok Verma, Director(Onshore) up to 31.07.2015
vii)	Shri V. P. Mahawar, Director (Onshore) w.e.f 01.08.2015
viii)	Shri A. K. Banarjee, Director(Finance) up to 30.04.2015
ix)	Shri A. K. Srinivasan, Director (Finance) w.e.f 23.09.2015
x)	Shri N. K. Verma Director (Exploration) up to 26.08.2014

xi)	Shri K.S. Jamestin, Director (HR) up to 31.07.2014
xii)	Shri N. K. Sinha, Company Secretary up to 30.06.2015
xiii)	Shri V. N. Murthy, Company Secretary w.e.f 01.07.2015
B.	**KMP's of Subsidiaries and Joint Ventures Entities**
i.	Shri Narendra K Verma, Managing Director, OVL Videsh
ii.	Shri S. P. Garg, Director (Finance), OVL
iii.	Shri P. K. Rao, Director (Operations)
iv.	Shri Anil Bhandari, Director (Exploration) , OVL up to 31.07.2015
v.	Shri Sudhir Sharma, Director (Exploration), OVL, w.e.f 01.08.2015
vi.	Shri S. Bhattacharya, Director (Operations) OVL, (upto 31.10.2014)
vii.	Shri H. Kumar, Managing Director, MRPL.
viii.	Shri. Vishnu Agarwal, Director (Finance) MRPL up to 31.01.2015
ix.	Shri M. Venkatesh, Director (Refinery), MRPL
x.	Shri A. K. Sahoo, Director (Finance), MRPL, w.e.f 01.01.2016
xi.	Shri Dinesh Mishra, Company Secretary, MRPL
xii.	Shri P. P. Upadhya, Managing Director, MRPL, upto July 2014
xiii.	Ir. A. R. Baron Mackay Holding B.V., Director, ONGC Nile Ganga B.V.
xiv.	Mr. Costas Christoforou, Director, Imperial Energy Limited
xv.	Ms. Arlene Nahikian, Director, Imperial Energy Limited
xvi.	Ms. K. Antoniadou, Director, Imperial Energy Limited
xvii.	Ms. E. Chrysanthou, Director, Imperial Energy Limited
xviii.	Mr. A. Loizou, Director, Imperial Energy Limited
xix.	Mr. Roland Göransson, Director, Carabobo One AB
xx.	Mr. Richard Chindt, Director, Carabobo One AB
xxi.	Shri S. B. Singh, Company Secretary, OVL
xxii.	Shri Rajarshi Gupta, Director, ONGC Videsh Atlantic Inc.
xxiii.	Shri Sookraj Seechurn, Director, ONGC Videsh Rovuma Limited
xxiv.	Shri Poonam Keenoo-Seegoolam, Director , ONGC Videsh Rovuma Limited
xxv.	Shri Prabhat Singh, (Managing Director & CEO) PLL w.e.f 14.09.2015
xxvi.	Shri R. K. Garg Director – Finance, PLL
xxvii.	Shri Rajendra Singh Director(Technical), PLL
xxviii.	Dr. A. K. Balyan (Managing Director & CEO) PLL up to 15.07.2015
xxix.	Shri A. K. Singh, Managing Director, APPPL w.e.f 26.01.2016 (JV of PLL)
xxx.	Shri G. J. Rao, Managing Director , APPPL up to 25.01.2016 (JV of PLL)
xxxi.	Shri Paritosh Kumar Gupta, MD& CEO, MSEZ w.ef 19.05.2015
xxxii.	Shri Rajiv Banga, Managing Director & CEO, MSEZ (up to 31.03.2015)
xxxiii.	Shri Ashish Kulkarni, Company Secretary up to 08.02.16
xxxiv.	Shri Gouranga Charan Swain, CFO, MSEZ
xxxv.	Shri Anil Khurana, Managing Director, PMHBL
xxxvi.	Shri Kumar Hariharan, chairman, PMHBL
xxxvii.	Shri Chandan Kumar Das, CFO, PMHBL
xxxviii.	Shri Sachin Jayaswal, Company Secretary, PMHBL
xxxix.	Shri Satyajit Ganguly, Managing Director, OTPC
xl.	Shri Sudhindra Kumar Dube Managing Director, OTPC (up to 30.11.2014)
xli.	Shri S. N. Sunkari, Managing Director, NETC
xlii.	Shri Umesh Chandra, Director, NETC
xliii.	Shri M. Krishna Kumar, Director, NETC
xliv.	Shri Rajesh Kumar, Director NETC
xlv.	Shri K. Satyanarayana, CEO, OPaL
xlvi.	Shri Trinath Behera,CFO, OPaL w.e.f 01.07.2015)
xlvii.	Shri Rajendra Parakh, CFO OPaL up to 30.06.2015)
xlviii.	Shri P. S. V. Rao, CEO, OPaL (up to 29.04.2014)
xlix.	Shri S. P. Bandopadhyay,CFO, OPaL (up to 31.01.2015)
l.	Shri Subodh Prasad Pankaj, Company Secretary, OPaL
li.	Shri S. Ramachandran, CEO, OMPL (up to 30.06.2015)
lii.	Shri Susil K Shenoy, CFO, OMPL
liii.	Shri Shyam kumar, company Secretary, OMPL
liv.	Shri Hitesh Jain, Company secretary, OMPL (up to 11.05.2014)
lv.	Shri V. N. Diwakar, CEO, SMAFS
lvi.	Shri S. Chockalingam, CFO and Company Secretary, SMAFS
lvii.	Dr. Banwari Lal, CEO, OTBL

41.2.1 Key Management Personnel

(₹ in million)

Particulars	2015-16	2014-15
Remuneration to Key Management Personnel	**122.62**	103.88
Amount Receivable	**5.66**	2.91
Amount Payable	**8.29**	9.49

42 Disclosure under Accounting Standard - 19 on 'Leases'

42.1 Khartoum - Port Sudan Pipeline Project:

The subsidiary company, OVL, had completed the 12"X741 Kms multi-product pipeline from Khartoum refinery to Port Sudan for the Ministry of Energy and Mining of the Government of Sudan (GOS) on Build, Own, Lease and Transfer (BOLT) basis and handed over the same to GOS during the financial year 2005-06. The project was implemented in consortium with Oil India Limited, Company's share being 90%.

The payment under the contract with GOS were scheduled to be received over a period of 10 years including a moratorium of one year from the date of the contract (30 June 2004) in 18 equal semi-annual installments along with lease rental. The lease period commenced from the date of handing over of the pipeline system and will continue till all payments by GOS are completed. All titles in the works and the transportation system shall vest in the Company and the title shall pass to GOS in proportion to the payments made by GOS against total payments due to Company under the contract. Further, subject to regular payments on due dates by GOS to the Company, GOS shall have the exclusive right to use and operate the pipeline system and the Company shall not assign, transfer, sub-let, sub-contract, mortgage or create any rights to any third party or encumbrances or make any disposition to any third party. Accordingly, the amount of net investment in the lease (i.e. aggregate of Minimum Lease Payments minus unearned Finance Income) is recognized and recorded as receivables under the lease. The finance income thereon has been recognized based upon the pattern reflecting the constant periodic rate of return on the outstanding net investment in the lease.

The first 11 installments under the contract due till 30 December 2010 have been received. Amount towards the 12th to 18th installments of ₹ 6,514.91 million, USD 98.19 million (Company's share ₹ 5,863.42 million, USD 88.37 million) due on 30 June 2011, 30 December 2011, 30 June 2012, 30 December 2012, 30 June 2013, 30 December 2013 and 30 June 2014 respectively have not yet been received.

The disclosure in accordance with the Accounting Standard (AS) 19 viz. Leases is as under:

(₹ in million)

Particulars	31st March, 2016		31st March, 2015	
	Gross	Net	Gross	Net
a) Reconciliation between the total gross investment in the lease and the present value of minimum lease payments as at year end				
- Not later than one year	-	-	758.36	746.41
- Later than one year and not later than five years	-	-	-	-
- Later than five years	-	-	-	-
Total	-	-	**758.36**	**746.41**
b) Unearned Finance Income	-		11.95	
c) Unguaranteed residual value accruing to OVL's benefit	**Nil**		Nil	
d) Accumulated provision for uncollectible minimum lease payments receivable	**Nil**		Nil	
e) Contingent rents recognised in the statement of profit and loss for the period	**Nil**		Nil	
f) General description of the significant leasing arrangement	**As described in para above**		As described in para above	
g) Accounting Policy followed in respect of initial direct costs	**As per Note no. 2.2.z.1.2**		As per Note no. 2.2.z.1.2	

The EPC contractor which executed the project claimed additional costs aggregating to ₹ 2,464.90 million (Previous year ₹ 2,327.08 million) (USD 37.15 million), Company's 90% share being ₹ 2,218.41 million (Previous year ₹ 2,094.37 million) (USD 33.44 million), which have not been accepted by the Company. The Company, in turn has filed a claim as per the contract with GOS for their approval of an aggregate amount of ₹ 3,064.04 million (Previous year ₹ 2,892.72 million) (USD 46.18 million), Company's share being ₹ 2,757.64 million (Previous year ₹ 2,603.44 million) (USD 41.56 million). No revenue in respect of the claim on GOS has been recognized since the claim has not been accepted by GOS. ONGC Videsh has served a pre-arbitral notice on GOS which is a requirement prior to initiating any legal proceedings in Sudan. The EPC contractor has initiated arbitration with a claim for ₹ 1,691.26 million (Previous year ₹ 1,596.69 million) (USD 25.49 million) plus interest against the Company. Pending settlement with the EPC contractor, an amount of ₹ 1,522.14 million (Previous year ₹ 1,437.02 million) (USD 22.94 million) being the Company's 90% share out of total claim of ₹ 1,691.26 million (Previous year ₹ 1,596.69 million) (USD 25.49 million) has been accounted as liability in the relevant year of claim. The arbitration award has been pronounced on 27 March, 2014. The award provides for the payment of ₹ 219.82 million (USD 3.31 million) and interest ₹ 16.93 million (USD 0.26 million). The parties have filed petitions in the high court reiterating respective averments and seeking revision/ modifications of the arbitral award. Since the company has already accounted for the claim amount as expenditure for ₹ 1,522.14 million (Previous year ₹ 1,437.02 million) (USD 22.94 million), the differential of the amount accounted for and award will be adjusted subject to directions/decision of the honorable court. The interest amount would be treated / accounted on clarity of the issue based on directions/decision of the honorable court in this regard. Meanwhile the company has paid ₹ 19.26 million (USD 0.31 million) against the arbitration award, Company share ₹ 17.33 million (USD 0.28 million) and ₹ 8.54 million (USD 0.14 million), Company share ₹ 7.69 million (USD 0.13 million) against interest @4.5% on 31 October 2014 to EPC contractor to avoid excess interest burden on the awarded amount.

42.2 Financial Lease for BC-10 Project

The subsidiary company, ONGBV owns 15% equity shares in Tamba B.V. The Netherlands; with the balance held by Shell E & P Offshore Services B.V., The Netherlands ("SEPBV"), and Petrobras Netherlands B.V. The Netherlands ("PNBV"). Tamba B.V. has been established to facilitate the development and production of hydrocarbons in the BC-10 concession, Campos Basin area in Brazil. Tamba B.V. has a third party lease for a major oil field equipment (FPSO) and constructed other sub-sea assets for onwards lease to BC-10 Project. Both financial leases commenced on 31 December 2008.

