ओएनजीसी
ONGC

Annual Report 2016 -17

We See Infinity as a Possibility.

ONGC at a glance

The flagship National Oil Company of India, a'Maharatna', with interests in E&P, Refining, LNG, Power, Petrochemicals & New sources of energy

Performance Highlights (FY 2017)

- **23** Oil & Gas discoveries
- **64.32** Ultimate Reserve Accretion (2P)
- **1.45** RRR (2P)
- **500+** Wells Drilled
- **48.80** million metric tonne O+OEG Production
- **8** Onshore Discoveries monetized in year itself
- **779,078** Gross revenue (₹ Million)
- **179,000** PAT (₹ Million)
- **77,641** Dividend Payout (₹ Million) (121%)

In-house Capabilities

- Seismic Data Acquisition, Processing &Interpretation (API)
- Logging Services
- Well drilling & Work-over operations
- Well testing & stimulation
- Production & Processing
- Reservoir Management
- Applied R&D and Training
- Engineering & Construction
- Transportation

Discovered 6 out of 7 producing Basins of India

33,000+
Employees

15 Producing Assets

60 YEARS OF VALUE CREATION

8,710 MMtoe In-place volume of hydrocarbon in domestic basins

Cumulative O+OEG Production of 1,748 MMtoe

70%
Country's total hydrocarbon supplies

6,900+
Oil & Gas wells

5,223
million barrels of oil equivalent proved hydrocarbon reserves (1P)

ONGC Group Highlights

ONGC VIDESH LTD

- Acquired 26% shareholding in Vankorneft, the second largest field by production that accounts for 4% of Russian production
- Highest-ever producion of 12.80 MMtoe (increase of 43%)
- Despite low oil prices earned profit after tax during FY'17

ONGC MANGALORE PETROCHEMICALS LTD

- Achieved highest revenue of ₹52,565 Million
- Highest exports of ₹37,412 Million in FY'17
- Established a niche presence in the International market
- Capacity utilization increased consistently; 83% in FY'17

MANGALORE REFINERY AND PETROCHEMICALS LTD

- Highest-ever throughput of 16.27 MMT during FY'17
- FY'17 GRM 7.75 \$/bbl; one of the best among PSU refineries

ONGC TRIPURA POWER COMPANY LTD

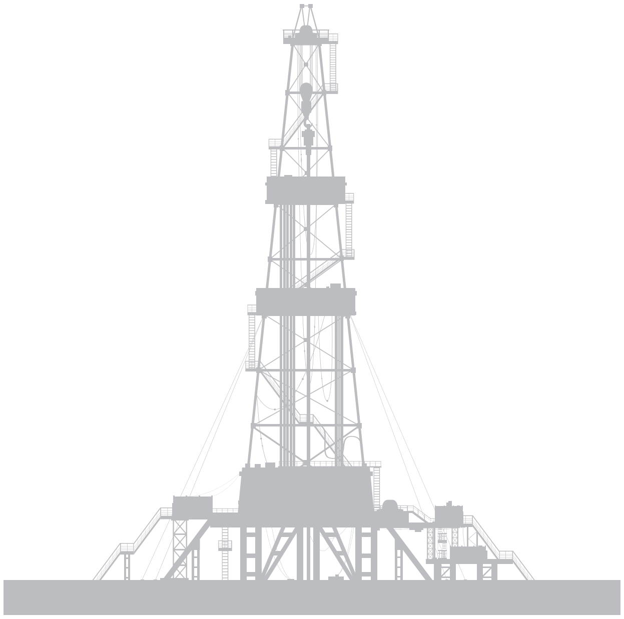
- Plant achieved highest generation of 747 MW (103%) on 15th February 2017.
- Generated record 4170 million units during FY'17
- Meets 35% power requirement of North Eastern states.
- First Dividend paying standalone gas based power generation company in India
- CERC certification obtained
- Turnover ₹12,628 Million up 22% from FY'16.
- Net Profit ₹1,385 Million, a 6 fold jump from FY'16.

ONGC PETRO ADDITIONS LTD

- Plant dedicated to the nation on 7th March 2017
- OPaL Polypropylene, HDPE and LLDPE well accepted by the market.
- The liquid products such as Butadiene, Benzene etc. being exported at a lucrative price.


ONGC
ONGC
Global Recognitions
No.1
E&P Company in the World
20th
Among Global energy majors
based on assets, revenues, profits and return on invested capital
Platts Top 250 global energy company rankings 2016
3rd
in India
220th
in world
based on sales, profit, assets and market value
Forbes business journal
12th
among Oil and Gas companies
Based on Research and Development (R&D) expenditure
2016 EU Industrial R&D Scoreboard
First of its kind
initiative by any corporate
Six ONGCians successfully summitted Mt. Everest
Mission Mt. Everest

Chairman's Message



Dear Shareholders,

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

The narrative of the global energy industry, particularly its upstream segment, over the past three years has mostly talked about the 'lower for longer' crude oil prices and its impact on approval of new projects. Irrespective of this, the upstream segment continues to remain fundamentally significant to the health and development of global economies.

In this context, I must sincerely acknowledge the trust and confidence you have placed in the Company during the recent years. As always, we remain committed to pursuing growth opportunities not only ensuring expansion of our businesses but also creating value for all our stakeholders in a sustainable manner.

With this note, I, on behalf of the Board of Directors of ONGC, country's most valued public sector enterprise, and over 33,000 dedicated energy soldiers, present to you the Annual Report for the financial year 2016-17.

Crude oil prices, even today, are less than half of their average level during January, 2011 to June, 2014. Price recovery, despite OPEC's efforts, has not been as effective as upstream companies would like to see. Investment levels in E&P globally, though improved a bit since mid-2016, continue to remain subdued.

Your Company's performance, as well as that of its other group companies, in this period of uncertainty reflects its ability to adapt quickly, plan appropriately and act effectively in an otherwise challenging environment. In a period when operational efficiency and capital discipline have become buzzwords for a sound business model, our operational and financial numbers yet again bear ample testimony to the competitiveness of our core operations, impressive inherent value of our assets and a strong balance sheet.

In FY'17, your Company made 23 hydrocarbon discoveries with total reserve accretion of 64.54 Million Tonnes of Oil and Oil Equivalent Gas. The overall 2P Reserve Replacement Ratio (RRR) was 1.45, making it the 11th consecutive year when the Company has recorded an RRR in excess of 'one'. This is really impressive by all standards.

At the same time, cost of finding new hydrocarbons in FY'17 was 11 percent lower than that of FY' 16. What further adds sheen to this performance, was the fact that your Company successfully monetised 8 out of the 13 onshore discoveries within the same year. It reaffirms a more disciplined and focused approach in project execution adopted during the year and the mind-set of our teams understanding urgency for monetisation of our resources. ONGC, credited with establishing six out of the seven producing basins in India, is now planning to add Kutch Saurashtra basin to country's hydrocarbon production map.

Constant efforts on the production front in FY'17 have yielded meaningful results. Standalone domestic output from the ONGC-operated fields during the year stood at 22.25 MMT as compared to 22.37 MMT in the preceding fiscal. While this represents a marginal y-o-y drop, disrupting two consecutive years of stable production, we are positive of a turnaround in FY'18 on the back of completion of ongoing offshore development projects as well as recent strong performance of onshore fields. During FY'17, declining crude oil production trend was reversed – onshore crude production increased in FY'17 to 5.97 MMT against 5.83 MMT in FY'16. The increase is expected to continue during the current fiscal.

The Company also recorded a strong year in terms of domestic gas production, which registered an increase of 4.3% – from 21.18 BCM in FY'16 to 22.09 BCM during FY'17, the first increase in last four years. Gas production increased in onshore fields by 9% and in offshore fields by 3% over FY'16.

Drilling performance also improved significantly, with drilling of 501 wells – the highest-ever. Drilling efficiency, in terms of metres drilled per rig-month, improved by 25% in FY'17 as compared to FY'16. Drilling cost per-meter declined notably by 18% due to improved operational efficiency, introduction of new technology and reduction in cost of hired services.

While your Company is, by far, India's most dominant domestic oil and gas producer, what continues to be of concern and is of larger interest to the nation, is the degree of our dependence on hydrocarbon imports. Over the past 10 years, the forex outgo on account of crude oil imports stands at USD 1 trillion – a staggering number by any measure. Hon'ble PM has given an ambitious target to achieve a 10% reduction in imports by the year 2022. This is a clear indication of severity of the issue and its potential implications for the country's energy security. Emphasis on augmentation of domestic hydrocarbon production was clearly outlined as part of the overall strategy outlined in the industry roadmap designed to deliver on the PM's vision of greater energy self-sufficiency.

Over the past three years, while most of the global upstream companies have held back project investment decisions, ONGC has adopted a counter-cyclical approach. ONGC believes that this is the right time to execute E&P projects when cost of oilfield services and equipment is lower in sympathy to lower crude prices and lower level of project activity globally resulting in keenness of reliable business partners to collaborate for timely completion of our projects. The current time is unprecedented in terms of Government support environment.

During FY'15 to FY'17, 17 development projects with total capital investment of over ₹760,000 million were approved. These projects which are under various stages of execution would enable monetisation of 190 million tonnes of oil and oil-equivalent gas. The collective production from these projects during the year 2020 -2021 is expected to be 50 % of ONGC's current oil and gas production. These projects include development of Cluster 2 of the deepwater NELP block KG-DWN 98/2 in India's East coast at an investment of over-USD 5 billion (₹340,000 million) largest-ever investment by ONGC in a single project, aiming at monetisation of 71.36 MMToe of oil and gas reserves.

During the same period of FY'15 to FY'17, as many as 15 mega projects – 8 brown field and 7 greenfield (re)development projects – with total investment of ₹543,727 million were completed. The envisaged production from these projects is expected to be 143 million tonnes of oil and oil-equivalent of gas. These projects contributed 19.2% to ONGC's oil and gas production during FY'17.

Your Company's volume growth in the years to come will largely hinge on timely execution of the projects under implementation, as well as identification and formulation of new (re)development projects. A dedicated project management office has been put in place, which not only keeps track of the progress on real time basis in the critical projects but also flags any potential bottlenecks in implementation ensuring timely corrective action. Notwithstanding a difficult market landscape, your Company remains steadfastly engaged in taking the country's energy drive forward for creation of value for all stakeholders.

The slow recovery in global crude prices from mid-2016 translated to a 6.6% rise in our net realization for every barrel of crude sold. While revenues from crude sales inched up by 7%, low domestic gas prices contributed to a 23% reduction in our gas sales value despite 5% increase in gas sales volume. Overall, our gross revenues in FY'17 was ₹779,078 million, compared to ₹777,418 million in FY'16. Our combined group turnover for FY'17 was ₹1,421,490 million (₹1,356,642 million in FY'16). Standalone Profit-After-Tax (PAT) was ₹179,000 million (up 10.9%) while the Group PAT was ₹204,979 million(up 59.2%). Standalone profit growth was on account of higher crude price realization and reduction in exploratory cost write-off despite lower gas prices, provision for past royalty expense and provision for pay revision. The robust uptick in group profit was driven by strong performances of both the subsidiaries – overseas business arm ONGC Videsh and downstream subsidiary MRPL.

Your Company remains one of the strongest performers in terms of dividend pay-out. ONGC has consistently maintained a dividend pay-out ratio of over 45% in 9 of the last 11 years. In FY'17, our pay-out ratio was 52%. In fact, in the past three years, a period when most global upstream oil companies had to resort to aggressive cuts in capex and project deferrals to honour their dividend commitments, your Company was able to sustain tradition of higher dividends as well as initiate new mega projects ensuring long-term sustainable growth of your Company. Total dividend distribution for FY'17 stood at ₹93,430 million, inclusive of dividend distribution tax and final dividend.