Tamba B.V. leases part of its assets from a third party, Brazilian Deepwater and re-leased these to BC-10 joint venture operated by Shell Brasil Ltda. The risks and rewards incidental to ownership are largely transferred to the lessee. These assets are capitalised and recognised in the balance sheet of BC-10 as from the date the lease contract is concluded, at the lower of the fair value of the asset and the discounted value of the minimum lease instalments. The lease instalments payable are broken down into repayment and interest components, based on a fixed interest rate and instalments as derived from the underlying agreement. The lease commitments are carried under long-term liabilities exclusive of interest. The interest component is recognised in the profit and loss account in accordance with the lease instalments.

Revenue of finance lease contracts represents the transfer of economic ownership from Tamba B.V. (lessor) to the lessee of the asset, being an affiliate. Cost of sales represents the costs associated with the finance lease contracts. The Company's share of the lease liability (at USD 1 = ₹ 66.35) are tabulated below:-

Lease liability	**₹ Million**
Opening balance as at 01.04.2015	**5,515.41**
Interest	489.52
Lease Payments	1,376.09
Foreign Currency Translation Adjustment	314.93
Closing balance as at 31.03.2016	**4,943.77**

The Company's 27% share of future estimated minimum lease expenses in the year and their present values are scheduled to be as follows:

(₹ in million)

Particulars	< 1Year	1-5 Years	>5Years	Total
Future minimum lease payments:	1,369.48	3,550.45	1,259.51	**6,179.44**
Present value of minimum lease payments	1,338.01	2,817.10	724.07	**4,879.18**

Tamba B.V., JV company of ONGBV (27%) has entered into a 15-year lease contract for the supply of the FPSO with a third party. The lease contract contains priced termination options for each of the 15 years and priced extension options for the 4 years following the initial 15-year term. The Company can exercise a priced purchase option during the term of the lease. The interest rate implicit in the lease is 9.5% (Previous year 9.5%).

42.3 The company has certain office/residential premises on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the year ₹ 902.12 million (Previous year ₹ 1,067.98 Million) had been paid towards cancellable Operating Lease.

42.4 The Joint venture Company, OTPC and PMHBL havecertain operating lease non-cancellable agreements. The group share in future minimum lease payments and payment profile under the non-cancelable operating leases are as follows:

(₹ in million)

Particulars	As at 31.03.2016	As at 31.03.2015
Not later than one year	**12.16**	11.95
Later than one year and not later than five years	**38.37**	46.81
Later than five years	**43.85**	47.22
TOTAL	**94.38**	**105.98**

43. Disclosure under Accounting Standard - 27 on Financial Reporting of Interests in Joint Ventures:

43.1 Jointly Controlled Assets in India

In respect of certain blocks, the Company's Joint Ventures (JV) with certain bodies corporate have entered into Production Sharing Contracts (PSCs) with GoI. Details of these blocks and JVs as on 31.03.2016 are as under:

Sl. No.	Blocks	Company's PI *	Others Partners and their PI in the JV/Operatorship***
A	**Jointly Operated Jvs**		
1	Panna, Mukta and Tapti	40% (40%)	BGEPIL 30%, RIL 30%
2	NK-CBM-2001/1	55% (80%)	IOC 20%, PEPL 25% (PEPL-Nil)
B	**ONGC Operated Jvs**		
3	CB-OS/1 Development Phase**	55.26% (55.26%)	TPL 6.7%, HOEC 38.04%
4	MN-DWN-98/3**	100% (100%)	
5	MN-OSN-2000/2	40% (40%)	GAIL 20%, IOC 20%,OIL 20%
6	AA-ONN-2001/2	80% (80%)	IOC 20%
7	CY-ONN-2002/2	60% (60%)	BPRL 40%
8	KG-ONN-2003/1	51% (51%)	Cairn India-49%
9	CB-ONN-2004/1**	60% (60%)	GSPC40%,
10	CB-ONN-2004/2	55% (55%)	GSPC45%

Sl. No.	Blocks	Company's PI *	Others Partners and their PI in the JV/Operatorship***
11	CB-ONN-2004/3	65% (65%)	GSPC 35%
12	CY-ONN-2004/2	80% (80%)	BPRL 20%
13	MB-OSN-2005-1	80% (80%)	GSPC 20%
14	Raniganj	74% (74%)	CIL 26%
15	Jharia	74% (74%)	CIL 26%
16	BK-CBM-2001/1	80% (80%)	IOC 20%
17	CB-ONN-2005/10**	100% (100%)	
18	WB-ONN-2005/4	75% (75%)	OIL 25%
19	GK-OSN-2009/1	40% (40%)	AWEL 20%, GSPC 20%, IOC20%
20	GK-OSN-2009/2	40%(40%)	AWEL 30%, IOC 30%
21	KG-OSN-2009/2	90% (90%)	APGIC 10%
22	KG-OSN-2009/4	50% (50%)	APGIC 10%, OIL 30%, NTPC10%
23	CB-ONN-2009/4	50% (50%)	GSPC 50%
24	GK-OSN-2010/1	60% (60%)	OIL-30%, GAIL-10%
25	GK-OSN-2010/2	90% (90%)	GAIL- 10%
26	CB-ONN-2010/6	80% (80%)	IOC- 20%
27	MB-OSN-2005/3	70%(Nil)	EEPL-30% (EEPL-100%)
C	**Operated by JV Partners**		
28	Ravva	40% (40%)	Cairn India (Operator) 22.5% , VIL 25%, ROPL12.5%
29	CY-OS-90/1 (PY3)	40% (40%)	HEPI (operator) 18%, HOEC 21% TPL 21%
30	RJ-ON-90/1	30% (30%)	Cairn India (Operator) 35%, CEHL 35%
31	CB-OS/2 –Development Phase	50% (50%)	Cairn India (operator) 40% ,TPL 10%
32	CB-ON/7 –Development Phase	30% (30%)	HOEC (Operator) 35%, GSPC 35%
33	CB-ON/3 – Development Phase	30% (30%)	EOL (Operator)70%
34	AN-DWN-2003/2	45%(45%)	ENI (Operator) 40%GAIL 15%
35	PR-OSN-2004/1	35% (35%)	Cairn India (Operator) 35%, TPL 30%
36	CB-ON/2- Development phase	30% (30%)	GSPC (Operator) 56%, Geo-Global Resources 14%
37	AA-ONN-2009/4	50% (50%)	OIL(Operator) 50%
38	CY-OSN-2009/2	50% (50%)	OIL 50% (Operator)
39	AA-ONN-2010/2	30% (30%)	OIL -40%(Operator), GAIL-20%, EWP-10%
40	AA-ONN-2010/3	40%(40%)	OIL-40% (Operator), BPRL-20%

* PI – Participating Interest
**Approval towards assignment of PI is awaited from GoI
*** There is no change in previous year details unless otherwise stated.

Abbreviations:- Abbreviations:-APGIC- AP Gas Infrastructure Corporation Ltd, AWEL- Adani Welspun Exploration Ltd, BGEPIL- British Gas Exploration & Production India Ltd, BPRL- Bharat Petro Resources Ltd, Cairn India-Cairn India Ltd, CEHL- Cairn Energy Hydrocarbons Ltd, CIL- Coal India Ltd, EEPL- Essar Exploration & production Ltd, ENI- Ente Nazionale Idrocarburi, EOL-Essar Oil Ltd, GAIL- Gas Authority of India Ltd, GSPC- Gujarat State Petroleum Corporation Ltd, HEPI- Hardy Exploration & Production India Ltd, HOEC- Hindustan Oil Exploration Company Ltd, IOC - Indian Oil Corporation Ltd, NTPC- National Thermal Power Corporation Ltd, OIL- Oil India Ltd, PEPL- Prabha Energy Pvt Ltd, RIL- Reliance Industries Ltd, ROPL- Ravva Oil (Singapore) Private Ltd, TPL- Tata Petrodyne Ltd,VIL- Videocon Industries Ltd

43.2 List of the blocks surrendered during the year are given below:

Sl. No.	Joint Ventures / PSCs	Company's PI *
1	RJ-ONN-2005/3	40% (40%)
2	CB-ONN-2005/4	51% (51%)
3.	AN-DWN-2009/2	60% (60%)
4.	AN-DWN-2009/1	70% (70%)
5.	AN-DWN-2009/5	100% (100%)
6.	AN-DWN-2009/3	60% (60%)
7.	KG-OSN-2009/1	80% (80%)
8.	VN-ONN-2004/2	100% (100%)
9.	AA-ONN-2002/3	70% (70%)
10.	AA-ONN-2009/3	50% (50%)

* PI - Participating Interest

43.3. The Financial position of the JV/NELP blocks are as under :

(₹ in million)

Particulars	No. of Jvs/ NELP Blocks	Assets	Liabilities	Income	Expenditure	Profit / (-) Loss before tax
NELP Block-100% PI*	15 (16)	62,376.90 (30,348.05)	168.26 (233.14)	15,677.08 (0.17)	11,751.23 (24,557.43)	3,925.85 (-24,557.26)
Blocks with other partners	40 (48)	89,574.11 (93,976.40)	45,827.49 (46,927.50)	85,275.81 (1,46,952.80)	72,672.75 (1,08,133.48)	12,603.06 (38,819.32)
Surrendered (note 43.3.5)	80 (70)	3,379.48 (4,680.45)	12,689.16 (12,369.44)	3,775.63 (276.54)	4,430.07 (12,024.63)	-654.44 (-11,748.09)
Total	**135 (134)**	**155,330.49 (129,004.90)**	**58,684.91 (59,530.15)**	**104,728.52 (147,229.51)**	**88,854.05 (144,715.54)**	**15,874.47 (2,513.90)**

* PI - Participating Interest

43.3.1 The financial statements of 124 (previous year 117) out of 135 (previous year 134) JVs/NELP have been incorporated in the accounts to the extent of Company's participating interest in assets, liabilities, income, expenditure and profit / (loss) before tax on the basis of statements certified in accordance with production sharing contract and in respect of balance 11 (previous year 17) JVs/NELP, the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Both the figures have been adjusted for changes as per Note No. 2.2.j.2.

The financial positions of JV/NELP are as under:

(₹ in million)

	No. of JVs/ NELP Blocks	Assets	Liabilities	Income	Expenditure	Profit / (-) Loss before tax
Audited	124 (117)	153,945.22 (121,162.67)	54,110.41 (48,412.46)	104,297.65 (134,036.87)	87,977.90 (132,756.40)	16,319.75 (1,280.43)
Unaudited	11 (17)	1,385.27 (7,842.23)	4,574.50 (11,117.69)	430.87 (13,192.64)	876.15 (11,959.10)	-445.28 (1,233.54)
Total	**135 (134)**	**155,330.49 (129,004.90)**	**58,684.91 (59,530.15)**	**104,728.52 (147,229.51)**	**88,854.05 (144,715.54)**	**15,874.47 (2,513.97)**

43.3.2 In respect of 10 NELP blocks (previous year 3) which have expired as on 31st March, 2016, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to ₹ 2966.53 million (previous year to ₹ 820.40 million) has not been provided for since the company has already applied for further extension of period in these blocks as 'excusable delay'/ special dispensations citing technical complexities, within the extension policy of NELP Blocks, which are under active consideration of GoI. The delays have occurred generally on account of pending statutory clearances from various Govt. authorities like Ministry of Defense, Ministry of Commerce, environmental clearances, State Govt. permissions etc. The above MWP amount of ₹ 2,966.53 (previous year ₹ 820.40 million) is included in MWP commitment under note no. 46.1.3.2.