Internationally as well, the Company's business is on a secure and strong footing. After a difficult FY'16 with a loss of ₹36,401 million, ONGC Videsh – the 100% subsidiary – made a profit of ₹6,974 million in FY'17. Acquisition of 26% stake in Vankorneft resulted in significant production growth during FY'17. Overseas hydrocarbon output stood at 12.8 MMToe compared to 8.92 MMToe during FY'16, with the share of ONGC Videsh in Venkorneft production at 4.55 MMToe. Looking ahead, production in current fiscal is expected to be even higher as full-year of Vankorneft's production is counted.

Your Company's performance in the downstream segment (refining and petrochemical) in FY'17 has also been excellent. MRPL registered its highest-ever crude throughput at 16.57 MMT. The refining unit recorded an impressive GRM of $7.75 per barrel, an improvement of close to 50% relative to FY'16. Turnover of refining operations clocked a 17% growth over FY'16 at ₹599,891 million. MRPL's PAT surged by over 500% to the highest-ever level of ₹32,932 million in FY'17 versus ₹5,058 million during FY'16. MRPL continues to be operationally one of the most efficient PSU refineries in the country with the capacity to process a wide variety of crude grades. The refinery also delivered its highest-ever distillate yield, highest-ever diesel production as well as highest-ever LPG production. MRPL is focused on expanding its domestic market presence by direct marketing of its products Petcoke, Sulphur and Polypropylene. MRPL is now widening its Polypropylene product range to penetrate different market segments thereby securing higher margins.

During the same period, OMPL, a petrochemical venture of the ONGC group, now a direct subsidiary of MRPL, achieved highest revenue of ₹52,566 million with exports of ₹37,412 million in FY17, while now operating at 95% utilization, establishing a niche presence in the international markets.

All the units at ONGC Petro Additions Ltd (OPaL), the biggest downstream integration projects of the country, were commissioned during FY'17. The unit was dedicated to the nation in March, 2017 by Hon'ble Prime Minister.

The JV entity in the power segment, the 726.6 MW OTPC Power Plant, the biggest ever energy infrastructure project in the country's North-eastern region and located in the State of Tripura, recorded a net profit of ₹1,385 million in FY'17, a Six-fold jump over FY'16. Besides being the globally biggest UNFCCC-registered CDM project, it also is India's first dividend paying stand-alone gas-fuelled power generation company.

Your Company has always placed a very high importance on the implementation of new technologies and innovative methods in its operations. Advanced and state-of-the-art technologies like broadband 3D seismic survey for exploratory efforts in the Western offshore and under-balanced drilling for some of the development wells, have been implemented. Technology will continue to play an increasingly critical role for upstream companies in a post-COP 21 energy scenario that strongly emphasizes on minimizing carbon emissions, improving energy efficiency and greater safety of operations.

Towards making ONGC a 'Carbon-Neutral' Company, several initiatives such as 'Paperless Office' and optimising water foot print in operations have been rolled out. 20% reduction in gas flaring during FY'17 via-a-vis FY'16, has been achieved. Your Company has 15 registered CDM projects with UNFCCC with potential to yield about 2.1 million Certified Emission Reductions (CER) annually. In terms of the share of green energy forms in the energy portfolio, the Company presently has two operational wind farms with a combined capacity of 153 MW. We are exploring further opportunities in renewables. ONGC is among few Indian corporates to feature in the Newsweek Global 500 Green Energy Rankings.

Today, your Company has a steady performance history of more than 60 year. Besides its exceptional contribution towards the national economy and creating value for its shareholders, even as a Corporate citizen, ONGC has made enormous contribution. Its CSR program is a sterling example of how a corporate creates additional value for all its stakeholders. In FY'17, your Company spent as much as ₹5,259 million in its CSR initiatives in the areas of education, health, skill development etc.

Your Company created history with 6 of its employees successfully climbing the summit of Mount Everest, thus joining the galaxy of few corporates globally achieving this feat. It is one-of-its-kind of employee engagement initiative taken by ONGC during the FY'17. The team members were also felicitated by the Hon'ble Minister of Petroleum and Natural Gas, Government of India.

Before I conclude, I would like to thank the Government of India, in particular the administrative ministry – ministry of Petroleum and Natural Gas, for its constant support and encouragement. Through this message, I also assure every stakeholder of our whole-hearted commitment and efforts towards creating a more self-reliant and vibrant energy ecosystem within the country, while creating more value for our shareholders.

Last but not the least, I take this opportunity to acknowledge and appreciate the support of our valued shareholders. Your contribution in the form of your belief and investment in the Company does not need any elaboration and is valued by us at all times.

At the successful closure of yet another financial year, I thank you for your invaluable support and guidance.

Dinesh K Sarraf
Chairman & Managing Director

Those who initiate change will have a better opportunity to manage the change.

Vision

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

Mission

World Class

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

Integrated In Energy Business

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

Dominant Indian Leadership

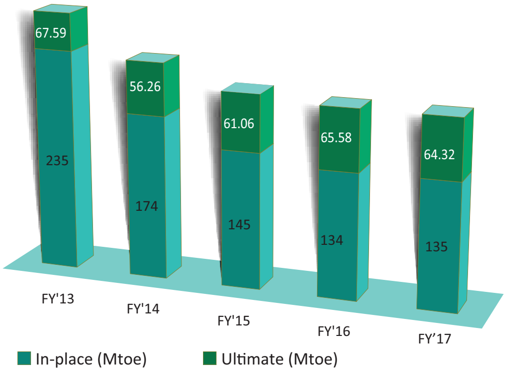
- Retain dominant position in Indian petroleum sector and enhance India's energy availability.

Carbon Neutrality

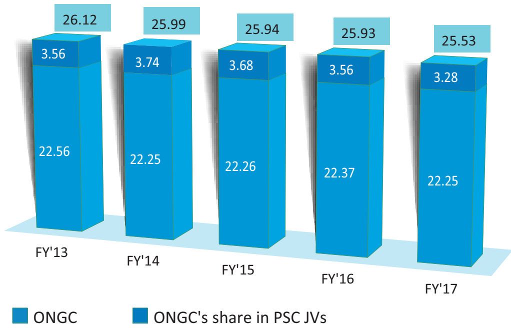
- ONGC will continually strive to reduce CO_2 emissions across its activity chain with the objective of achieving carbon neutrality.

Operational Highlights FY'17

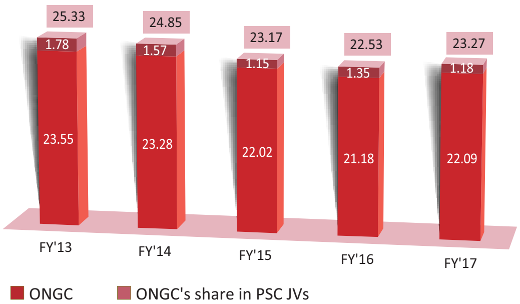
Reseve Accretion (2P)



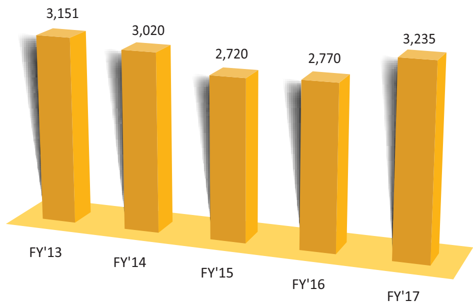
Oil Production (MMT)



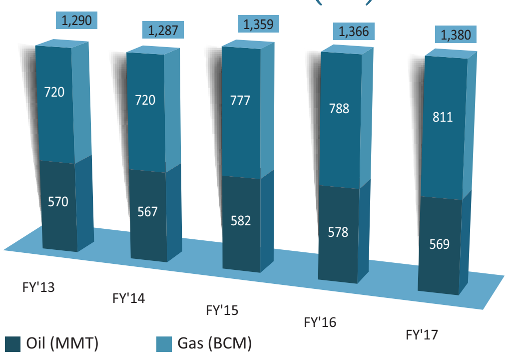
Gas Production (BCM)



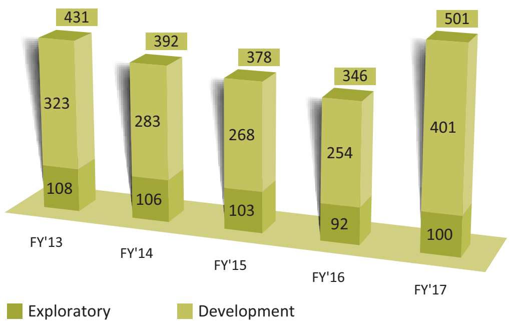
VAP Production (KT)



Oil & Gas Reserves (3P)

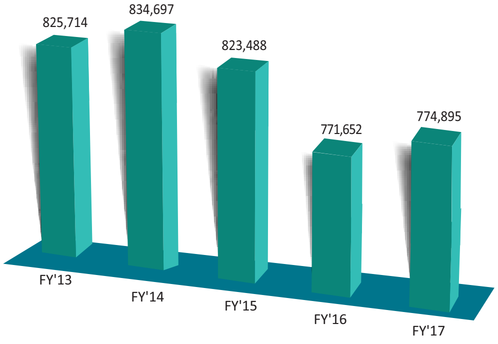


Wells Drilled (Nos.)

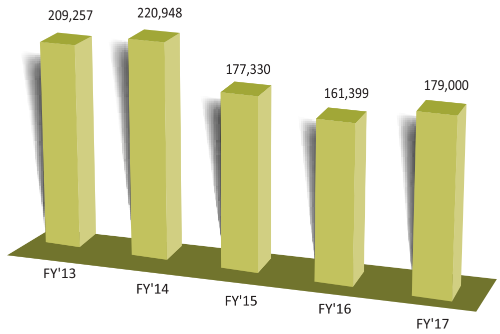


Financial Highlights FY’17

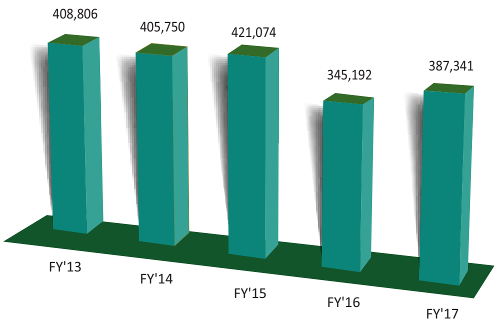
Sales Income (₹ Million)



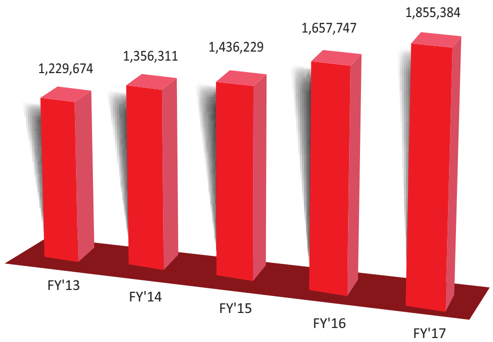
Net Profit (₹ Million)



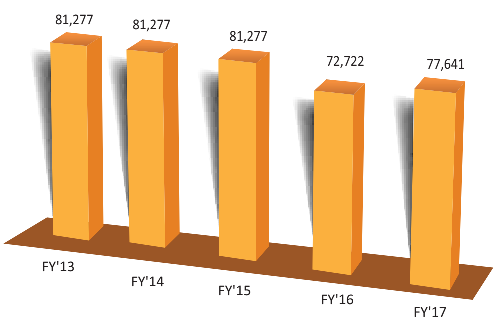
Contribution to Exchequer (₹ Million)



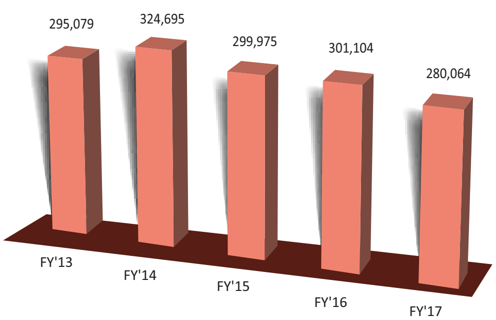
Net Worth (₹ Million)



Dividend (₹ Million)



Capex (₹ Million)



Board of Directors

Left to Right (Standing)

T K Sengupta
Director - Offshore

K.M. Padmanabhan
Independent Director

Vivek Mallya
Independent Director

VP Mahawar
Director - Onshore

Ajay Kumar Dwivedi
Director - Exploration

Prof. Shireesh B Kedare
Independent Director

Shashi Shanker
Director - T&FS

DD Misra
Director - HR

Sumit Bose
Independent Director

Dr. Santrupt B. Misra
Independent Director

Rajiv Bansal
Additional Secretary & Financial Adviser

Left to Right (Sitting)

Deepak Sethi
Independent Director

Amar Nath
Joint Secretary (Exploration)

Dinesh K Sarraf
Chairman & Managing Director

AK Srinivasan
Director - Finance

Ajai Malhotra
Independent Director

Lead & Change

Brief Profile of the

Board of Directors

Chairman & Managing Director

Shri Dinesh K Sarraf, 59, is the Chairman & Managing Director of the Company. Shri Sarraf is also the Chairman of ONGC Videsh Ltd, Mangalore Refinery & Petrochemicals Ltd (MRPL) and four other ONGC Group companies - ONGC Petro-additions Ltd, ONGC Mangalore Petrochemicals Ltd, Mangalore SEZ Ltd, and OTPC- ONGC Tripura Power Company Ltd.