43.3.3 As per the Production Sharing Contracts signed by the Company with the GoI, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) is payable for extension of time to complete MWP. Further, in case the Company does not complete MWP or surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI. LD amounting to ₹ nil (Previous year ₹ 24.08 million) and cost of unfinished MWP (net of reversal) ₹ 454.13 million (Previous year ₹ 1,420.64 million), paid/payable to the GoI is included in survey and wells written off expenditure.

43.3.4 The company had acquired Participating Interest (PI) of British Gas Exploration & Production India Ltd (BGEPIL) in the following blocks, effective from the following dates as approved by the board of directors.

Name of the Block	PI	Date of Transfer of PI
KG OSN 2004/1	45%	25.11.2011
KG DWN 98/4	30%	18.05.2011
MN DWN 2002/2	25%	01.12.2011

British Gas had agreed to pay a lump sum amount of USD 50 Million, towards full and final settlement of carry costs/cash calls due in all the above blocks, subject to government approval for transfer of PI. Consequent upon receipt of Government approval and receipt of USD 50 Million (₹ 3,326.50 million) from BGEIPL, company has carried out accounting adjustments for ₹ 3,326.50 million (equivalent to USD 50 Million) in respect of outstanding Cash call receivable of ₹ 1,761.95 million (₹ 1683.81 million provided for doubtful cash call receivable, has been written back) and balance amount of ₹ 1,564.55 million considered as other income.

43.3.5 The company has relinquished 30% Participating Interest (PI) in SGL Field with future interest in block RJ-ON/6 Jaisalmer Basin Rajasthan to Focus Energy Ltd (Operator), on condition that Focus Energy Ltd (Operator) to pay towards 100% past royalty obligation, PEL/ML fees, other statutory levies and waive off development/ Production costs payable by ONGC in SGL Field of the block as well as take all future 100% royalty obligation of ONGC as licensee and also not exercise its option of acquiring 30% PI in two gas discoveries namely SSG-1 and SSF-2 in Block. Pendingfarm out agreement/ government approval, no adjustment is made in the accounts in respect of relinquishment of RJ-ON/6.

43.4 Company's share in Joint Ventures (Outside India) through Subsidiary - OVL

Sl. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
1	Block 06.1 Vietnam, Offshore	45%	TNK Vietnam B.V. -35%, Petrovietnam - 20%	TNK Vietnam B.V.	The project is under development and production
2	Block 2a, 2b & 4, GNPOC. Sudan, (Through ONGC Nile Ganga B.V.)	25%	CNPC - 40% Petronas - 30% Sudapet - 5%	Joint Operatorship (GNPOC)	The project is under production.
3	Block 1a, 1b, & 4, GPOC South Sudan, (Through ONGC Nile Ganga B.V.)	25%	CNPC - 40% Petronas - 30% Nilepet - 5%	Joint Operatorship (GPOC)	The project is under production. Currently under temporary shutdown due to security situation.
4	Block 5A South Sudan, Onshore	24.125%	Petronas - 67.875% Nilepet - 8%	Joint Operatorship (SPOC)	The project is under exploration, development and production. Currently under temporary shutdown due to security situation.
5	Sakhalin -1 Project, Russia, Offshore	20%	ENL - 30% SODECO - 30% SMNG - 11.5% R N Astra – 8.5%	ENL	The project is under development and production
6	AFPC Project Syria, Onshore (Through ONGC Nile Ganga B.V.)[1]	38.75%	Fulin – 50% Mittals – 11.25%	SSPD	The project is under production. Currently under temporary shutdown due to security situation.
7	MECL Colombia, Onshore (Through ONGC Amazon Alaknanda Limited)	50%	Sinopec – 50%	Joint Operatorship	The project is under exploration, development and production
8	Block BC-10 Brazil, Offshore (Through ONGC Nile Ganga B.V.)	27%	Shell – 73%	Shell	The project is under development and production
9	OOO Imperial Frac Service (Through Imperial Energy Ltd)	50%	Mr. Vladimir Aleksandrovich Borisov – 50%	ONGC Videsh	The company provides Fraccing Services
10	San Cristobal Project Venezuela, Onshore (Through ONGC Nile Ganga B.V.)	40%	CVP- 60%	Joint Operatorship	The project is under development and production
11	Block A-1 Myanmar, Offshore	17%	Daewoo – 51% MOGE- 15% KOGAS – 8.5% GAIL – 8.5%	Daewoo	The project is under production.
12	Block A-3 Myanmar, Offshore	17%	Daewoo – 51% KOGAS – 8.5% GAIL – 8.5% MOGE- 15%	Daewoo	The project is under production.

Sl. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
13	Farsi Block Project Iran, Offshore	40%	IOC – 40% OIL – 20%	ONGC Videsh	The project 's exploration period ended on 24 Sept 2009. Agreement on MDP and Development service contract is pending.
14	Block XXIV Syria, Onshore	60%	IPRMEL - 25% Triocean-15%	IPR MEL	IPRMEL the Operator declared Force Majeure effective 29 April 2012
15	Block RC-8 Colombia, Offshore	40%	Ecopetrol - 40% Petrobras – 20%	ONGC Videsh	The project is under exploration
16	Block RC-9 Colombia, Offshore	50%	Ecopetrol - 50%	Ecopetrol	The project is under exploration
17	Block RC-10 Colombia, Offshore	50%	Ecopetrol - 50%	ONGC Videsh	The project is under exploration
18	Block BM-SEAL-4, Brazil, Offshore (Through ONGC Nile Ganga B.V)	25%	Petrobras- 75%	Petrobras	The project is under exploration
19	Block LLA - 69, Colombia, Onshore (Through MECL)	50%	Sinopec – 50%	Joint Operatorship	The project is under exploration
20	Block SSJN-7 Colombia, Onshore	50%	Pacific - 50%	Pacific	The project is under exploration
21	Block CPO-5 Colombia, Onshore	70%	Petro Dorado – 30%	ONGC Videsh	The project is under exploration
22	SHWE Offshore Pipeline Project, Myanmar, Offshore	17%	Daewoo – 51% MOGE- 15% GAIL – 8.5% KOGAS – 8.5%	Daewoo	Pipeline is completed and is under use for transportation of gas from Blocks A1/A3, Myanmar
23	Onshore Gas Pipeline Project (SEAGPCL), Myanmar, Onshore (Through ONGC Nile Ganga B.V.)	8.35%	CNPC-SEAP–50.90% Daewoo – 25.04% KOGAS– 4.17% GAIL – 4.17% MOGE – 7.37%	CNPC-SEAP	The project is under operation.
24	Carabobo Project, Venezuela Onshore (Through Carabobo One AB)	11%	CVP - 71% Repsol Exp-11% INDOIL-7%	Joint operatorship	The project is under development and production.
25	Satpayev Contract Area 3575, Kazakhstan, Offshore	25%	KMG – 75%	SOLLP	The project is under Exploration
26	Azeri, Chirag, Guneshli fields Azerbaijan, Offshore	2.72%	BP - 35.79% SOCAR - 11.65% Chevron - 11.27% Inpex - 10.96% Statoil - 8.56% Exxon-Mobil-8.00% TPAO - 6.75% Itochu - 4.30%	BP	The project is under development and production

Sl. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Status
27	BTC Pipeline Azerbaijan, Onshore (Through ONGC (BTC))	2.36%	BP - 30.1% SOCAR - 25% Chevron - 8.9% Statoil - 8.71% TPAO - 6.53% Eni - 5% Total - 5% Itochu - 3.40% Inpex - 2.5% Conoco Philips-2.5%	BP	The project is under operation
28	Block Area 1, Mozambique Offshore2	16.00%	Anadarko- 26.5% Mitsui-20% Cove Energy-8.5% BPRL-10% OIL-4% ENH-15%	Anadarko	The project is under development
29	Block SS 04, Bangladesh, Offshore	45.00%	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
30	Block SS 09, Bangladesh, Offshore	45.00%	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
31	Block B2, Myanmar, Onshore	97.00%	Machinery and Solutions Company Ltd. - 3%	ONGC Videsh	The project is under exploration
32	Block EP3, Myanmar, Onshore	97.00%	Machinery and Solutions Company Ltd. - 3%	ONGC Videsh	The project is under exploration

Abbreviations used: CNPC – China National Petroleum Corporation; CNPC-SEAP-CNPC South-East Asia Pipeline Co Ltd; CVP – Corporacion Venezolana Del Petroleo S.A.; Daewoo – Daewoo International Corporation; ENL – Exxon Neftegas Limited; Fulin – Fulin Investments Sarl; GAIL – GAIL (India) Limited; GNPOC - Greater Nile Petroleum operating Company; GPOC - Greater Pioneer Operating Company; SPOC - Sudd Petroleum Operating Company;IOC – Indian Oil Corporation Limited; INDOIL- Indoil Netherlands B.V.; IPRMEL – IPR Mediterranean Exploration Limited; KMG KazMunayGas; KOGAS – Korea Gas Corporation; B.V; Mittals – Mittal Investments Sarl; MOGE- Myanmar Oil and Gas Enterprise; Nilepet - Nilepet Limited, South Sudan; OCL – ONGC Campos Ltda. OIL – Oil India Limited; ONGC Videsh - ONGC Videsh Limited; Pacific - Pacific Stratus Energy, Colombia; Petrobras – Petroleo Brasileiro S.A.; Petro-Dorado - Petro-Dorado South America S.A.; Petronas – Petronas Carigali Overseas Sdn Bhd; Petronas Ve: PC Venezuela Ltd; Petrovietnam – Vietnam Oil and Gas Group; Repsol – Repsol YPF Cuba SA; Repsol Exp- Repsol Exploracion S.A.; SEAGPCL – South East Asia Gas Pipeline Company Ltd.; Shell – Shell Brazil Ltda; Sinopec – Sinopec Overseas Oil and Gas Limited; SMNG – Sakhalinmorneftegas Shelf; SODECO – Sakhalin Oil Development Company Limited; SOLLP – Satpayev Operating Company LLP (100% subsidiary of KMG); SSPD: Syria Shell Petroleum Development B.V.; Sudapet – Sudapet Limited; Triocean: Tri-Ocean Mediterranean; SOCAR: State Oil Company of Azerbaijan Republic; TPAO - Turkish Petroleum Corporation; BREML - Beas Rovuma Energy Mozambique Ltd; ENH - Empresa Nacional De Hidrocarbonates, E.P; BAPEX - Bangladesh Petroleum Exploration & Production Company Limited

[1]ONGC Videsh has effectively 38.75% interest in Himalaya Energy Syria B.V. (HESBV) with Mittals and Fulin effectively holding 11.25% and 50% interest respectively. HESBV, through its subsidiaries, holds 33.33%, 37.5% and 36% interest in Ash Sham (including deep and lateral) concession, Deir-Ez-Zor and Annexure-IV (including deep and lateral) concessions and a gas utilization agreement in Syria; the balance interest in the concessions being held by SSPD- the Operator.