Shri Sarraf graduated in Commerce from Shri Ram College of Commerce, Delhi University and did his post-graduation from the same University. He is an associate member of the Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India.

He has an experience of over three and half decades in the oil and gas industry, having started his oil and gas career in Oil India Ltd. He joined the Company in 1991 and handled various key assignments at corporate offices. He was elevated to the post of Director (Finance) in ONGC Videsh in 2005 where he served till 2007. During this period, ONGC Videsh made significant acquisitions in Syria, Brazil, Colombia, Venezuela, Cuba, Egypt and Myanmar. In December 2007, he joined back the Company as Director (Finance).

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 the Company.

Shri D K Sarraf, is the driving force of extraordinary growth of Company and strategic approach to oil and gas exploration and production. In the present environment when global oil and gas prices have plummeted, the Company under his leadership is strongly emphasising on adoption of the best operational and cost practices and appropriate oil and gas technologies, for realisation of greater operational efficiencies. Under his leadership your Company has made the biggest ever financial decision in its history, to develop deep water oil and gas resources at an investment of over $5 Billion in the east coast.

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 board of your Company, a Maharatna firm and its group companies.

FUNCTIONAL DIRECTORS

Director (T&FS)

Shri Shashi Shanker is Director (Technology & Field Services) of the Company. He is an industry veteran with over 30 years of experience in diverse E&P activities.

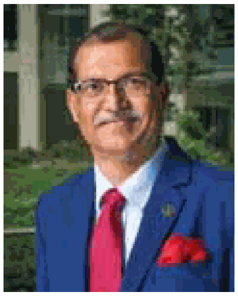
Shri Shanker is a Petroleum Engineer from Indian School of Mines (ISM), Dhanbad. He also holds a MBA degree with specialisation in Finance. He has also received executive education from prestigious Indian Institute of Management, Lucknow and Indian School of Business, Hyderabad.

Prior to his appointment as Director (T&FS) in 2012, he has progressed through senior management roles in various work centers including Institute of Drilling Technology, Dehradun; West Bengal Project; Assam Project and Deep Water group at Mumbai. He was acclaimed for his performance in spearheading the deep/ultra-deep water campaign of The Company which was christened 'Sagar Samriddhi'.

Under his leadership, The Company drilled the deepest deep water well covering a water depth of 3174m, a world record . He also led the team to one of the finest Drilling performance in FY'17 when The Company set a new record of drilling over 500 wells in 2016-17. This is the first time in 23 years that The Company has crossed the 500-well mark.

Under his guidance, the Company has led the delivery of cutting-edge IT solutions that drive growth, streamline performance and promote efficiency. He has provided much needed support for effective use of ERP and SCADA platform for real time information. During his tenure, The Company has conceptualized an ambitious companywide project called "DISHA" for creation of a paperless office platform, the implementation of which is now underway.

Shri Shanker is also the Director (In-charge) for ONGC Tripura Power Company (OTPC) and North East Transmission Company Ltd (NETC) besides being on the Board of ONGC Videsh. He is also the Director (In-charge) and Member of the High Powered Steering Committee for the flagship initiatives of Govt. of India viz. "Make-in-India" and "Start-Up-India". His vision and dynamic attributes have helped in making numerous operational and policy initiatives and steering the company though many milestones.



Director (Offshore)

Shri Tapas Kumar Sengupta took over as Director (Offshore) on 01.02.2014. He is also Director in charge Business Development & Joint Ventures and Marketing. He is Director in the Board of OVL, Pawan Hans Ltd. and Dahej SEZ Ltd. A first-class Chemical engineering graduate from Jadavpur University, Calcutta, and Sengupta holds a Diploma in Management and a leadership certificate from ESCP, France and IMI Delhi.

Shri Tapas Kumar Sengupta belongs to the select club of production engineers from the Company who has a balanced exposure to both onshore and offshore oilfield operation in the last 36 years of his long career with the Company. He has received the Company's Highest Award i.e. Chairman Award twice, in 1994 & 2001, for production enhancement in Western Offshore fields with introduction of new technologies. He has also served in Sudan as General Manager in Greater Nile Petroleum Operating Company (GNPOC), on deputation to ONGC Videsh Ltd., for 4 years.

During his tenure as Director(Offshore), the Offshore Assets have been successful in arresting the continuous decline in oil production in the period 2015-16, while the gas production has also started showing an upward trend since 2016-17(4.6% increase compared to 2015-16) and is likely to further increase in 2017-18 due to the implementation of several gas field development projects. He has been instrumental in launching offshore mega projects such as Mumbai High Redevelopment Ph-III (North and South), Bassein Gas Field Development, Additional Development of Vasai (East), Daman Gas field Development and Vashistha & S1 Deepwater Field Development with a combined CAPEX of about ₹300,000 million, besides the mega Deepwater Project KG-DWN-98/2, which alone involves an estimated CAPEX outlay of ₹340,000 million (US$ 5 Billion). Under his leadership as Director I/C Business Development and Joint Ventures, OPAL Petrochemical Complex was successfully completed and commissioned in March 2017.

Shri Sengupta is actively associated with Society of Petroleum Engineers (SPE), USA and he is presently inducted in the International SPE Board as Regional Director of Asia Pacific Region.

Director (Human Resource)

Shri D.D.Misra, Director (HR), holds a Master's Degree in Public Administration (MPA) from University of Lucknow. He has undergone Leadership Development Programme at IIM, Bangalore followed by overseas programme at Alberta School of Business, Calgary (Canada) and University of Texas (US) in 2013. Starting his career as Graduate Trainee, Shri Misra has left his imprint in diverse assignments given to him in three decades with the Company.

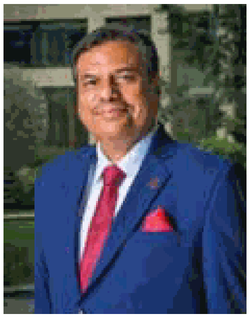
He has been appointed by the Government of India to the Board of the Company, as its Director (Human Resources) w.e.f 01.08.2014. Since taking over, he has conceptualized and steered numerous sustainable HR Initiatives to enthuse the morale and motivation of the 33000 plus ONGC workforce.

He brought in transparency and timeliness in Recruitment and Annual promotion process and also steered focused CSR programme across the Company in line with the social and gender inclusive policies of the Government of India.

As a unique HR Initiative, under his mentorship he groomed a Team of 11 ONGCians, 6 of whom scaled Mount Everest in May, 2017 after passing through 7 Stage Training cum Evaluation process.

As Chair of Asian-Pacific Resource Centre of United Nations Global Compact (UNGC) Network, India, D.D.Misra has steered "Industrial Water Benchmarking Study" for the first time in India. This study would finally lead to development of "Water Index".

Despite holding high pressure assignments, Shri Misra manages to nurture his other interests, particularly his passion for wildlife photography. He is a regular contributor to the Nature magazines like "Shristi", "Swagat", "Shubh Yatra", "Exotica" and "Times World Travel" and "Outdoor Journal". He also published "Karjat Diaries" - a Coffee table book on Western Ghats.



Director (Exploration)

Shri Ajay Kumar Dwivedi took over the reins as the Director (Exploration) on 16.03.2015. A post-graduate from Kanpur University, Shri Dwivedi has a distinguished career of more than 36 years in the Company, 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 taking over Western Offshore as Basin Manager.

Shri Dwivedi has managed the Company's prime exploration portfolios in Western Offshore – Kutch-Saurashtra, Mumbai Offshore and Kerala-Konkan Basin. Under his leadership, Western Offshore Basin achieved 109 MMT of Oil plus Oil Equivalent Gas including 4 discoveries and won the coveted CMD's trophy for Best Basin in the Year 2014. Shri Dwivedi as Basin Manager, Mahanadi, Bengal & Andaman Basin managed the exploration performance of all the three basins

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. As a member of the task force formed by the then Director (Exploration), he was entrusted with the responsibility of formulating long term strategy of exploration for the Company with the aim of doubling the reserve accretion by year 2020.

He was also associated with the task force on "Standardization of Lithostratigraphy of Bombay Offshore Basin". Shri Dwivedi was Head of the steering committee for project on sequence-stratigraphy and petroleum systems in all the sedimentary basins of India. With his rich academic lineage, Shri Dwivedi has authored a number of technical papers.

A strong believer in continuous development, Shri Dwivedi has undergone various development programs, including those at Indian School of Business, Hyderabad and School of Business, Alberta, Canada. He is affiliated to SPG - India, AEG – India and SPE and in the past he held the office of President, SPG-India.

Director (Onshore)

Shri Ved Prakash Mahawar took over as Director (Onshore) of the Company on 01.08.2015.

As Director (Onshore), a board level position, he will be directly looking after all the onshore operations spread across the country which significantly contribute towards the Company's overall physical performance.

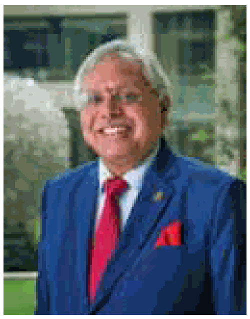
Shri Mahawar brings with him 35 years of vast experience of managing drilling and operational functions, holding various key positions across vast spectrum of oil field activities.

Prior to his joining the present assignment he has been OSD (Onshore) at Delhi for some time before which he was heading Tripura Asset of the Company as an Executive Director-Asset Manager. Under his leadership, Tripura Asset saw increase in gas production by more than two folds. During his tenure, the Company commenced supplying gas for both units of ONGC Tripura Power Company. He has also been instrumental in monetization of two discovered fields, putting them on production.

Shri Mahawar also pioneered the critical Well Control expertise for the Company. A veteran of numerous Blow-out control jobs and proven experience in handling the complicated well control problems in onshore & offshore fields of the Company, ONGC Videsh Ltd. & other operators in India with utmost safety, he has been major force and face of the Crisis Management Team (CMT) making the Company self-reliant in dealing with well control situations.

He was also instrumental in establishing the Well Control School at Institute of Drilling Technology (IDT), Dehradun, which has been imparting training to the Company's employees and oil personnel from other Indian as well foreign oil companies.