[2]In case of Area 1 offshore Block, Mozambique, 10% is directly held by the company and 6% through subsidiary BREML. Oil India Limited holds 4% PI through BREML.

43.5 Company's share in Joint Ventures through subsidiary OVL

The Company, its Subsidiaries' and the Joint Venture Company's share of assets, liabilities, income and expenses in the Joint Ventures as furnished by the Operator has been incorporated in the financial statements as given below:

(₹ in million)

Project	Asset	Liabilities	Income	Expenditure* (Including depreciation)	Profit/(-) Loss before Tax
A. Audited as of 31 March, 2016					
Port Sudan Product Pipeline, Sudan	3.68	1,121.32	-	84.68	(84.68)
Block Farsi, Iran	0.90	-	-	32.97	(32.97)
Block SS-04, Bangladesh	16.79	-	-	38.53	(38.53)
Block SS-09, Bangladesh	17.90	-	-	67.40	(67.40)
LLC Imperial Frac Service-Jarpeno	182.55	(10.21)	598.75	152.22	446.53
Block 2a, 2b & 4, Sudan	24,512.66	9,879.78	11,060.91	12,072.78	(1,011.87)
Block 1a, 1b, & 4, South Sudan	7,649.06	1,560.21	-	408.54	(408.54)
Block BC-10, Brazil	65,597.46	44,675.91	10,870.93	9,593.14	1,277.79
PIVSA (San Cristobal), Venezuela	26,499.61	70,972.49	9,545.04	2,167.26	7,377.78
Pipeco 1 onshore Project, Myanmar (SEAGP)	8,197.03	497.14	2,706.80	343.91	2,362.89
Tamba	31,350.55	6,091.56	-	11,542.82	(11,542.82)
AFPC,Syria	58.71	0.72	-	44.40	(44.40)
Petro carabobo**	18,507.77	7,238.42	1,089.04	1,694.65	(605.61)
OVRL	0.35	0.21	-	0.79	(0.79)
OVAI	231.26	94.96	-	52.62	(52.62)
MECL	25,810.60	4,796.15	8,756.76	9,579.08	(822.32)
BREML	26,059.59	13,158.95	0.00	189.19	(189.19)
B. Audited as of 31 December, 2015					
Block Sakhalin 1, Russia	2,11,102.28	74,075.46	42,040.66	28,496.38	13,544.28
Block 06.1, Vietnam	6,396.94	2,559.39	7,647.13	4,342.38	3,304.75
Block SSJN-7, Colombia	16.93	-	-	8.57	(8.57)
Block RC-8, Colombia	27.21	65.50	-	3.53	(3.53)
Block RC-9, Colombia	0.27	(6.67)	-	245.91	(245.91)
Block RC-10, Colombia	145.36	132.23	-	105.15	(105.15)
Block CPO 5, Colombia	1,872.93	505.20	-	1,264.10	(1,264.10)
C. Unaudited					
Block ACG, Azerbaijan	32,946.05	6,861.93	9,182.33	16,731.33	(7,549.00)
Block A-1, Myanmar	14,887.87	1,799.00	5,654.09	2,234.47	3,419.62
Block A-3, Myanmar	3,236.60	586.53	4,713.34	2,454.69	2,258.65
SHWE Offshore Pipeline, Myanmar	1,635.04	(32.47)	1,904.63	394.22	1,510.41
Myanmar Block EP 3, O/S (Non-Op)	-	-	-	125.60	(125.60)
Myanmar Block B2 Onshore	-	-	-	159.35	(159.35)
Block Area 1, Mozambique	1,69,205.54	659.33	-	13,064.98	(13,064.98)
Block 5A, South Sudan	9,677.27	759.99	-	372.36	(372.36)
Block Satpayev, Kazakhstan	4,839.80	(0.59)	-	3,108.53	(3,108.53)
Block 24, Syria	4.70	524.42	-	0.26	(0.26)
Total (A+B+C)	**6,90,691.27**	**2,48,566.88**	**1,15,770.41**	**1,21,176.79**	**(5,406.38)**

*Represents expenditure as per joint venture statement. In the accounts of the Company, the amount is reflected after netting off as per the Accounting Standard (AS) 27 viz. Financial Reporting of interests in Joint Ventures.

** Excludes signature bonus paid by Subsidiary and classified under capital work-in-progress

43.5.1 The OVL's share of The Company's share of assets, liabilities, income and expenses has been converted into the reporting currency at the average exchange rate over the period for which the details are provided by the Operators. Generally the details are provided by the operators on monthly basis except in respect of Sakhalin-1, Russia, where the details are provided by the Operator on quarterly basis.

43.5.2 Block 5A, Blocks 1, 2 & 4 in Republic of South Sudan

The subsidiary company, ONGC Videsh has 24.125% participating interest in Block 5A, South Sudan. The project is jointly operated by the partners Petronas Carigali Nile Ltd, ONGC Videsh Limited and Nilepet, the national oil company of South Sudan.

In view of security situation due to internal conflict in the country all petroleum operation in Block 5A is temporarily shut down from 22nd December 2013. However, recently ceasefire agreement has been signed by the warring parties and the negotiations are in progress under the mediation of African Union and Inter Government Authorities on Development (IGAD). All actions are taken by the partners to resume production swiftly on security clearance by the host government.

43.5.3 AFPC, Syria

The subsidiary company ONGC Nile Ganga BV (ONGBV) and Fulin Investments Sarl, a subsidiary of China National Petroleum Company International (CNPCI), hold 50% shareholding each in the Dutch joint venture company, Himalaya Energy Syria B.V. (HESBV). HESBV in turn through three German entities viz. HES Ash Sham GmbH, HES Deir Ez Zor GmbH and HES Gas Syria GmbH holds 33.33% to 37.5% Participating Interest (PI) in four Production Sharing Contracts (PSCs) in Syria. The Syria business for the above PSC of ONGBV is structured as separate class of business (Class C).

Effective 1 December 2011, Al Furat Petroleum Company (AFPC) an Operating Company jointly held by the Syria Shell Petroleum Development B.V. (SSPD) a company acting as an operator for the Contractor and HESBV (collectively the Contractor) and General Petroleum Company (GPC), Syria, which represents Government of Syria in the Operating Company, were included in the list of sanctioned enterprises by the European Union (EU) as part of the strengthening of the sanctions on Syria. Due to the sanctions, HESBV, as an EU company, has been forbidden to directly or indirectly make funds or resources available to or for the benefit of AFPC and GPC.

On the 16 May 2012, the Syrian court (the 1st degree court) ruled in favour of "single management", provided that Contractor will be kept informed of all transactions. In addition the court considered that Contractor's share of profits should be set aside in a separate bank account. AFPC Chairman appealed for three motives (i) to challenge the above two court-determined measures that allows Contractor to monitor the Chairman's powers; (ii) to exercise all powers required for running AFPC and solely operate the bank accounts; and (iii) to challenge the requirement to set aside profits. On 28 of November 2012, the Court of appeal in Syrian Court rejected the appeal of the Chairman. As a result, the first degree court judgment became final.

43.6 Jointly Controlled Entities:

43.6.1 Group ownership interests in Jointly Controlled Entities are as mentioned in note 3.B.

43.6.2 The Group's share in assets, liabilities, income, expenses, contingent liabilities and capital commitments of Jointly Controlled Entities:

(₹ in million)

Particulars	As at 31.03.2016	As at 31.03.2015
i) Assets		
Fixed Assets	**154,292.51**	134,881.61
Other Non Current Asset	**10,513.03**	13,065.29
Deferred Tax Assets	**633.25**	303.48
Current Asset	**12,281.11**	12,505.68
ii) Liabilities		
Long Term Borrowings	**86,152.88**	100,694.79
Other Non Current liabilities and provisions	**9,014.30**	6,986.96
Deferred Tax Liability	**2,094.78**	1,624.65
Current liabilities and provisions	**49,237.94**	31,070.16
iii) Income	**43,135.16**	64,299.22
iv) Expenses	**41,616.78**	66,169.42
v) Contingent liabilities	**1,793.49**	8,868.61
vi) Capital commitments	**7,616.36**	18,372.56

44 Disclosure under Accounting Standard – 28 "Impairment of Assets" and Guidance note on Accounting for Oil and gas producing Activities (Revised 2013) issued by ICAI on impairment of Assets

44.1 The Company is engaged mainly in the business of oil and gas exploration and production in On-shore and Offshore. In case of onshore assets, the fields are using common production/ transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

44.2 The Value in Use of producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under circumstances where the further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use

44.3 In assessing value in use, the estimated future cash flows from the continuing use of the assets and from its disposal at the end of its useful life are discounted to their present value. The present values of cash flows are determined by applying discount rates of 19.06% (previous year 19.71 %) for Rupee transactions and 13.37% (previous year 13.89 %) for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products are computed using the future prices, on the basis of market-based average prices of the Dated Brent crude oil as per assessment by 'Platt's Crude Oil Market wire' and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas is also computed based on the expected future prices on the basis of the notification issued by the Government of India and discounted applying the rate applicable to the cash flows measured in USD in view of the new pricing guidelines issued by GoI (refer note 29.3).

44.4 The company had assessed the impairment as at 31st March' 2016 for its cash generating units. As a result, an amount of ₹ 33,107.27 million (Previous Year ₹ 2,136.53 million) has been provided. Out of this, an amount of ₹ 29,865.91 million pertains to Onshore CGU Sibsagar and ₹ 2,257.50 million in respect of Pre NELP JV Block RJ-ON-90/1. Further, ₹ 821.81 million has been provided in respect of Offshore CGUs. Balance impairment loss of ₹ 162.05 million relates to other CGUs namely Silchar, Jodhpur etc.

During the year, ₹ 1,685.14 million (Previous Year ₹ 201.88 million) impairment losses has been reversed. Out of this, an amount of ₹ 1,645.10 million relates to already partially impaired Rajahmundry Offshore CGU. Balance ₹ 40.04 million reversal pertains to Offshore CGU B-121, CY-OS-90/1 (PY-3) , Tapti etc.

Considering the fall in crude oil prices in the international market and resultant net impairment being significant during the year, the ₹ 31,422.13 million same has been considered as Exceptional item and disclosed appropriately in the "statement of Profit and Loss".

Impairment testing of assets under exploratory phase (Exploratory Wells in Progress) has been carried out as on 31.03.2016, and an amount of ₹ 626.36 million (Previous year ₹ 1,172.15 million) has been provided during the year 2015-16 as impairment loss. Further, ₹3,466.20 million (Previous Year ₹ 1,203.33) impairment loss has been reversed in the Statement of Profit and Loss as exploratory phase assets have been transferred to Oil & Gas Asset.