A Mechanical graduate from Pandit Ravi Shankar Shukla University, Raipur Shri Mahawar started career with the Company as Drilling Engineer in 1982. He is known as the first sub-sea engineer of the Company. He has to his credit more than 25 papers presented in international conferences. He also developed "Well Control Manual for Offshore Operations" and was part of the team to develop OISD Standard 174 for Well Control Practices.



Director (Finance)

Shri A K Srinivasan, an IIM Bangalore alumnus, is an accomplished finance professional with experience of over 34 years in upstream oil and gas finance. He joined the Company's Board on 23.09.2015.

Shri Srinivasan started his professional journey with the Company as a graduate trainee in the year 1983. He has demonstrated his professional competency 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.

Shri Srinivasan played a pivotal role in reorientation of planning and budgeting exercise, structural improvements in financial reporting, introduction of transfer pricing concept and instrumental in initiating cost control measures across the organization. He has steered various fund raising programs of ONGC Group Companies.

Shri Srinivasan has played major role in the acquisition of various oil and gas development projects, Power, Petro-Chemical and capital assets for the Company. 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 the Company.

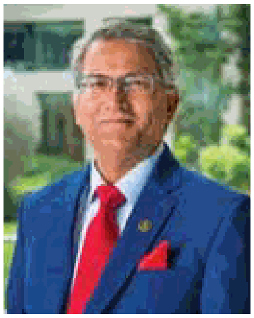
In pursuit of excellence, Shri Srinivasan has also undergone various development programs like the Advanced Management Program at IIM Lucknow, Senior Management Program at the Indian School of Business, Hyderabad and Oil and Gas Accounting from University of Texas, Dallas.

GOVERNMENT NOMINEE DIRECTORS

Shri Rajiv Bansal, IAS, is the Additional Secretary & Financial Adviser, Ministry of Petroleum and Natural Gas, Government of India (GoI).

He was earlier in Ministry of Electronics and Information Technology where he was looking after Digital Payments, IT Act, Aadhaar, and Internet Governance. During his career spanning about 30 years, Shri Bansal has, inter-alia, worked as Secretary, Central Electricity Regulatory Commission, Joint Secretary, Department of Heavy Industries, GoI and Director, Ministry of Civil Aviation, GoI. He served on the Boards of BHEL, NACIL, AYCL, Airline Allied Services Ltd and HMT and presently he is on the Boards of Global Innovation & Technology Alliance and Bharat Yantra Nigam Limited. He has also held important assignments in the State Government.

He is a Civil Engineer by profession having graduated from IIT, Delhi in 1986. He has also obtained a Diploma in Finance from ICFAI, Hyderabad and an Executive Masters in International Business from IIFT, New Delhi.

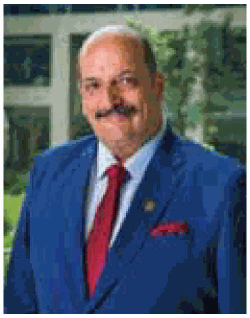


Shri Amar Nath, aged 51 years, Joint Secretary (Exploration) Ministry of Petroleum & Natural Gas is the Govt. nominee Director and joined the board on 28.06.2016.

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 63 years is an Independent Director of your Company and of ONGC Videsh Limited. 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.

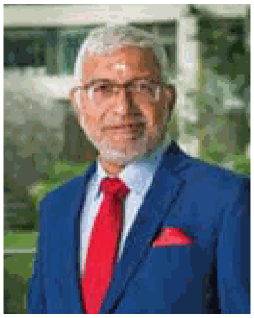
His wide ranging experience includes being on the Indian team negotiating issues such as biological diversity, climate change, desertification, education, energy, forestry, health, human rights, human settlements, intellectual property rights, international law, labour, ozone depletion, sustainable development 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 & Senior Adviser (Climate Change) 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 India Centre for Blind Women & Disability Studies. He frequently contributes to seminars on economic, environmental, defence, political, trade and security issues.

Prof. Shireesh B. Kedare, aged 53 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. He has published more than 80 papers in national and international journals and conferences and has guided many students in Masters as well as Ph.D. work. He has maintained his net carbon emissions near zero by developing and installing sustainable solar technologies and by reducing his and his family's carbon foot print.



Shri K. M. Padmanabhan, aged 60 years, is an Independent Director of your Company. Shri Padmanabhan, a Chartered Accountant in practice for more than 28 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.

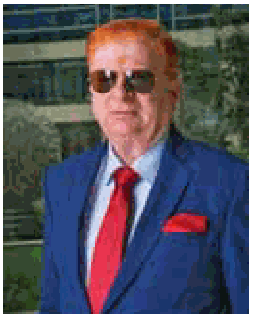
He has been a regular Visiting Faculty in the area of Finance and Accounting at Indian Institute of Management (Indore), Indian Institute of Management (Raipur), Institute for Financial Management and Research (IFMR), RBI Staff Training College, Tamilnadu Judicial Academy, the Institute of Chartered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

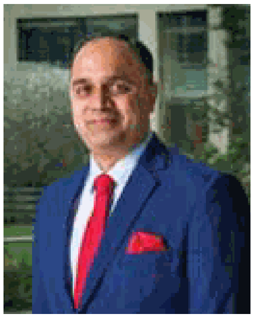
As a person trained in the pedagogy of Case Method Teaching at Indian Institute of Management, Ahmedabad and at Harvard Business School, Boston, USA, he had trained thousands of non-finance executives in Finance, costing, and kaizen cost Reduction with strategic orientation.

He was also a member of the Managing committee of Madras Management Association one of most acclaimed management associations in India.



Shri Deepak Sethi, aged 59 years, is an Independent Director of your Company. Shri Sethi is a Commerce Graduate and a Fellow member of the Institute of Chartered Accountants of India, having rich experience of 32 years practice in conducting Statutory, Tax and Internal Audits of Companies, Partnership Firms, Proprietary concerns, Schools, Universities, Hospitals, Trusts etc and is known for his work discipline, expertise, straightforward approach and professional presentations on various legislative, accounting and other developments.

He has an extensive practice of Direct & Indirect Taxation and has appeared before Appellate Tribunals of Service Tax, Sales Tax, Income Tax etc. He also possesses experience of Statutory audit, inspection and revenue audits of Public Sector Banks, loss assessment for insurance Companies, Bank Financing for Manufacturing Trading & Services providers, Financial advisory & consulting work for Corporate and HNIs.



Shri Vivek Mallya, aged 42 years, is an Independent Director of your Company. Shri Mallya is a Fellow member of the Institute of Chartered Accountants of India, Certified Public Accountant (USA) and a Master's Degree Holder in Commerce from Mysore University. He has a rich experience of practice as a Chartered Accountant. His practice areas include International Taxation, Income tax, Foreign Exchange Management Act and Banking matters.

He also holds the position of Honorary President of a leading NGO in Bangalore.

He regularly appears on popular Kannada News channels on Economic and Financial Matters and is a regular speaker at ICAI. He has also spoken at various International forums on Indian Tax and Economic matters.

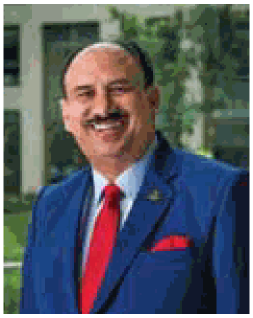
Travelled extensively, he also advises clients on cross-border structuring; Acquisition and Overseas direct investment matters and represents his clients before Enforcement Directorate, RBI, Income-tax Appellate and Assessment matters.

Prior to Practising on his own, he was a Partner with PWC, a Big 4 Accounting Firm and AVP Finance with Thomson Reuters. As a part of PWC, he specialized in Aerospace and Defense matters as well. He handled significantly large assignments including dual-listed mergers, cross border acquisitions and restructuring, delisting and Asset Reconstruction.

Shri Sumit Bose, aged 63 years, is an Independent Director of your Company. Shri Bose is presently Vice Chairman, National Institute of Public Finance and Policy (NIPFP). He was the Union Finance Secretary & Revenue Secretary in the Ministry of Finance, Government of India till his retirement in March, 2014. Thereafter, he was a Member of the Expenditure Management Commission.

Educated at the Doon School, Dehradun (class of 1970), St. Stephen's College, Delhi and the London School of Economics, he joined the Indian Administrative Service in 1976.

In the Ministry of Finance, Government of India, he was also Secretary, Department of Expenditure from May, 2011 to August, 2012 and Secretary, Department of Disinvestment from February, 2010 to May, 2011. He was Secretary in the Thirteenth Finance Commission, from August 2007 to January 2010. Earlier, between 2004 and 2007, he was the Principal Secretary, Finance in the Government of Madhya Pradesh. As Joint Secretary in the Ministry of Human Resource Development, Government of India, between 1998 and 2003, he undertook the task of launching the Sarva Shiksha Abhiyan. He had also served as Secretary, School Education in Madhya Pradesh between 1994 and 1996.



Dr. Santrupt B. Misra, aged 52 years, is an Independent Director of your Company. Shri Misra holds Masters in Political Science from Utkal University and Personnel Management from Tata Institute of Social Sciences; he also possesses Doctorates in Public Administration from the Utkal University as well as in Industrial Relations from Aston Business School, United Kingdom.

He has over 30 years of professional experience in global business, research and organizational development. He is a part of the Aditya Birla Group since 1996. Prior to joining the Aditya Birla Group, he had also worked at the J.K Group, the Tata Institute of Social Sciences and Hindustan Lever, India. Dr. Misra was conferred with an honorary D.Sc. degree by his alma mater – the Aston University, UK.

Under his leadership as the Director HR, the Aditya Birla Group has developed a strong employer brand and has acquired laurels as the 'Best Employer of India' and a 'Great Place for Leaders to Work'. He holds the following positions in various Companies:

- CEO, Carbon Black Business and Director, Group Human Resources, Aditya Birla Group.
- Director on the Board of Aditya Birla Management Corporation Private Limited, the apex decision making body of the US $42 billion Aditya Birla Group.
- Director on the Boards of Alexandria Carbon Black Company Limited; Thai Carbon Black Public Company Limited; Indigold Carbon Mauritius Limited and SKI Carbon India Pvt. Ltd.

Dr. Misra is on other professional bodies such as the Association of Executive Search Consultants (AESC) U.S.A. and the SHRM Certification Commission, USA. He was the National President of the National HRD Network and is on the Boards of: -

- National Institute of Technology Rourkela, Bhubaneswar.
- Asian Heart Institute & Research Centre Pvt. Ltd., Mumbai
- Xavier's Institute of Management Bhubaneswar.

Director whose term ceased since last Annual General Meeting

Shri Ajay Sawhney, earlier Additional Secretary, MoP&NG, was the Govt. Nominee Director of your Company and had joined the Board on 02.01.2016. He ceased to be Director on 23.06.2017. He is an IAS Officer of Andhra Pradesh cadre (1984 batch) and a Mechanical Engineer. Shri Sawhney, during his rich and varied experience as an IAS officer, 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.

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.

Strategy & Planning goes hand-in-hand at ONGC

Contents

Reference Information

CIN: L74899DL1993GOI054155

Registered Office
'Pandit Deendayal Upadhyaya Urja Bhawan'
5, Nelson Mandela Marg, Vasant Kunj,
New Delhi-110070

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

Company Secretary
M E V Selvamm

Statutory Auditors
M/s Lodha & Co., Kolkata
M/s PKF Sridhar & Santhanam, LLP, Chennai
M/s Khandelwal Jain & Co., Mumbai
M/s Dass Gupta & Associates, New Delhi
M/s K.C. Mehta & Co., Vadodara
M/s MKPS & Associates, Mumbai

Cost Auditors
M/s Shome & Banerjee, Kolkata
M/s Rohit & Associates, Mumbai
M/s Dhananjay V. Joshi & Associates, Pune
M/s M. Krishnaswamy & Associates, Chennai
M/s Musib & Co., Mumbai
M/s Chandra Wadhwa & Co., New Delhi

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

Subsidiaries

ONGC Videsh Ltd.
Mangalore Refinery and Petrochemicals Ltd.
ONGC Mangalore Petrochemicals Ltd.

Listed on

BSE Ltd.
National Stock Exchange of India Ltd.

Registrar & Share Transfer Agent
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

22.25 MMT

Standalone domestic production from ONGC operated fields during FY '17 stood at 22.25 MMT.

Onshore Asset crude oil production rose to 5.97 MMT in FY'17 against 5.82 MMT in FY'16.

Performance at a Glance

(₹ in million unless otherwise stated)	2016-17*	2015-16*	2014-15	2013-14	2012-13	2011-12	2010-11
PHYSICAL							
Quantity Sold (Other than Trading)							
- Crude Oil (MMT)	23.86	24.15	24.11	23.61	23.69	23.09	22.94
- Natural Gas (MMM3)	17,935	17,100	17,983	19,633	20,160	20,202	20,288
- LPG (000'Tonnes)	1,352	1,191	1,090	1,073	1,005	1,033	1,057
- Naphtha/ARN (000'Tonnes)	1,087	1,065	1,124	1,379	1,520	1,557	1,600
-Ethane-Propane(C2-C3)/Ethane/Propane/Butane (000'Tonnes)	673	401	337	428	425	461	387
-Superior Kerosene Oil (000'Tonnes)	43	66	74	85	106	79	118
FINANCIAL							
Revenue from Operations	779,078	777,417	830,935	842,028	833,090	768,871	686,488
Other Non Operating Income	75,481	70,094	53,665	67,132	54,367	44,529	34,069
Total Revenues	854,559	847,511	884,600	909,160	887,457	813,400	720,557
Statutory Levies	208,658	195,306	230,993	229,607	223,614	169,902	142,368
Operating Expenses ^	209,064	202,995	168,176	167,582	173,925	139,812	142,379
Exploration Costs written off	50,545	56,643	105,224	78,357	100,431	93,334	82,490
Purchases	26	72	44	32	31	25	138
Profit Before Interest, Depreciation & Tax (PBIDT)	**386,266**	**392,495**	**380,163**	**433,582**	**389,456**	**410,327**	**353,182**
Depreciation, Depletion, Amortisation and Impairment	121,894	110,999	114,583	109,259	83,736	74,959	76,767
Profit Before Interest & Tax (PBIT)	**264,372**	**281,496**	**265,580**	**324,323**	**305,720**	**335,368**	**276,415**
Finance cost	12,217	13,242	28	4	277	348	251
Profit before Tax and Exceptional Items	**252,155**	**268,254**	**265,552**	**324,319**	**305,443**	**335,020**	**276,164**
Exceptional items	-	(32,266)	-			31,405	-
Profit before Tax	**252,155**	**235,988**	**265,552**	**324,319**	**305,443**	**366,425**	**276,164**
Corporate Tax	73,155	74,589	88,222	103,371	96,186	115,196	86,924
Net Profit (PAT)	**179,000**	**161,399**	**177,330**	**220,948**	**209,257**	**251,229**	**189,240**
Dividend	95,180	49,194	81,277	81,277	81,277	83,416	74,861
Tax on Dividend	19,354	10,005	16,256	13,807	13,012	13,286	12,156
Share Capital	64,166	42,778	42,778	42,778	42,778	42,777	42,777
Reserve & Surplus	1,544,524	1,504,433	1,403,232	1,324,472	1,201,755	1,086,790	932,267
Net Worth (Equity)	1,855,384	1,657,747	1,436,229	1,356,311	1,229,674	1,117,841	967,084
Borrowings	-	-	13,930	-	-	45,000	-
Working Capital	70,395	98,942	94,232	104,061	124,714	97,739	65,392
Capital Employed	1,185,309	1,112,137	1,144,995	1,094,412	1,017,636	908,848	796,972
Internal Resources Generation	281,916	404,040	218,699	327,545	217,402	352,088	311,191
Plan Expenditure	280,064	301,104	299,975	324,695	295,079	292,466	282,755
Contribution to Exchequer	387,264	345,192	421,074	405,750	408,806	382,873	317,759
Expenditure on Employees	115,508	86,970	86,299	104,051	103,302	67,960	67,282
Number of Employees	33,660	33,927	33,185	33,911	32,923	32,909	33,273
FINANCIAL PERFORMANCE RATIOS							
PBIDT to Turnover (%)	49.6	50.5	45.8	51.5	46.7	53.4	51.4
PBDT to Turnover (%)	48.0	48.8	45.7	51.5	46.7	53.3	51.4
Profit Margin(%)- incl. exceptional item	23.0	20.8	21.3	26.2	25.1	32.7	27.6
Contribution to Exchequer to Turnover (%)	49.7	44.4	50.7	48.2	49.1	49.8	46.3
ROCE(PBIDT to Capital Employed) (%)	32.59	35.29	33.2	39.6	38.3	45.1	44.3
Net Profit to Equity (%)- incl. exceptional item	9.6	9.7	12.3	16.3	17.0	22.5	19.6
BALANCE SHEET RATIOS							
Current Ratio	1.55:1	1.72:1	1.46:1	1.55:1	1.72:1	1.41:1	1.34:1
Debt Equity Ratio	-	-	0.0096:1	-	-	0.0398:1	-
Debtors Turnover Ratio(Days)	28	45	48	33	30	30	21
PER SHARE DATA							
Earning Per Share (₹) #	13.95	12.58	13.82	17.22	16.31	19.58	14.75
Dividend (%)	121	170	190	190	190	195	175
Book Value Per Share(₹)(Restated) #	145	129	112	106	96	87	75

** As per Notification no. GSR 111 (E) dated 16-02-2015, issued by Ministry of Corporate affairs, Company has implemented Indian Accounting Standards (Ind AS) for the accounting periods begining on or after 1st April 2016 with the compratives for the periods ending on 31st March, 2016. Accordingly, the figures of FY 2016-17 and FY 2015-16 (restated Ind AS compliant) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956 and figures for FY 2007-08 to FY 2009-10 are as per old Schedule VI to the Companies Act, 1956.*

 # In accordance with Ind AS 33 'Earnings per Share', earnings per equity share have been adjusted for bonus issue and split for all years. The book value per share has also been adjusted post bonus & split.

^ includes Accretion)/Decretion in stockForeign Exchange Loss / Gain, purchases, Provisions & Write-offs and prior period items

(₹ in million unless otherwise stated)	2009-10	2008-09	2007-08
PHYSICAL			
Quantity Sold (Other than Trading)			
-Crude Oil (MMT)	22.33	22.88	24.08
-Natural Gas (MMM3)	20,598	20,534	20,432
-LPG (000'Tonnes)	1,108	1,029	1,037
-Naptha/ARN (000'Tonnes)	1,598	1,545	1,442
-Ethane/Propane (000'Tonnes)	533	497	520
-Superior Kerosene Oil (000'Tonnes)	166	153	168
FINANCIAL			
Income from Operations (Turnover)	619,832	650,494	615,426
Statutory Levies	121,841	118,013	129,768
Operating Expenses	126,297	123,812	106,823
Exchange Loss/(Gain)	(4,033)	3,819	(1,070)
Purchases (Trading)	139	85,166	65,115
Profit Before Interest, Depreciation & Tax (PBIDT)	375,588	319,684	314,790
Recouped Costs	146,588	120,849	97,979
Operating Income (PBIT)	229,000	198,835	216,811
Interest(Net)	(20,839)	(40,314)	(35,535)
Profit before Tax and Extraordinary Items	**249,839**	**239,149**	**252,346**
Extraordinary Items	-	658	-
Profit before Tax	**249,839**	**239,807**	**252,346**
Corporate Tax	82,163	78,544	85,330
Net Profit (PAT)	**167,676**	**161,263**	**167,016**
Dividend	70,583	68,444	68,444
Tax on Dividend	11,616	11,632	11,632
Share Capital	21,389	21,389	21,389
Net Worth	864,413	780,848	699,435
Borrowings	50	267	369
Working Capital	342,714	334,949	322,248
Capital Employed	738,014	640,583	604,844
Internal Resources Generation	228,068	172,449	185,158
Plan Expenditure	235,591	218,201	176,510
Contribution to Exchequer	280,983	280,496	300,200
Expenditure on Employees	57,191	47,396	60,484
Number of Employees	32,826	33,035	32,996
FINANCIAL PERFORMANCE RATIOS			
PBIDT to Turnover (%)	60.6	49.1	51.2
PBDT to Turnover (%)	64.0	55.3	56.9
Profit Margin(%)	27.1	24.8	27.1
Contribution to Exchequer to Turnover (%)	45.3	43.1	48.8
ROCE(PBIDT to Capital Employed) (%)	50.9	49.9	52.0
Net Profit to Equity (%)	19.4	20.7	23.9
BALANCE SHEET RATIOS			
Current Ratio	2.38:1	2.26:1	2.47:1
Debt Equity Ratio	0.00006:1	0.0003:1	0.001:1
Debtors Turnover Ratio(Days)	19	23	26
PER SHARE DATA			
Earning Per Share (₹) - before extraordinary items(Restated)#	13.07	12.53	13.01
Earning Per Share (₹) - after extraordinary items(Restated) #	13.07	12.57	13.01
Dividend (%)	330	320	320
Book Value Per Share(₹)(Restated) #	67	61	55

 # In accordance with Ind AS 33 'Earnings per Share', earnings per equity share have been adjusted for bonus issue and split for all years. The book value per share has also been adjusted post bonus & split.