44.5 The following 2P reserves for the respective CGU considered as a basis for the impairment assessment:-

Name of the CGU	Quantity of Reserves used for Impairment Assessment (in MMT)
G1 GS 15	11.78
Jodhpur Onshore Asset	2.03
Silchar Onshore Asset	1.18
RJ-ON-90/1 (Pre NELP PSC Block)	10.43
Ankleshwar	15.69
Cluster B-193	7.78
WO 16	11.13

44.6 Considering the prevailing low global oil prices as an impairment indicator, the subsidiary Company, OVL has carried out impairment test as at 31 March 2016 in respect of Cash Generating Units (CGUs) based on value in use method. The Company identified impairment in respect of three CGUs and made a provision for impairment of ₹ 30,471.74 million during the year (Previous Year: ₹ 3,741.69 million).

Considering the fall in crude oil prices in the international market and resultant net impairment being significant during the year, ₹ 30,471.74 million (previous year ₹ nil) has been considered as exceptional item and disclosed appropriately in the "Statement of Profit & Loss".

44.7 The following 2P reserves for the respective CGU considered as a basis for the impairment assessment:-

Projects (CGU)	Proved and Probable Reserves (MMT)
ACG, Azerbaijan	16.770
Area-1,Mozambique	214.785
Block 06.1, Vietnam	8.330
Block BC-10, Brazil	7.201
Block-5A, South Sudan	6.311
Blocks A1, A3, Myanmar	19.406
Carabobo-1, Venezuela	52.793
GNPOC, Sudan	11.875
GPOC, South Sudan	6.473
Imperial, Russia	96.004
MECL, Colombia	4.015
PIVSA, Venezuela	8.969
Sakhalin-1, Russia	145.599

45 Disclosure under Accounting Standard - 29 on "Provisions, Contingent Liabilities and Contingent Assets": Movement in Provisions – Abandonment liability & others

For Court cases, arbitration and others, where the timing of expected outflows is upon settlement of the proceedings and in case of provision for abandonment expected out flow after end of :

(₹ in million)

Particulars	Provision for Abandonment		Others	
	2015-16	2014-15	2015-16	2014-15
Opening Balance	**2,98,603.87**	2,74,683.14	**4,351.96**	3,288.95
Add: Provision made during the year	**42,206.29**	47,470.46	**3,368.78**	1,184.59
Less: Provision written back/ reclassified/ reduction during the year	**16,831.47**	23,549.73	**0.12**	121.58
Closing Balance	**3,23,978.69**	**2,98,603.87**	**7,720.62**	**4,351.96**



ONGC Officers in action

46 Disclosures under Schedule III to the Companies Act, 2013:

46.1 Contingent Liabilities & Commitments (to the extent not provided for):

46.1.1 Claims against the Company/ disputed demands not acknowledged as debt:-

(₹ in million)

Sl. No.	Particulars	As at 31st March, 2016	As at 31st March, 2015
I	**In respect of Group & Joint Venture Entities:**		
i.	Income tax matters	**88,321.26**	92,708.08
ii.	Excise Duty matters	**8,349.91**	8,888.13
iii.	Custom Duty matters	**963.34**	1,044.01
iv.	Royalty (note 46.1.1.3 & 46.1.1.4)	**149,219.29**	117,738.83
v.	Cess	**6.57**	6.57
vi.	Sales Tax	**27,572.16**	24,809.39
vii.	Octroi	**222.22**	205.52
viii.	AP Mineral Bearing Land (Infrastructure) Cess	**2,543.98**	2,371.76
ix.	Specified Land Tax (Assam)	**4,197.21**	3,863.05
x.	Claims of contractors in Arbitration/Court.	**110,638.06**	74,424.80
xi.	in respect of other matters	**48,677.99**	83,109.13
xii.	Service Tax	**62,679.65**	59,289.55
xiii.	EPF	**66.35**	66.35
Sub Total		**503,457.99**	**468,525.17**
II	**In respect of unincorporated Joint Ventures :**		
i.	Income tax matters	**119.81**	8.91
ii.	Excise Duty matters	**4.17**	4.17
iii.	Custom Duty matters	**257.54**	1,473.86
iv.	Cess	**-**	-
v.	Sales Tax & Service Tax	**3,758.44**	2,879.84
vi.	Claim of GoI for additional profit petroleum	**4,935.93**	4,935.93
vii.	Claims of contractors in Arbitration/Court	**1,446.25**	420.97
viii.	in respect of other matters	**4,235.27**	888.99
Sub Total		**14,757.41**	**10,612.67**
Total (I+II)		**5,18,215.40**	**479,137.48**

46.1.1.1 The Group's pending litigations comprise of claims against the Group and proceedings pending with Tax /Statutory/Government Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

46.1.1.2 Apart from above Group share of contingent liabilities in respect of Associates company PHL is of ₹ 3,297.32 million (previous year ₹ 3,287.36 million)

46.1.1.3 In terms of the statutory provisions of Oilfields (Regulation and Development) Act, 1948 (ORDA), Petroleum & Natural Gas (PNG) Rules 1959 and Notifications issued thereunder; the Company is liable to pay royalty to the Central Government (GoI) and State Governments, on production of Crude Oil and Natural Gas from offshore and onshore fields, respectively. Since 2008-09, the Company has been paying royalty on crude oil at realized price which is net of under-recovery of the OMCs shared by the Company as per GoI directives. On an application filed by the State of Gujarat, the Hon'ble High Court of Gujarat in its order dated 30.11.2013 has directed the Company to pay the shortfall of royalty on crude oil produced from the onshore fields in the State of Gujarat on pre-discount prices from 01.04.2008 onwards. Based on the Special Leave Petition filed by the Company against the said order of the Hon'ble High Court of Gujarat, pending further orders, Hon'ble Supreme Court vide order dated 13.02.2014 stayed the operation of the impugned judgment subject to the condition that the company pays royalty to the

State of Gujarat on pre-discounted price of crude oil w.e.f. 01.02.2014 onwards. Accordingly, differential amount of ₹ 117,864.64 million on this account for the period from April, 2008 to March, 2016 (₹ 117,242.00 million as on 31.03.2015) has been considered as Contingent Liability. Pending the final outcome of the SLP filed before the Hon'ble Supreme Court, differential royalty (royalty on pre-discount price minus royalty on post-discount price) amounting to ₹ 21,690.24 million deposited w.e.f. February, 2014 (₹ 21,067.60 million as on 31.03.2015) in terms of Hon'ble Supreme Court order has been shown as deposit.

46.1.1.4 The company had received a notice from Government of Assam on 30th October 2014 with regard to payment of differential Royalty of ₹ 23,367.30 million on post and pre discount sale price of crude oil for the period 2008-09 to 2013-14. During the year, the Government of Assam has filed a writ petition in Hon'ble High Court of Guwahati in this respect which is pending adjudication. The amount of demand as above together with amount of differential royalty including interest thereon for the period up to 31st March 2016 estimated to be ₹ 30,857.82 million have accordingly been included and shown as contingent liability.

46.1.1.5 In respect of joint venture company, Petronet MHB Limited, there are 16 cases regarding enhancement of land compensation pending with various district courts including at Karnataka High Court against Order of Principal Judge Bangalore Rural District Court for no reliable estimate can be made for liability. All cases filed by landowner at various stage of proceedings and hence no provision is envisaged.

46.1.2 Performance Guarantees executed under the contracts:

i. The Company has given an undertaking to The State Bank of India, for a Rupee term loan agreement amounting to ₹ 30,350 million (previous year ₹ 30,350 million) in respect of ONGC Tripura Power Co. Limited (OTPC) for not to dilute the shareholding till two years after Commercial Operation Date (COD) of the project and to bear any cost overrun to the extent of 10% of the estimated project cost of ₹40,470 million.

ii. The Subsidiary Company, OVL has given a Performance Guarantee on behalf of Petro Carabobo Ganga B.V. to Government of Venezuela in respect of Carabobo 1 Project. The total investment commitment is estimated at US$ 1,154.75 Million (Previous Year US$ 1,154.75 Million). The Company is confident that Petro Carabobo Ganga B.V. will be able to honor its obligations. The outstanding guarantee obligation of the OVL was ₹ 76,617.66 Million as at 31st March, 2016 (previous year ₹ 72,333.54 Million) The Company is confident that Petro Carabobo Ganga B.V. will be able to honor its obligations.

iii. The subsidiary company, ONGBV has given counter guarantee to the State Bank of India for the issue of performance bonds in favour of Nigerian National Petroleum Corporation, on behalf of ONGC Mittal Energy Limited, with a maximum of 51% of the guaranteed amounts. The outstanding guarantee obligation of the company was USD 76.50 million (Previous year USD 76.50 million). The outstanding guarantee obligation of the company was ₹ 5,075.78 Million (USD 76.50 million) (previous year ₹ 4,791.96 Million (USD 76.50 million) as at 31.03.2016.

iv. The Subsidiary Company, OVL has issued Performance Guarantee in respect of concessionary contract for Block BC-10, Brazil and Blocks BM-S-73 and BM-ES-42 on behalf of ONGC Campos Ltda (OCL). The Company is confident that OCL will be able to honor its obligations.

v. The subsidiary Company, OVL has given performance guarantee to ANP, the regulatory authority in Brazil, favoring ONGC Campos Ltda (OCL) for BC-10 Project where OCL has a 27% participating interest (previous year 15% PI) and Shell Brazil is the operator.

vi. The Joint venture Company, OPaL, has executed a Performance Bond-cum-Legal undertaking of ₹ 11,352.80 Million (previous year ₹ 11,352.80 Million) in favor of the President of India acting through the Development Commissioner of Kandla, Special Economic Zone and the Specified Officer, binding itself to follow and accept the Special Economic Zone Act and Rules provided thereunder and also the terms, as prescribed in Development Commissioner's Letter of Approval No. KASEZ/P&C/6/28/07-08/7722 Dated. 16.10.2007

46.1.3 Capital Commitment not provided for:-

46.1.3.1 Estimated amount of contracts remaining to be executed on capital account:-

i. In respect of group: ₹ 241,007.23 million (Previous year ₹ 266,494.43 million).

ii In respect of Joint Ventures: ₹ 7,636.88 million (Previous year ₹ 3,842.99 million).

iii in respect of Associates: ₹ 79.63 million (Previous year ₹ 332.98 million).

46.1.3.2 Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts':-

i) In respect of NELP blocks in which the Company has 100% participating interest: ₹ 2,394.45 million (Previous year ₹ 3,000.14 million).

ii) In respect of NELP blocks in Joint Ventures, company's share ₹ 24,680.51 million (Previous year ₹ 32,705.26 million).

46.1.4 Other commitments:

i. In respect of subsidiary company, MRPL has an export obligation to the extent of ₹ 1,556.36 million (Previous year ₹ 1,346.93 million) on account of concessional rate of customs duty availed under EPCG license scheme on import of capital good.

ii. In respect of subsidiary company, MRPL has pending commitment on account of Refinery performance improvement Programme by M\s Shell Global International Solution ₹ 136.70 Million. (Previous year ₹ 161.92 Million).

iii. In respect of ONGC Petro Addition Limited, a Joint Venture Company ₹ 480.50 million on account of subscription of Share Warrants with a condition to convert if to share after a balance payment of ₹ 0.25/- per share.