Statement of Income and Retained Earnings

(₹ in million)	2016-17 *	2015-16 *	2014-15	2013-14	2012-13	2011-12	2010-11
REVENUES							
Sales #							
Crude Oil(Including Condensate)	548,036	511,316	536,638	525,734	533,269	507,873	448,645
Natural Gas (incl. Gas Marketing Margin)	139,398	182,239	187,381	183,291	165,400	141,397	127,544
Liquified Petroleum Gas (LPG)-Domestic Market	37,276	34,951	34,380	30,145	31,484	23,711	18,369
Ethane-Propane (C2-C3)/Ethane/ Propane / Butane	17,264	9,441	10,064	14,837	13,440	12,741	8,796
Naphtha	30,455	30,609	50,835	75,743	76,804	72,167	56,342
Kerosene (SKO)	1,321	2,118	2,771	2,779	3,686	1,520	679
HSD	421	406	312	522	170	100	-
LSHS (Low sulpher heavy stock)/RCO (Residual Crude oil)	562	412	705	1,295	1,063	1,250	473
Aviation Turbine Fuel	-	-	286	220	318	436	527
Others	131	76	56	87	38	62	3
Sub- Total	774,864	771,568	823,428	834,653	825,672	761,257	661,378
Sale of Traded Products	31	84	60	44	43	34	171
Other Operating Income	4,183	5,765	7,447	7,331	7,375	7,580	24,939
Revenue from Operations	779,078	777,417	830,935	842,028	833,090	768,871	686,488
Other Non Operating Income	75,481	70,094	53,665	67,132	54,367	44,529	34,069
Total Revenues	854,559	847,511	884,600	909,160	887,457	813,400	720,557
EXPENSES							
Royalty	115,748	89,591	116,079	114,890	108,094	97,745	71,373
Cess	89,045	101,916	102,535	99,734	99,971	57,831	56,963
Motor Spirit Cess	-	-	-	3	-	-	-
Natural Calamity Contingent Duty	1,129	1,137	1,123	1,097	1,101	1,097	1,114
Excise Duty	2,093	1,990	2,206	3,076	3,093	3,599	3,228
Sales Tax #	-	-	2,586	3,123	3,834	3,339	3,113
Service Tax	289	339	290	439	353	236	227
Education cess	-	-	91	2,348	3,111	1,871	1,828
Octroi and Port Trust Charges #	354	333	6,083	4,897	4,057	4,184	4,522
Sub-total	**208,658**	**195,306**	**230,993**	**229,607**	**223,614**	**169,902**	**142,368**
Operating Expensess	210,082	197,672	163,654	165,833	153,839	134,110	136,058
Exchange Loss/(Gain)-Net	(1,282)	1,033	241	1,021	922	3,613	-
Purchases	26	72	44	32	31	25	138
(Accretion) / Decretion in stock	(1,328)	352	(1,674)	1,043	(230)	(913)	(129)
Exploration Costs written off#							
-Survey Costs	17,549	15,274	19,146	15,912	15,668	12,409	16,675
-Exploratory well Costs	32,996	41,369	86,078	62,445	84,763	80,925	65,815
Depreciation, Depletion, Amortisation and Impairment	121,894	110,999	114,583	109,259	83,736	74,959	76,767
Provisions and Write-offs	1,592	3,938	2,116	2,189	18,863	3,097	6,114
Prior Period Expenses (Net)	-	-	3,839	(2,504)	531	(95)	336
Total Expenses	**590,187**	**566,015**	**619,020**	**584,837**	**581,737**	**478,032**	**444,142**
Profit before Interest & Tax	264,372	281,496	265,580	324,323	305,720	335,368	276,415
Finance cost	12,217	13,242	28	4	277	348	251
Profit before Tax and Exceptional Items	**252,155**	**268,254**	**265,552**	**324,319**	**305,443**	**335,020**	**276,164**
Exceptional items	-	(32,266)	-	-	-	31,405	-
Profit before Tax	252,155	235,988	265,552	324,319	305,443	366,425	276,164
Corporate Tax (Net)	73,155	74,589	88,222	103,371	96,186	115,196	86,924
Profit after Tax	**179,000**	**161,399**	**177,330**	**220,948**	**209,257**	**251,229**	**189,240**
Other comprehensive income (OCI)	133,171	6,120	-	-	-	-	-
Total Comprehensive Income for the year	312,171	167,519	177,330	220,948	209,257	251,229	189,240
Retained Earnings at beginning of the year*	28,692	(691)	-	-	-	-	-
Profit after tax for the year	179,000	161,399	177,330	220,948	209,257	251,229	189,240
Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	(2,988)	(297)	-	-	-	-	-
Dividend	95,180	49,194	81,277	81,277	81,277	83,416	74,861
Tax on Dividend	19,354	10,005	16,256	13,807	13,012	13,286	12,156
Transfer to General Reserve	64,466	72,520	79,797	125,864	114,968	154,527	102,223
Retained Earnings at end of the year	25,704	28,692	-	-	-	-	-

** As per Notification no. GSR 111 (E) dated 16-02-2015, issued by Ministry of Corporate affairs, Company has implemented Indian Accounting Standards (Ind AS) for the accounting periods begining on or after 1st April 2016 with the compratives for the periods ending on 31st March, 2016. Accordingly, the figures of FY 2016-17 and FY 2015-16 (restated Ind AS compliant) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956 and figures for FY 2007-08 to FY 2009-10 are as per old Schedule VI to the Companies Act, 1956.*

 # In terms of Para 8 of Ind AS 18 'Revenue' sale of goods has been presented net of sales tax and Octroi for 2016-17 and 2015-16.

(₹ in million)	2009-10	2008-09	2007-08
REVENUES			
Sales			
Crude Oil	445,053	391,718	386,805
Natural Gas	73,797	75,528	71,780
LPG	21,924	22,752	20,168
Naphtha/Aromatic Rich Naphtha	47,137	48,406	43,849
Ethane/Propane	10,249	9,890	9,291
Superior Kerosene Oil	3,256	16,701	10,775
HSD	156	61,910	48,621
Motor Spirit	27	11,062	9,159
Others	463	1,526	925
Price Revision Arrears	-	-	-
Sub- Total	**602,062**	**639,493**	**601,373**
Pipeline Revenue	1,078	2,329	1,522
Other Receipts	15,512	7,861	11,390
Accretion / (Decretion) in stock	1,180	811	1,141
Total Income from Operations	619,832	650,494	615,426
COST & EXPENSES			
Operating, Selling & General			
(a) Royalty	54,832	44,934	60,707
(b) Cess/ Excise Duty	56,752	59,174	61,106
(c) Natural Calamity Contingent Duty	1,062	1,081	1,127
(d) Sales Tax	2,990	6,910	772
(e) Education Cess	1,719	1,784	1,861
(f) Octroi & Port Trust Charges	4,486	4,130	4,195
Sub-total (a to f)	**121,841**	**118,013**	**129,768**
Pipeline Operations (Excluding Depreciation)	7,975	6,963	7,318
Other Operational Costs	118,322	116,849	99,505
Exchange Loss	(4,033)	3,819	(1,070)
Purchases	139	85,166	65,115
Recouped Costs			
(a) Depletion	45,302	42,148	36,776
(b) Depreciation	12,312	14,491	14,060
(c) Amortisation	89,407	67,320	47,580
(d) Impairment	(433)	(3,110)	(437)
Sub-Total (a to d)	**146,588**	**120,849**	**97,979**
Total Cost & Expenses	**390,832**	**451,659**	**398,615**
Operating Income Before Interest &Tax	229,000	198,835	216,811
Interest			
-Payments	686	1,190	590
-Receipts	21,525	41,504	36,125
-Net	(20,839)	(40,314)	(35,535)
Profit before Tax and Extraordinary Items	**249,839**	**239,149**	**252,346**
Extraordinary Items	-	658	-
Profit before Tax	249,839	239,807	252,346
Corporate Tax (Net)	82,163	78,544	85,330
Profit after Tax	**167,676**	**161,263**	**167,016**
Retained Earnings at beginning of the year*	-	-	-
Profit after tax for the year	167,676	161,263	167,016
Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	-	-	-
Dividend	70,583	68,444	68,444
Tax on Dividend	11,616	11,632	11,632
Transfer to General Reserve	85,477	81,187	86,940
Retained Earnings at end of the year	-	-	-

Statement of Financial Position

(₹ in million)	As at March 31, 2017*	As at March 31, 2016*
RESOURCES		
A. Own		
1. Net Worth		
A. Equity		
i) Equity share capital	64,166	42,778
ii) Other Equity		
(a) Reserve for equity instruments through other Comprehensive income	246,694	110,536
(b) Others	1,544,524	1,504,433
Total other equity	**1,791,218**	**1,614,969**
Net worth (A) #	**1,855,384**	**1,657,747**
2. Deferred Tax Liability (net)	221,632	192,973
TOTAL RESOURCES (A+ B)	**2,077,016**	**1,850,720**
DISPOSITION OF RESOURCES		
A. Non-current assets		
1) Block Capital		
a) Oil and Gas Assets ^	955,312	**856,787**
b) Other Property, Plant and Equipment ^	91,875	85,339
c) Intangible assets	883	665
Total Block Capital	**1,048,070**	**942,791**
2) Financial assets		
a) Long-term loans and advances	**28,071**	41,488
b) Deposit under Site Restoration Fund Scheme	**145,387**	135,592
c) Others	1,418	1,486
Total Financial assets	**174,876**	**178,566**
3) Other non-current assets (excl, capital advances)	**7,349**	**6,789**
4) Non-current tax assets (net)	87,763	74,316
Subtotal (A)	**1,318,058**	**1,202,462**
B. Non-current Liabilities		
(a) Financial liabilities	2,583	2,313
(b) Provisions	**192,852**	**186,843**
(c) Other non-current liabilities	7,709	111
Subtotal (B)	**203,144**	**189,267**
C. Net Non Current Assets (A)-(B)	**1,114,914**	**1,013,195**
D. Working Capital		
I) Current Assets		
a) Inventories	61,653	56,256
b) Financial assets		
i) Trade receivables	64,762	54,314
ii) Cash and Bank Balances	95,108	99,566
iii) Short-term loans and advances	14,269	10,272
iv) Others	11,347	23,202
c) Other current assets	**15,591**	34,113
Subtotal (I)	**262,730**	**277,723**
II) Current liabilities		
a) Financial liabilities		
i) Short-term borrowings	-	-
ii) Trade payables	51,548	51,264
iii) Others	94,969	95,693
b) Other current liabilities	18,361	**16,390**
c) Short-term provisions	21,328	7,043
d) Current tax liabilities (net)	6,129	8,391
Subtotal (II)	**192,335**	**178,781**
Working Capital (D)= (I)-(II)	**70,395**	**98,942**
E. CAPITAL EMPLOYED (C+D)	**1,185,309**	**1,112,137**
F. Investments		
i) Current investments	36,343	30,032
ii) Non-current investments	505,154	368,278
G. Capital work-in-progress (incl, capital advances)	126,122	132,686
H. Exploratory/Development Wells in Progress	**224,088**	207,587
TOTAL DISPOSITION (E+F+G+H)	**2,077,016**	**1,850,720**

(₹ in million)	As at March 31, 2015	As at March 31, 2014
RESOURCES		
A. Own		
1. Net Worth		
(a) Equity		
i)Share Capital	42,778	42,778
ii)Reserves & Surplus	1,403,232	1,324,472
Sub-Total (a)	**1,446,010**	**1,367,250**
(b) Less Deferred Revenue Expenditure	9,781	10,939
Net Worth (a)-(b)	**1,436,229**	**1,356,311**
B. Deferred Tax Liability	**177,332**	**165,787**
TOTAL RESOURCES (A+ B)	**1,613,561**	**1,522,098**
DISPOSITION OF RESOURCES		
A. Non-current assets		
1) Block Capital		
a) Fixed Assets (Net)	314,907	302,792
b) Producing Properties (Net)/Oil and Gas Assets	667,110	657,833
Total Block Capital	982,017	960,625
2) Long-term loans and advances (excl, capital advances)	**193,177**	**181,718**
3) Deposit under Site Restoration Fund Scheme	**125,444**	**113,102**
4) Other non-current assets (excl. DRE)	**4,397**	**3,956**
Subtotal (A)	**1,305,035**	**1,259,401**
B. Non-current Liabilities		
1) Long-term provisions:		
a) Provision for Abandonment	227,138	228,022
b) Other Long Term provisions	26,494	29,178
2) Other Non-current liabilities	640	11,850
Subtotal (B)	**254,272**	**269,050**
C. Net Non Current Assets (A)-(B)	**1,050,763**	**990,351**
D. Working Capital		
a) Current Assets		
i) Inventories	59,623	58,825
ii) Trade receivables	135,783	81,657
iii) Cash and Bank Balances	27,601	107,989
iv) Short-term loans and advances	69,477	43,670
v) Other current assets (excl. DRE)	4,933	2,718
Subtotal (a)	**297,417**	**294,859**
b) Current liabilities		
i) Short-term borrowings	**13,930**	-
ii) Trade payables	55,611	63,725
iii) Other current liabilities	112,867	119,262
iv) Short-term provisions	20,777	7,811
Subtotal (b)	**203,185**	**190,798**
Working Capital (D)= (a)-(b)	94,232	104,061
E. CAPITAL EMPLOYED (C+D)	**1,144,995**	**1,094,412**
F. Investments		
i) Current investments		-
ii) Non-current investments	181,243	172,043
G. Capital work-in-progress (incl, capital advances)	128,437	116,516
H. Exploratory/Development Wells in Progress	**158,885**	**139,128**
TOTAL DISPOSITION (E+F+G+H)	**1,613,560**	**1,522,098**

As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
42,778	42,777	42,777
1,201,755	1,086,790	932,267
1,244,532	**1,129,567**	**975,044**
14,859	11,726	7,960
1,229,674	**1,117,841**	**967,084**
128,880	**111,979**	**99,504**
1,358,553	**1,229,820**	**1,066,588**
274,835	216,801	186,395
524,407	463,768	435,757
799,242	680,569	622,152
221,454	**254,482**	**239,392**
101,331	**91,826**	**81,155**
4,011	**2,983**	**2,941**
1,126,037	**1,029,860**	**945,640**
177,052	176,477	175,608
44,823	36,654	32,627
11,242	5,620	5,825
233,116	**218,751**	**214,060**
892,921	**811,109**	**731,580**
57,044	51,654	41,190
68,637	61,948	39,947
132,186	201,246	144,811
37,021	31,237	26,734
4,565	8,633	4,276
299,453	**354,718**	**256,958**
-	**45,000**	-
53,410	52,612	52,253
112,227	136,941	130,055
9,102	22,426	9,258
174,739	**256,979**	**191,566**
124,714	97,739	65,392
1,017,636	**908,848**	**796,972**
-	8,519	1
91,731	43,644	51,827
144,429	182,997	140,316
104,759	**85,812**	**77,472**
1,358,553	**1,229,820**	**1,066,588**

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

** As per Notification no. GSR 111 (E) dated 16-02-2015, issued by Ministry of Corporate affairs, Company has implemented Indian Accounting Standards (Ind AS) for the accounting periods beginning on or after 1st April 2016 with the comparatives for the periods ending on 31st March, 2016. Accordingly, the figures of FY 2016-17 and FY 2015-16 (restated Ind AS compliant) are given as per requirement of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956 and figures for FY 2007-08 to FY 2009-10 are as per old Schedule VI to the Companies Act, 1956.*

 # Includes reserve for equity instruments through other comprehensive income
^ Note: As on transition date 1st April 2015, carrying value of assets pertaining to production & allied facilities have been regrouped from other Property Plant and Equipment to "Oil and Gas Assets" to reflect the aggregate amount of Oil and Gas Assets.
$ Excluded for current ratio.

Depreciation and Contribution to Exchequer

(₹ in million)	2016-17*	2015-16*	2014-15	2013-14	2012-13
DETAILS OF DEPRECIATION ALLOCATED TO:					
Survey	430	433	589	448	567
Exploratory Drilling	4,111	2,729	3,284	2,506	1,335
Development	3,586	3,216	36,774	66,628	62,584
Profit & Loss Account	11,971	13,786	14,367	20,518	14,620
Others	768	535	298	162	114
Total	**20,866**	**20,699**	**55,312**	**90,262**	**79,220**
CONTRIBUTION TO EXCHEQUER					
CENTRAL					
1. Excise Duty	2,093	1,990	2,207	3,076	3,093
2. OID Cess	89,053	101,928	102,550	99,740	99,993
3. Natural Calamity Contingent Duty	1,129	1,137	1,123	1,097	1,101
4. Royalty	43,783	45,974	35,870	41,965	39,407
5. Education Cess	-	-	91	2,349	3,112
6. Corporate Tax					
a) On ONGC's Account	42,915	55,843	76,152	67,646	79,285
b) For Foreign Contractors	(7)	(38)	25	36	11
7. Dividend #	65,439	33,912	56,029	56,153	56,268
8. Tax on Dividend #	19,354	10,005	16,256	13,807	13,012
9. Customs Duties	2,200	151	77	87	75
10. Mumbai Port Trust Charges	1,148	1,062	984	884	923
Sub Total	**267,107**	**251,964**	**291,364**	**286,840**	**296,280**
STATE					
1. Sales Tax/VAT	40,212	44,006	43,765	41,344	40,144
2. Royalty	72,007	43,639	80,194	72,971	68,699
3. Octroi Duties etc.	8,015	5,583	5,751	4,592	3,683
4. Motor Sprit -CESS	-	-	-	3	-
Sub Total	**120,234**	**93,228**	**129,710**	**118,910**	**112,526**
Grand Total	**387,341**	**345,192**	**421,074**	**405,750**	**408,806**

As per Notification no. GSR 111 (E) dated 16-02-2015, issued by Ministry of Corporate affairs, Company has implemented Indian Accounting Standards (Ind AS) for the accounting periods begining on or after 1st April 2016 with the compratives for the periods ending on 31st March, 2016. Accordingly, the figures of FY 2016-17 and FY 2015-16 (restated Ind AS compliant) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956 and figures for FY 2007-08 to FY 2009-10 are as per old Schedule VI to the Companies Act, 1956.

 # As per Indian Accounting Standards the dividends declared after the balance sheet date is not recognised as a liability at the balance sheet date. Accordingly, the final proposed dividend and tax on dividend thereon has not been included for 2016-17 and 2015-16.

Panoramic view of Mumbai offshore.

Depreciation and Contribution to Exchequer

(₹ in million)	2011-12	2010-11	2009-10	2008-09	2007-08
DETAILS OF DEPRECIATION ALLOCATED TO:					
Survey	756	1,052	1,181	1,555	1,029
Exploratory Drilling	4,844	5,415	4,842	3,005	2,151
Development	52,782	41,734	34,098	24,426	21,924
Profit & Loss Account	13,395	19,993	12,201	14,434	13,984
Others	16	156	105	136	70
Total	**71,793**	**68,350**	**52,427**	**43,556**	**39,158**
CONTRIBUTION TO EXCHEQUER					
CENTRAL					
1. Excise Duty	3,599	3,228	2,214	3,386	2,887
2. OID Cess	57,852	57,005	54,545	55,799	58,216
3. Natural Calamity Contingent Duty	1,098	1,115	1,062	1,082	1,127
4. Royalty	36,144	36,519	32,190	31,394	30,631
5. Education Cess	1,872	1,830	1,719	1,784	1,863
6. Corporate Tax			-		
a) On ONGC's Account	102,722	76,628	71,203	79,770	80,720
b) For Foreign Contractors	73	27	7	277	32
7. Dividend #	60,372	55,502	52,330	50,744	50,744
8. Tax on Dividend #	13,286	12,156	11,616	11,632	11,632
9. Customs Duties	96	44	125	354	815
10. Mumbai Port Trust Charges	855	891	793	657	742
Sub Total	**277,969**	**244,945**	**227,804**	**236,879**	**239,409**
STATE					
1. Sales Tax/VAT	39,393	33,711	26,355	26,258	26,899
2. Royalty	61,648	34,890	22,649	13,551	30,078
3. Octroi Duties etc.	3,863	4,213	4,176	3,808	3,814
4. Motor Sprit -CESS	-	-	-	-	-
Sub Total	**104,904**	**72,814**	**53,180**	**43,617**	**60,791**
Grand Total	**382,873**	**317,759**	**280,984**	**280,496**	**300,200**

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 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 firm-in arrangements and all other costs incurred in acquiring these rights. Acquisition Costs are recognized in the accounts note no. 3.10 (ii) in 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 is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent Liability is a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

Current Asset: An asset shall be classified as current when:

(a) it is expected to realise the asset, or intended to sell or consume it, in its normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to realise the asset within twelve months after the reporting period; or

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

Current Liability: A liability shall be classified as current when:

(a) it is expected to settle the liability in its normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

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

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.

Decommissioning, restoration costs/provision: These 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 to restoration of producing areas. Decommissioning Costs are recognized in the accounts as per note no.3.13 in Significant Accounting Policies under Notes to Financial Statements. Where the effect of the time value of money is material, these costs are required to be recognised at the present value of the expenditures expected to settle the obligation.

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

Depreciation method: The depreciation method used reflects the pattern in which the asset's future economic benefits are expected to be consumed. A variety of depreciation methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method, the diminishing balance method and the units of production method.

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

Effective interest rate method: It is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

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.

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.3.8 (ii) and 3.10 (iii) in Significant Accounting Policies under Notes to Financial Statements.

Fair value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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.

Financial asset is an asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or a contract that will or may be settled in the entity's own equity instruments and is non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or other financial asset for a fixed number of the entity's equity instruments.

Financial Instruments: A "financial instrument" is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity (e.g. a payable), to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative contract for which the entity is or may be obliged to deliver a variable number of its own equity instruments (e.g. an instrument that is redeemable in own shares to the value of the carrying amount of the instrument).

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.

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

Liability: A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Materiality: An accounting concept according to which all relatively important and relevant items, i.e., items the knowledge of which individually or collectively; influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

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

Net Profit: The excess of revenue over expenses during a particular accounting period. When the result of this computation is negative, it is referred to as net loss. The net profit may be shown before or after tax. The net profit / loss do not include other comprehensive income.

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

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

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

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

Dedicated towards India's Energy Security-ONGCians working at Tripura.

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 decommissioning cost.

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

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

Other comprehensive income (OCI): OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. These are in effect unrealized gain or loss on long term assets or liabilities. The components of OCI include: changes in revaluation surplus, re-measurements of defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation, gains and losses from items designated / measured at fair value through other comprehensive income etc.

Property, Plant and Equipment (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

Provision: A provision is a liability of uncertain timing or amount which cannot be determined with substantial accuracy.

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:** It is the systematic allocation of the depreciable amount of an asset over its useful life. It is provided for and allocated as mentioned in note no. 3.7 in Significant Accounting Policies under Notes to Financial Statements.

b) **Depletion:** A measure of exhaustion of Oil & Gas Assets represented by periodic write off of cost. It is computed with reference to the amortization base by taking the related capital cost incurred divided by hydrocarbon reserves and multiplied by production. It is recognised in the accounts as per note no. 3.11 in 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. 3.9 in 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. 3.8 (i) in Significant Accounting Policies under Notes to Financial Statements.

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

Total comprehensive income (TCI): TCI is the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income comprises all components of 'profit or loss' and of 'other comprehensive income'.

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.

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.

23
Discoveries

In the FY'17, ONGC made 23 Hydrocarbon discoveries with a total reserve accretion of 64.54 MT of O+OEG. The overall 2P Reserve Replacement Ratio (RRR) was 1.45 making it the 11th consecutive year when ONGC recorded an RRR in excess of 'one'!

Board's Report

Dear Shareholders,

I, on behalf of the Board of Directors of your Company, am pleased to share with you the achievements and highlights of your Company during the financial year ended March 31, 2017 and to present the 24th Annual Report on the business and operations of Oil and Natural Gas Corporation Ltd. (ONGC) and its Audited Financial Statements with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India and the reply of the management thereto.

The challenges that marked the macro environment, viz. low commodity prices, uncertain demand outlook and slow global economic recovery, in FY'16 persisted in FY'17 as well. Crude prices today are distinctly higher than they were in early 2016. However, it would be prudent for oil and gas companies to remain wary as the recovery has not been as robust and stable as one would have liked it to be. It is reflective of the larger economic environment of the world where secular growth has not returned to the markets post the global financial meltdown and the subsequent Eurozone slowdown. While this extended period of low commodity prices poses challenges for E&P companies in terms of ambitious exploratory efforts and development from difficult areas, it is a source of meaningful monetary comfort for an import dependent economy likes ours.

That being said, price-related pressures are likely to ease going forward as companies learn to adapt and improvise in this 'new normal' of low prices. We must not forget that our industry has faced numerous challenges in the past and has always come out stronger each time. This 'new normal' will also be defined and influenced by the international political developments in the past one year and the remarkable growth (both in terms of investment as well as capacity addition) of renewable energy sources, adding a further layer of complexity to the operating environment of oil and gas.

In this prevailing environment of increased volatility and uncertainty, it has become more important than ever for companies to sharpen their focus on promising growth avenues while consolidating their key areas of strength. For your Company, it meant a more aggressive approach to cost optimization and operational efficiencies in our legacy business and stepping up activity in the area of unmonetized discoveries with comprehensive planning and robust project management philosophy.