Standing Tall: Drilling Rig E-1400-14 commissioned on December 27, 1987 despite its vintage has persistently performed and deployed to drill exploratory wells in most difficult areas of Tripura i.e. Rokhia, Agartala Dome and Baramura

46.2 Additional disclosure on Consolidated Financial Statements under Schedule-III of Companies Act, 2013.

(₹ in million)

S No.	Name of the entity	Country of incorporation	Net Asset (i.e. Total Asset minus Total Liabilities) as on 31st March, 2016		Share in Profit or loss Account for the financial year ended 31st March, 2016		Net Asset (i.e. Total Asset minus Total Liabilities) as on 31st March, 2015		Share in Profit of loss Account for the financial year ended 31st March, 2015	
			As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount
A	**Parent :-**									
A.1	ONGC Limited	India	**73.10**	**1,393,343.69**	**112.14**	**160,506.77**	70.73	1,293,805.67	101.48	179,647.38
B	**Subsidiaries**									
B.1	**Indian**									
B.1.1	ONGC Videsh Limited	India	**12.61**	**240,382.42**	**(14.31)**	**(20,478.33)**	14.54	265,891.89	12.77	22,601.28
B.1.2	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	India	**2.95**	**56,320.88**	**6.66**	**9,527.61**	2.47	45,099.36	(7.31)	(12,934.61)
B.1.3	ONGC Mangalore Petrochemicals Ltd. (OMPL)	India	**0.13**	**2,387.03**	**(6.12)**	**(8,753.52)**	0.37	6,851.33	(0.29)	(516.00)
B.2	**Foreign**									
B.2.1	ONGC Nile Ganga B.V. (A & B Class)	The Netherlands	**2.98**	**56,869.93**	**0.24**	**350.09**	3.47	63,475.28	(3.58)	(6,332.47)
B.2.2	ONGC Campos Ltda.	Brazil	**(0.14)**	**(2,756.57)**	**(1.84)**	**(2,632.61)**	0.10	1,851.25	2.22	3,927.72
B.2.3	ONGC Nile Ganga (Cyprus) Limited	Cyprus	**0.53**	**10,006.53**	**0.01**	**19.02**	0.52	9,428.82	0.03	59.88
B.2.4	ONGC Nile Ganga (San Cristobal) B.V.	The Netherlands	**2.14**	**40,707.41**	**(0.34)**	**(490.67)**	1.67	30,544.63	(2.71)	(4,789.43)
B.2.5	ONGC Satpayev E&P B.V.	The Netherlands	**-**	**-**	**0.00**	**1.55**	0.00	0.01	(0.00)	(0.25)
B.2.6	ONGC Caspian E&P B.V.	The Netherlands	**0.43**	**8,182.77**	**0.25**	**361.42**	0.45	8,204.87	0.50	877.44
B.2.7	ONGC Nile Ganga B.V. C Class	The Netherlands	**(0.10)**	**(1,956.54)**	**(0.03)**	**(44.40)**	(0.11)	(1,948.33)	(2.07)	(3,661.25)
B.2.8	ONGC Narmada Limited	Nigeria	**0.01**	**106.67**	**-**	**-**	0.01	94.57	-	-
B.2.9	ONGC Amazon Alaknanda Limited	Bermuda	**1.32**	**25,081.43**	**(2.26)**	**(3,229.43)**	1.41	25,825.66	(0.33)	(578.87)
B.2.10	Imperial Energy Limited	Cyprus	**(2.76)**	**(52,655.89)**	**(1.48)**	**(2,121.72)**	(3.04)	(55,587.95)	(0.45)	(788.02)
B.2.11	Imperial Energy Tomsk Limited	Cyprus	**0.01**	**144.29**	**0.05**	**76.83**	0.01	184.73	-	(0.52)
B.2.12	Imperial Energy (Cyprus) Limited	Cyprus	**0.19**	**3,627.93**	**0.00**	**1.71**	0.23	4,147.60	-	(0.62)
B.2.13	Imperial Energy Nord Limited	Cyprus	**0.79**	**15,062.36**	**0.00**	**1.45**	0.94	17,218.48	-	(0.29)
B.2.14	RK Imperial Energy (Kostanai) Limited	Cyprus	**-**	**-**	**-**	**-**	-	-	-	-
B.2.15	Freshspring Investments Limited	Cyprus	**-**	**-**	**-**	**-**	-	-	-	-
B.2.16	Nefsilius Holdings Limited	Cyprus	**-**	**-**	**-**	**-**	-	-	-	-
B.2.17	Biancus Holdings Limited	Cyprus	**0.01**	**265.56**	**(0.06)**	**(85.54)**	0.02	281.52	(0.01)	(20.55)
B.2.18	Redcliffe Holdings Limited	Cyprus	**0.05**	**890.47**	**0.00**	**1.59**	0.06	1,018.33	-	(0.81)
B.2.19	Imperial Energy Gas Limited	Cyprus	**-**	**-**	**-**	**-**	-	-	-	-
B.2.20	Imperial Frac Services (Cyprus) Limited	Cyprus	**-**	**12.60**	**(0.03)**	**(47.45)**	-	2.17	-	(4.12)
B.2.21	San Agio Investments Limited	Cyprus	**-**	**(3.02)**	**0.04**	**53.78**	-	10.42	(0.03)	(56.46)
B.2.22	LLC Sibinterneft	Russia	**(0.02)**	**(347.30)**	**0.05**	**72.91**	(0.02)	(386.82)	(0.03)	(55.72)
B.2.23	LLC Allianceneftegaz	Russia	**(0.09)**	**(1,622.67)**	**0.56**	**798.22**	(0.08)	(1,550.66)	(0.57)	(1,017.04)
B.2.24	LLC Nord Imperial	Russia	**0.15**	**2,786.83**	**0.10**	**147.12**	0.19	3,555.76	(0.48)	(853.01)
B.2.25	LLC Imperial Trans service	Russia	**-**	**-**	**-**	**-**	-	-	-	-
B.2.26	LLC Rus Imperial Group	Russia	**-**	**(91.07)**	**0.02**	**32.36**	-	(61.17)	(0.05)	(86.42)

(₹ in million)

S No.	Name of the entity	Country of incorporation	Net Asset (i.e. Total Asset minus Total Liabilities) as on 31st March, 2016		Share in Profit or loss Account for the financial year ended 31st March, 2016		Net Asset (i.e. Total Asset minus Total Liabilities) as on 31st March, 2015		Share in Profit of loss Account for the financial year ended 31st March, 2015	
			As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated profit or loss	Amount
B.2.27	LLC Stratum	Russia	-	-	-	-	-	-	-	-
B.2.28	LLC Imperial Frac Services	Russia	-	38.33	(0.27)	(393.20)	-	51.32	0.01	13.55
B.2.29	Carabobo One AB	Sweden	(0.60)	(11,509.06)	-	(1.87)	(0.59)	(10,721.97)	-	(0.92)
B.2.30	Petro Carabobo Ganga B.V.	The Netherlands	0.63	11,949.63	(0.18)	(256.45)	0.61	11,076.45	(0.06)	(105.01)
B.2.31	ONGC BTC Ltd	Cayman Islands	0.16	3,002.07	1.24	1,774.48	0.07	1,357.74	0.29	512.23
B.2.32	Beas Rovuma Energy Mozambique Limited	British Virgin island	0.31	5,885.30	(0.13)	(189.19)	1.08	19,703.95	(0.49)	(861.47)
B.2.33	ONGC Videsh Rovuma Ltd.	Republic of Mauritius	-	(1.17)	-	(0.79)	-	0.09	-	(0.34)
B.2.34	ONGC Videsh Atlantic Inc.	Texas	-	0.53	-	2.92	-	0.71	-	(0.72)
C	**Minority Interest in all subsidiaries**		1.32	25,067.12	1.33	1,897.16	1.35	24,731.33	(3.56)	(6,302.55)
D	**Associates**									
D.1	**Indian**									
D.1.1	Pawan Hans Ltd. (PHL)	India	0.13	2,542.57	0.09	125.91	0.13	2,454.69	0.17	303.10
E	**Joint ventures Entities**									
E.1	**Indian**									
E.1.1	Petronet LNG Limited (PLL)	India	0.42	8,030.59	0.81	1,160.66	0.39	7,110.80	0.62	1,103.15
E.1.2	Petronet MHB Ltd (PMHBL)	India	0.09	1,668.55	0.12	178.78	0.08	1,489.77	0.06	98.06
E.1.3	Mangalore SEZ Ltd (MSEZ)	India	0.01	198.46	(0.01)	(10.39)	0.01	208.85	-	(4.84)
E.1.4	ONGC Mangalore Petrochemicals Ltd. (OMPL) (note 3.1)	India	-	-	-	-	-	-	(2.21)	(3,915.10)
E.1.5	ONGC Petro Additions Ltd. (OPaL)	India	0.50	9,459.49	(0.36)	(513.41)	0.55	9,972.90	-	(3.82)
E.1.6	ONGC Tripura Power Company Ltd. (OTPC)	India	0.31	5,846.44	(0.15)	(216.50)	0.17	3,144.25	0.21	364.04
E.1.7	ONGC Teri Biotech Ltd. (OTBL)	India	0.01	144.60	0.03	40.83	0.01	103.77	0.01	22.56
E.1.8	Dahej SEZ Limited (DSEZ)	India	0.04	783.39	0.08	107.72	0.04	676.79	0.05	90.38
E.1.9	Shell MRPL Aviation Fuels & Services Pvt. Limited (SMASL)(through MRPL)	India	0.02	366.96	0.01	19.11	0.02	356.33	0.02	38.69
E.1.10	Mangalam Retail Services Limited (MRSL)(through MRPL)	India	-	0.59	-	0.02	-	0.57	-	-
E.2	**Foreign**									
E.2.1	ONGC Mittal Energy Limited	Cyprus	(0.48)	(9,060.16)	-	-	(0.47)	(8,553.56)	(0.02)	(41.15)
E.2.2	Petro Carabobo S.A.	Venezuela	(0.01)	(102.05)	(1.76)	(2,516.80)	0.13	2,311.18	1.24	2,191.28
E.2.3	Carabobo Ingenieria y Construcciones, S.A.	Venezuela	-	0.28	-	-	-	0.30	-	0.02
E.2.4	Petrolera Indovenezolana S.A.	Venezuela	1.34	25,573.08	2.48	3,549.18	1.13	20,748.07	3.04	5,375.36
E.2.5	South-East Asia Gas Pipeline Company Limited	Hongkong	0.21	4,064.20	1.07	1,536.94	0.15	2,693.06	0.02	38.98
E.2.6	Tamba B.V.	The Netherlands	1.33	25,280.75	1.94	2,771.38	1.22	22,400.55	1.53	2,699.93
	Total		100.00	1,905,976.23	100.00	143,135.25	100.00	1,829,275.37	100.00	177,032.65

47 Disclosure under Guidance Note on "Accounting for Oil & Gas Producing Activities" (approved by Reserve Estimates Committee):

47.1 Company's share of Proved Reserves on the geographical basis is as under:

Details		Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
		As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
A. In India							
Offshore	**Opening**	**208.13**	212.16	**187.882**	202.723	**396.00**	414.87
	Addition	**9.36**	12.36	**5.689**	3.480	**15.05**	15.84
	Production	**16.73**	16.39	**17.265**	18.321	**34.00**	34.71
	Closing	**200.76**	**208.13**	**176.306**	**187.882**	**377.05**	**396.00**
Onshore	**Opening**	**189.75**	189.31	**148.051**	150.595	**337.80**	339.90
	Addition	**6.33**	9.18	**2.002**	2.365	**8.33**	11.55
	Production	**8.35**	8.74	**4.970**	4.909	**13.32**	13.65
	Closing	**187.73**	**189.75**	**145.083**	**148.051**	**332.81**	**337.80**
Total in India	**Opening**	**397.88**	401.47	**335.933**	353.318	**733.81**	754.78
	Addition	**15.69**	21.54	**7.691**	5.845	**23.39**	27.39
	Production	**25.08**	25.13	**22.235**	23.230	**47.32**	48.36
	Closing	**388.49**	**397.88**	**321.389**	**335.933**	**709.88**	**733.81**



Hon'ble MoS (I/C), Petroleum & Natural Gas, Shri Dharmendra Pradhan reviewing ONGC operations in Ahmedabad, Gujarat

Details		Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
		As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
B. Outside India							
GNOP, Sudan	**Opening**	**8.988**	**9.501**	**-**	**-**	**8.988**	**9.501**
	Addition	**0.540**	0.193	**-**	-	**0.540**	0.193
	Ded/Adj		-	**-**	-	**-**	-
	Production	**0.627**	0.705	**-**	-	**0.627**	0.705
	Closing	**8.901**	**8.988**	**-**	**-**	**8.901**	**8.988**
GPOC, South Sudan	**Opening**	**6.377**	**6.377**	**-**	**-**	**6.377**	**6.377**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**6.377**	**6.377**	**-**	**-**	**6.377**	**6.377**
Block 5A, South Sudan	**Opening**	**5.887**	**5.887**	**-**	**-**	**5.887**	**5.887**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**0.001**	-	**-**	-	**0.001**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**5.886**	**5.887**	**-**	**-**	**5.886**	**5.887**
Sakhalin-1, Russia	**Opening**	**36.605**	**36.905**	**72.780**	**73.354**	**109.384**	**110.259**
	Addition	**2.947**	1.235	**0.334**	0.044	**3.281**	1.279
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**1.742**	1.536	**0.588**	0.618	**2.330**	2.154
	Closing	**37.810**	**36.605**	**72.525**	**72.780**	**110.335**	**109.384**
Block 06.1, Vietnam	**Opening**	**0.535**	**0.566**	**2.789**	**4.562**	**3.324**	**5.128**
	Addition	**0.057**	-	**3.250**	-	**3.307**	-
	Ded/Adj	**-**	0.001	**0.001**	-	**0.001**	0.001
	Production	**0.029**	0.030	**1.659**	1.774	**1.688**	1.804
	Closing	**0.563**	**0.535**	**4.380**	**2.789**	**4.943**	**3.324**
AFPC, Syria	**Opening**	**2.581**	**2.581**	**-**	**-**	**2.581**	**2.581**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**2.581**	**2.581**	**-**	**-**	**2.581**	**2.581**
BC-10, Brazil	**Opening**	**9.081**	**7.741**	**0.663**	**0.656**	**9.744**	**8.397**
	Addition	**(0.001)**	2.152	**0.001**	0.049	**-**	2.200
	Ded/Adj	**1.694**	-	**0.160**	-	**1.854**	-
	Production	**0.649**	0.812	**0.040**	0.042	**0.689**	0.854
	Closing	**6.737**	**9.081**	**0.464**	**0.663**	**7.200**	**9.744**
MECL, Colombia	**Opening**	**3.355**	**3.483**	**-**	**-**	**3.355**	**3.483**
	Addition	**0.004**	0.491	**-**	-	**0.004**	0.491
	Ded/Adj	**0.001**	-	**-**	-	**0.001**	-
	Production	**0.614**	0.618	**-**	-	**0.614**	0.618
	Closing	**2.744**	**3.355**	**-**	**-**	**2.744**	**3.355**

Details		Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
		As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
IEC, Russia	**Opening**	**14.317**	**14.583**	**4.661**	**4.685**	**18.978**	**19.268**
	Addition	**2.385**	-	**0.119**	-	**2.504**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**0.305**	0.265	**0.030**	0.024	**0.335**	0.290
	Closing	**16.397**	**14.317**	**4.750**	**4.661**	**21.147**	**18.978**
PIVSA, Venezuela	**Opening**	**9.554**	**10.199**	**-**	**-**	**9.554**	**10.199**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**0.585**	0.645	**-**	-	**0.585**	0.645
	Closing	**8.969**	**9.554**	**-**	**-**	**8.969**	**9.554**
Carabobo-1, Venezuela	**Opening**	**3.734**	**3.796**	**-**	**-**	**3.734**	**3.796**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**0.112**	0.063	**-**	-	**0.112**	0.063
	Closing	**3.622**	**3.734**	**-**	**-**	**3.622**	**3.734**
BLOCK-XXIV, Syria	**Opening**	**1.803**	**1.803**	**-**	**-**	**1.803**	**1.803**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**1.803**	**1.803**	**-**	**-**	**1.803**	**1.803**
BLOCK-A1 & A3, Myanmar	**Opening**	**-**	**-**	**11.029**	**11.691**	**11.029**	**11.691**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**0.891**	0.662	**0.891**	0.662
	Closing	**-**	**-**	**10.138**	**11.029**	**10.138**	**11.029**
ACG, Azerbaijan	**Opening**	**7.904**	**8.763**	**-**	**-**	**7.904**	**8.763**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**0.847**	0.859	**-**	-	**0.847**	0.859
	Closing	**7.057**	**7.904**	**-**	**-**	**7.057**	**7.904**
Total Outside India	**Opening**	**110.720**	**112.184**	**91.921**	**94.948**	**202.641**	**207.131**
	Addition	**5.932**	4.070	**3.704**	0.092	**9.636**	4.162
	Ded/Adj	**1.696**	0.001	**0.160**	-	**1.856**	0.001
	Production	**5.510**	5.533	**3.208**	3.120	**8.718**	8.653
	Closing	**109.446**	**110.720**	**92.256**	**91.921**	**201.702**	**202.641**

47.2 Company's share of Proved Developed Reserves on the geographical basis is as under:

Details		Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
		As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
A. In India							
Offshore	**Opening**	**154.48**	**158.99**	**122.693**	**132.710**	**277.17**	**291.70**
	Addition	**8.86**	11.88	**8.097**	8.304	**16.97**	20.18
	Production	**16.73**	16.39	**17.265**	18.321	**34.00**	34.71
	Closing	**146.61**	**154.48**	**113.525**	**122.693**	**260.14**	**277.17**
Onshore	**Opening**	**143.74**	**146.60**	**103.835**	**106.984**	**247.57**	**253.58**
	Addition	**7.33**	5.99	**1.360**	1.853	**8.69**	7.84
	Production	**8.36**	8.85	**5.023**	5.002	**13.39**	13.85
	Closing	**142.71**	**143.74**	**100.172**	**103.835**	**242.87**	**247.57**
Total in India	**Opening**	**298.22**	**305.58**	**226.528**	**239.694**	**524.75**	**545.28**
	Addition	**16.19**	17.88	**9.457**	10.157	**25.66**	28.03
	Production	**25.09**	25.24	**22.288**	23.323	**47.39**	48.56
	Closing	**289.32**	**298.22**	**213.697**	**226.528**	**503.01**	**524.75**
B. Outside India							
GNOP, Sudan	**Opening**	**2.297**	2.456	**-**	-	**2.297**	2.456
	Addition	**0.793**	0.546	**-**	-	**0.793**	0.546
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**0.627**	0.705	**-**	-	**0.627**	0.705
	Closing	**2.463**	**2.297**	**-**	**-**	**2.463**	**2.297**
GPOC, South Sudan	**Opening**	**4.312**	**4.312**	**-**	**-**	**4.312**	**4.312**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**4.312**	**4.312**	**-**	**-**	**4.312**	**4.312**
Block 5A, South Sudan	**Opening**	**2.565**	**2.565**	**-**	**-**	**2.565**	**2.565**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**2.565**	**2.565**	**-**	**-**	**2.565**	**2.565**
Sakhalin-1, Russia	**Opening**	**12.848**	**11.903**	**9.691**	**10.276**	**22.539**	**22.179**
	Addition	**5.091**	2.481	**1.065**	0.033	**6.156**	2.514
	Ded/Adj	**-**	-	**(0.001)**	-	**(0.001)**	-
	Production	**1.742**	1.536	**0.588**	0.618	**2.330**	2.154
	Closing	**16.197**	**12.848**	**10.169**	**9.691**	**26.366**	**22.539**

	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
		As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
Block 06.1, Vietnam	**Opening**	**0.536**	**0.566**	**2.789**	**4.563**	**3.324**	**5.129**
	Addition	**0.057**	-	**3.250**	-	**3.307**	-
	Ded/Adj	**0.001**	-	**-**	-	**0.001**	-
	Production	**0.029**	0.030	**1.659**	1.774	**1.688**	1.804
	Closing	**0.563**	**0.536**	**4.380**	**2.789**	**4.943**	**3.324**
AFPC, Syria	**Opening**	**2.206**	**2.206**	**-**	**-**	**2.206**	**2.206**
	Addition	**-**	-	**-**	-	**-**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**-**	-	**-**	-	**-**	-
	Closing	**2.206**	**2.206**	**-**	**-**	**2.206**	**2.206**
BC-10, Brazil	**Opening**	**6.783**	**3.324**	**0.450**	**0.244**	**7.233**	**3.569**
	Addition	**0.603**	4.271	**0.054**	0.247	**0.657**	4.518
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**0.649**	0.812	**0.040**	0.042	**0.689**	0.854
	Closing	**6.737**	**6.783**	**0.464**	**0.450**	**7.201**	**7.233**
MECL, Colombia	**Opening**	**3.014**	**3.190**	**-**	**-**	**3.014**	**3.190**
	Addition	**0.004**	0.442	**-**	-	**0.004**	0.442
	Ded/Adj	**0.001**	-	**-**	-	**0.001**	-
	Production	**0.614**	0.618	**-**	-	**0.614**	0.618
	Closing	**2.403**	**3.014**	**-**	**-**	**2.403**	**3.014**
IEC, Russia	**Opening**	**4.178**	**4.444**	**1.071**	**1.095**	**5.249**	**5.539**
	Addition	**1.333**	-	**0.069**	-	**1.402**	-
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**0.305**	0.265	**0.030**	0.024	**0.335**	0.290
	Closing	**5.206**	**4.178**	**1.110**	**1.071**	**6.316**	**5.249**
PIVSA, Venezuela	**Opening**	**2.282**	**2.047**	**-**	**-**	**2.282**	**2.047**
	Addition	**-**	0.880	**-**	-	**-**	0.880
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**0.585**	0.645	**-**	-	**0.585**	0.645
	Closing	**1.697**	**2.282**	**-**	**-**	**1.697**	**2.282**
Carabobo - 1, Venezuela	**Opening**	**0.920**	**0.535**	**-**	**-**	**0.920**	**0.535**
	Addition	**0.423**	0.448	**-**	-	**0.423**	0.448
	Ded/Adj	**-**	-	**-**	-	**-**	-
	Production	**0.112**	0.063	**-**	-	**0.112**	0.063
	Closing	**1.231**	**0.920**	**-**	**-**	**1.231**	**0.920**

Details		Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (Note 47.2.1)	
		As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
BLOCK-XXIV, Syria	**Opening**	**0.049**	**0.049**	**-**	**-**	**0.049**	**0.049**
	Addition	-	-	-	-	-	-
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**0.049**	**0.049**	**-**	**-**	**0.049**	**0.049**
BLOCK-A1 & A3, Myanmar	**Opening**	**-**	**-**	**5.654**	**2.614**	**5.654**	**2.614**
	Addition	-	-	**1.953**	3.702	**1.953**	3.702
	Ded/Adj	-	-	-	-	-	-
	Production	-	-	**0.891**	0.662	**0.891**	0.662
	Closing	**-**	**-**	**6.716**	**5.654**	**6.716**	**5.654**
ACG, Azerbaijan	**Opening**	**2.928**	**3.384**	**-**	**-**	**2.928**	**3.384**
	Addition	**0.504**	0.403	-	-	**0.504**	0.403
	Ded/Adj	-	-	-	-	-	-
	Production	**0.847**	0.859	-	-	**0.847**	0.859
	Closing	**2.585**	**2.928**	**-**	**-**	**2.585**	**2.928**
Total Outside India	**Opening**	**44.918**	**40.981**	**19.654**	**18.792**	**64.573**	**59.772**
	Addition	**8.807**	9.471	**6.392**	3.982	**15.199**	13.453
	Ded/Adj	**0.002**	-	**(0.001)**	-	**0.001**	-
	Production	**5.510**	5.533	**3.208**	3.120	**8.718**	8.653
	Closing	**48.214**	**44.918**	**22.839**	**19.654**	**71.053**	**64.573**

47.2.1 MMTOE denotes "Million Metric Tonne Oil Equivalent" and for calculating Oil equivalent of Gas, 1000 M3 of Gas has been taken to be equal to 1 MT of Crude Oil. Variations in totals, if any, are due to internal summation and rounding off.

47.2.2 The year-end reserves of the company and its subsidiary, OVL have been estimated by the Reserves Estimation Committee (REC) which follows international reservoir engineering procedures consistently.

The company and its subsidiary, OVL has adopted deterministic approach for reserves estimation and is following Society of Petroleum Engineers (SPE) – 1997 guidelines which defines reserves as "estimated volumes of crude oils, condensate, natural gas, natural gas liquids and associated substances anticipated to be commercially recoverable from known accumulations from a given date forward, under existing economic conditions, by established operating practices, and under current Government regulations."

Volumetric estimation is the main procedure in estimation, which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it. As the field gets matured with reasonably good production history is available then performance method such as material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves.

The Company uses the services of third party agencies for due diligence and it gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New In place Volume and Ultimate Reserves are estimated for new field discoveries or new pool discoveries in already discovered fields.

Also, appraisal activities lead to revision in estimates due to new subsurface data. Similarly, reinterpretation exercise is also carried out for old fields due to necessity of revision in petro-physical parameters, updating of static & dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitates revision in estimation of reserves.

48 **Disclosure on Foreign currency exposures at year end that have not been hedged by Company derivative instrument or otherwise are given below (refer note 32.6 & 32.7):-**

(Figures in million)

Particulars	As at 31st March 2016		As at 31st March 2015	
	Foreign Currency	Equivalent (₹)	Foreign Currency	Equivalent (₹)
Import Creditors				
AED	**0.29**	**5.28**	0.27	4.61
AUD	**0.38**	**19.04**	1.07	51.11
CHF	**-**	**-**	0.11	6.82
EUR	**16.75**	**1,255.68**	12.15	821.82
GBP	**25.89**	**2,464.83**	3.58	331.68
JPY	**486.62**	**287.30**	519.05	270.48
NOK	**12.08**	**96.26**	1.28	10.01
OMR	**0.04**	**6.70**	0.04	6.33
SEK	**0.03**	**0.24**	0.03	0.22
SGD	**0.10**	**4.88**	0.38	17.51
USD	**842.28**	**55,885.24**	782.90	49,040.84
Total		**60,025.45**		**50,561.44**
Export Receivables				
USD	**147.41**	**9,780.74**	197.92	12,397.94
MWP Provision				
USD	**169.47**	**11,244.39**	175.30	10,980.66
Cash Call Payable				
USD	**0.07**	**4.36**	1.18	74.13
Cash Call Receivable				
USD	**-**	**-**	47.78	2,992.94

49 The figures in respect of the company, Subsidiaries/Joint Venture Companies have been regrouped/ rearranged based upon the details obtained from the management as part of consolidation process, Audited/unaudited accounts of respective group companies. Some balances of Trade/Other Receivables, Trade/Other Payables and Loans & Advances are subject to confirmation/ reconciliation. Adjustments, if any, will be accounted for on confirmation/ reconciliation of the same, which will not have a material impact.



Electronic Clearing Services (ECS) Request Form

The Company extends the ECS facility to shareholders so as to enable them to receive dividend through electronic mode to their bank. This facility will be available in the following centres: Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, Patna, Thiruvananthapuram, Agra, Allahabad, Amritsar, Aurangabad, Baroda, Bhopal, Calicut, Cochin, Coimbatore, Dehradun, Erode, Gorakhpur, Gwalior, Hubli, Indore, Jabalpur, Jalandhar, Jammu, Jamshedpur, Jodhpur, Kolhapur, Lucknow, Ludhiana, Madurai, Mangalore, Mysore, Nasik, Panjim, Pune, Raipur, Rajkot, Salem, Shimla, Surat, Trichur, Trichy, Udaipur, Varanasi, Vijayawada, Visakhapatnam. Those who wish to avail the facility may fill up the ECS form given below and send the same to the Share Transfer Agent of the Company - M/s. Alankit Assignments Ltd in case of shares held in physical form and to their respective Depository Participant in case of shares held in Electronic/Demat form.

Electronic Clearing Services (ECS) Request form
(Note: If you are already receiving through ECS, please ignore this form)

SHAREHOLDERS IN PHYSICAL FORM	SHAREHOLDERS IN DEMAT FORM
M/s. Alankit Assignments Ltd (Alankit), Alankit Heights, 1E/13 Jhandewalan Extension, New Delhi – 110055 Tel: 91-11-4254 1234/1960, Fax: 91-11-42541201/23552001	To be sent to your Depositary Participant (DP)

Dear Sir,

Subject : ECS Mandate/ Bank form for Dividend Payment

I the undersigned, shareholder of Oil and Natural Gas Corporation Limited (ONGC), wish to opt for ECS facility for payment of dividend. The following is a confirmation of my details and I hereby confirm my choice to opt for payment of dividend payable to me by a physical dividend warrant/demand draft, on account of any circumstances beyond the control of ONGC, that may affect payment of dividend through ECS.

1) For shares held in physical form
   Folio No:
2) For shares held in Electronic form **[Shareholders holding shares in electronic form should forward this form to their respective Depository Participant (DP)].**

DP ID | | | | | | | | |

Client ID | | | | | | | | | | | | | | | |

3) Name & Address :

4)

Bank Particulars :
Bank Name
Branch Name & Address
Account No. (as appearing in cheque book)
Account type
9 digit MICR code as appearing on the cheque

OIL AND NATURAL GAS CORPORATION LIMITED
CIN: L74899DL1993GOI054155
Reg. office: JEEVAN BHARATI BUILDING, TOWER-II, 124 INDIRA CHOWK, NEW DELHI- 110001
Website: www.ongcindia.com email: secretariat@ongc.co.in Tel: 011-23301257/1321

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):
Registered address:
E-mail Id:
Folio No/ Client Id:
DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. .....of.....having e-mail Id.....or failing him
2. .....of.....having e-mail Id.....or failing him
3. .....of.....having e-mail Id.....or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held on **Thursday, 8th September, 2016 at 10.00 A.M. at Indira Gandhi Indoor Stadium, I.P. Estate, Near Rajghat, Grand Trunk Road, New Delhi - 110002** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl No.	RESOLUTIONS	Vote (please mention no. of shares		
ORDINARY BUSINESS		**For**	**Against**	**Abstain**
1	To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2016, together with the Board's Report and the Auditors' Report thereon and Comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013 and reply of Management thereto.			
2	To confirm the payment of two interim dividends and declare final dividend on equity shares for the FY 2015-16.			
3	To appoint a Director in place of Shri T K Sengupta, who retires by rotation and being eligible, offers himself for re-appointment.			
4	To authorise Board of Directors of the Company to fix the remuneration of the Joint Statutory Auditors of the Company for the Financial Year 2016-17, in terms of the provisions of section 139(5) read with section 142 of the Companies Act, 2013			
SPECIAL BUSINESS				
5	To appoint Shri A K Srinivasan (DIN- 07168305) as Director of the Company.			
6	To appoint Shri Ajai Malhotra (DIN- 07361375) as Director of the Company.			
7	To appoint Prof. S B Kedare (DIN- 01565171) as Director of the Company.			
8	To appoint Shri K M Padmanabhan (DIN- 00254109) as Director of the Company.			
9	To appoint Shri A P Sawhney (DIN-03359323) as Director of the Company.			
10	To appoint Shri Amar Nath (DIN-05130108) as Director of the Company.			
11	To ratify the remuneration of the Cost Auditors for the Financial Year ending 31st March, 2017.			

Signed this..... day of..... 2016

Signature of shareholder

Signature of first Proxy holder Signature of second Proxy holder Signature of third Proxy holder

Affix revenue stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

OIL AND NATURAL GAS CORPORATION LIMITED
CIN: L74899DL1993GOI054155
Reg. office: JEEVAN BHARATI BUILDING, TOWER-II, 124 INDIRA CHOWK, NEW DELHI- 110001
Website: www.ongcindia.com email: secretariat@ongc.co.in Tel: 011-23301257/1321

Attendance Slip

Please fill in this attendance slip and hand it over at the entrance of the meeting venue.

D.P ID*		Folio No.	
Client ID*		No. of share(s) held	

I certify that I am a member/proxy for the member of the Company.
I hereby record my presence at the **23rd Annual General Meeting** of the Oil and Natural Gas Corporation Limited held on **Thursday, 8th September, 2016 at 10.00 A.M. at Indira Gandhi Indoor Stadium, I.P. Estate, Near Rajghat, Grand Trunk Road, New Delhi - 110002**

Members/proxy's name in Block Letters

*Applicable for investor holding Share(s) in electronic form.

Signature of Member/Proxy

Route map of the Venue of 23rd AGM of ONGC






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Oil and Natural Gas Corporation Limited

Jeevan Bharati, Tower-II, 124 Indira Chowk, New Delhi-110001
Tel: 011-23310156 Fax: 011-23316413
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