Considering the critical importance of your Company in the country's overall energy infrastructure, the decisions and actions of today will, to a large extent, not only set the ground for a significant transformation that will enable it to contribute even more expansively to the country's energy sector but also ensure its competitiveness in any operating environment.

> Our primary goals in FY'16-17 were to keep up the healthy pace of project execution, improved productivity, operating costs optimization and wealth generation for all stakeholders while doing our business safely and reliably.

Despite the challenges of the business and its surrounding environment, your Company along with its group companies has registered yet another year of strong performance and made substantial progress on most of these priority areas. In addition, performance in the other areas of business where your Company has significant interests also recorded important milestones.

Backed by an intensive and continuous exploration programme, your Company made 23 oil and gas discoveries in various basins of India out of which eight discoveries have already been monetized. During the year, your Company produced 22.25 MMT of oil against 22.37 MMT during FY'16. Natural gas production was at 22.09 BCM against 21.18 BCM during FY'16, thereby recording an increase of 4%. Your Company's share in domestic joint ventures' production has been 3.28 MMT of oil and 1.18 BCM of gas. Combining the two, total domestic production has been 25.53 MMT of oil and 23.27 BCM of gas. VAP production increased from 2.77 MMT in FY'16 to 3.24 MMT in FY'17 (increase of 17%) with contribution from C2-C3 and Hazira plants. All joint ventures of your Company established for value-chain integration i.e.,- ONGC Petro-additions Ltd. (OPaL), ONGC Teri Biotech Ltd. (OTBL), ONGC Tripura Power Company Ltd., (OTPC), Petronet MHB Ltd. (PMHBL), Dahej SEZ Ltd. (DSEZ) and Mangalore SEZ Ltd. (MSEZ) are now operational and have started generating revenue.

The significant milestones achieved by your Company during 2016-17:

- Your Company made 23 Oil and Gas discoveries out of which 13 were Onshore and 10 were Offshore. 4 of these discoveries are in New Exploration and Licencing Policy (NELP) blocks. Focusing on quick monetization, 8 of these discoveries have already been put to production.
- With these 23 discoveries, your Company accreted 64.32 MMtoe of 2P reserves in the domestic fields. RRR with 2P reserves during the year has been 1.45.
- With Jabera discovery, Vindhayan Basin has made entry into the oil reserves map of India.
- With recent discoveries in Kutch offshore, focus is on bringing this new basin on production.
- Your Company has taken up development of KG-DWN-98/2 block in Krishna-Godavari (KG) Basin with an investment of more than US$ 5,000 million (approx. ₹340,000 million). Peak oil from the field is around 78,000 bpd and gas @ 15.57 MMSCMD.

Onshore Crude Production in FY'17 was 5.97 MMT against 5.83 MMT in FY'16. Seen in the picture ONGC's onshore facility at Cauvery Asset.

- Gas production commenced from S1 Deep Water field (water depth around 280M) in KG Basin @ 0.9 MMSCMD and the first Deep Water gas well to fetch a price of US$ 5.05 per MMBTU under government approved pricing and market freedom policy.
- Gas sales increased from 16.08 BCM in FY'16 to 17.06 BCM in FY'17; an increase of 5.80 %.
- Your Company deployed 35 rigs in offshore, the highest ever and drilled 501 wells again the highest ever (401 development wells, the highest ever). Commercial speed during the year has been 1,472; an increase of more than 24% compared to 2015-16.
- Testing the efficacy of B-90 culture in the wells of Becharaji field Microbial Enhanced Oil Recovery (MEOR) job was carried out in 3 wells of Bechraji in 2016-17.
- Gas flaring during the year has been 529 MMSCM which reduced from 3.06% (FY'16) to 2.40% (FY'17); a reduction of 21.6% over the previous year.
- Additional development of Vasai (East): facility creation (2 well platforms and Subsea pipeline) completed. 12 wells out of 20 wells drilled and added additional oil production of 7000 BOPD.
- Besides 28 ongoing oil and gas development projects, 6 development projects worth ₹76,700 million have been taken up during FY'17. The projects are NW B-173A, B-147, BSE-11, 4th phase of NBP Field and R-Series and redevelopment of Santhal field.
- Your Company signed Farm-in/Farm-out (FIFO) agreement with GSPC on 10th March, 2017 to acquire 80% PI with operatorship in block KG-OSN-2001/3.
- Commencement of Coal Bed Methane (CBM) field development operations in Bokaro and North Karanpura.
- Gross Revenue of the Company stood at ₹779,078 million and for ONGC Group it has been ₹1,421,490 million.
- Your Company recorded a Net Profit of ₹179, 000 million during the year under review. Net Profit of ONGC Group increased by 59% to ₹204, 979 million (₹128, 752 million in FY'16).

- ONGC Videsh Limited (OVL), a wholly owned subsidiary of your Company, registered highest-ever production of 12.80 MMtoe of O+OEG during the year. It recorded Gross Revenue of ₹100,800 million and Net Profit of ₹6,974 million (against loss of ₹36,401 million in FY'16).
- Mangalore Refinery and Petrochemicals Limited (MRPL), a subsidiary of your Company, recorded highest-ever throughput of 16.27 MMT during FY'17.

Hon'ble PM Shri Narendra Modi inaugurated and dedicated ONGC Petro-additions Ltd. (OPaL), promoted by your Company, to the nation on 7th March 2017.

- MRPL recorded 17% increase in Turnover to ₹599,801 million (₹509, 623 million during FY'16) and highest ever Net Profit of ₹32,932 million (₹5,058 million in FY'16).
- ONGC Tripura Power Company Ltd. (OTPC) clocked highest-ever Annual Gross Generation of 4,170 million units.
- Six ONGC team members successfully accomplished Mission Everest. This is first time that a Corporate has taken a Mission to send its team to mount the highest peak of the Earth.

These achievements reflect your Company's proven commitment towards sustained growth and performance excellence. Consistently driven by well-defined growth strategies, your Company delivers and improves performance year-on-year basis which is the benchmark of excellence in various facets of E&P activities and has also been well recognized through peer-and-public evaluations.

Global Recognitions

Your Company has been ranked number one E&P Company in the world by Platts Top 250 Global Energy Company Rankings-2016 and 20th among global energy majors based on assets, revenues, profits and Return on Invested Capital. The leading international business journal Forbes has ranked ONGC the 3rd largest in India and 220th worldwide based on sales, profit, assets and market value. Your Company has strengthened its brand position in India, climbing from 10th position during previous year to 7th position, according to a study conducted by consultant Brand Finance. Further, the '2016 EU Industrial R&D Scoreboard' listed your Company at the 12th position in the list of oil and gas companies based on Research and Development (R&D) expenditure.

Passion and precision go hand in hand in ONGC ensuring performance. Seen in the picture ONGCians at work at Kakinada, Andhra Pradesh.

Performance 2016-17

During FY'17, your Company made 23 Oil & Gas discoveries out of which 13 were Onland and 10 were Offshore including 4 discoveries in the blocks awarded under NELP. All these 23 discoveries are healthy pointers to the continued performance of the Company's exploratory efforts. Details of these discoveries are tabulated as below:

Sl. No.	Well No.	Basin/Sub-basin	Hydrocarbon Type	Pool/ Prospect	NELP/ Nomination
1	KGS092NA-SRI-1/SRI-AA	Krishna Godavari (KG Offshore-SW) Basin	Oil & Gas	Prospect	NELP
2	B-34-2/B-34-B	Mumbai Offshore Basin	Oil & Gas	Prospect	PML
3	Suphayam-2/SUAA	Assam Shelf Basin	Oil & Gas	Prospect	PEL
4	Jabera-4/RJBF	Vindhyan Basin	Gas	Prospect	PML
5	Dayalpur-1/SUAB	Assam Shelf Basin	Oil & Gas	Prospect	PML
6	B-157N-1/B-157N-A	Mumbai Offshore Basin	Oil & Gas	Prospect	PML
7	GS-71-1/GS-71-AA	Krishna Godavari (KG Offshore-SW) Basin	Oil & Gas	Prospect	PML
8	B-154N-1/B-154N-A	Mumbai Offshore Basin	Oil & Gas	Prospect	PML
9	South Akholjuni/Akholjuni-29/ AKAP	Cambay Onland Basin	Oil & Gas	Prospect	PML
10	D-30-2/ D-30-A	Mumbai Offshore Basin	Oil & Gas	Prospect	PML
11	G-1-N-2 / G-1-N-AB	Krishna Godavari (KG Offshore-SW) Basin	Oil & Gas	Prospect	PML
12	GKS101NCA-1/GKS101NCA-A	Kutch Offshore Basin	Oil & Gas	Prospect	NELP
13	MBS051NAA-2/NAA-B	Saurashtra Offshore Basin	Gas & Condensate	Pool	NELP
14	Dahej/Dahej-20/DJAT	Cambay Onland Basin	Gas	Pool	PML
15	Nambar/Nambar-12/NRAF	Assam Shelf Basin	Gas	Pool	PML
16	Nadiad/ Nadiad-4/NDDA	Cambay Onland Basin	Oil	Pool	PML (NELP)
17	Kesanapalli / Kesanapalli West Deep -1 /KWD-AA	Krishna Godavari Onland Basin	Oil & Gas	Pool	PML
18	West Penugonda/ Thurupu Vipparu-1 / TVAA	Krishna Godavari Onland Basin	Gas	Pool	PML
19	B-12C / B-12C-2 / B-12C-A	Mumbai Offshore Basin	Gas & Condensate	Pool	PML
20	Geleki / G-390 / GKHX	Assam Shelf Basin,	Oil	Pool	PML
21	Khoraghat / Khoraghat-38_Z / KHBB_Z	Assam Shelf Basin	Oil & Gas	Pool	PML
22	Olpad/Olpad-47/OPAM	Cambay Onland Basin	Gas	Pool	PML
23	Gandhar-724(GGAM)	Cambay Onland Basin	Oil	Pool	PML

The significant discoveries are - Kesanapalli West (KG Basin), Suphayam and Dayalpur (Upper Assam). Supahyan and Dayalpur have opened up new exploration targets by establishing multilayered hydrocarbon occurrence. With Jabera discovery, your Company brought Bindhayan Basin onto the oil reserve map of India. With these 23 discoveries, your Company accreted 64.32 MMtoe of 2P reserves in the domestic fields.

Discoveries put on production	
Dahej-20, Gujarat	Suphayam-2, Jorhat
Akholjuni-29, Gujarat	Dayalpur-1, Jorhat
Gandhar-724, Gujarat	Geleki-390, Assam
Nambar-12, Jorhat	Kesanapalli-West, AP

In KG Offshore, two new oil finds, each one in shallow water (GS-71) and deep water (G-1-N) have produced much encouraging results during initial production testing. 8 out of 13 onshore discoveries have already been put on production during FY'17 itself. The ultimate reserve of 8 monetized discoveries is 3.4 MMtoe and has production potential of 0.218 MMtoe of O+OEG per year.

Re-assessment of Hydrocarbon Resources

Government of India (GoI) initiative for "Re-assessment of Hydrocarbon Resources" in Indian sedimentary basins has been undertaken by your Company. About 100 geoscientists of ONGC, in 12 working teams, are on the job. These studies are ongoing in 26 different basins - onshore, shallow water, deepwater. The project is expected to be completed by Nov'17.

National Seismic Programme

Your Company has been actively associated with National Seismic Programme (NSP), initiated by Government of India under which 48% of unappraised sedimentary in onland area is being covered through seismic survey. Out of proposed acquisition, processing and interpretation (API) of 48,243 LKM of onland data, your Company will be taking up API of 40,835 LKM in all states other than North East (NE).

Details of discoveries in NELP blocks (since inception till 01.04.2017)

Out of the 114 NELP blocks awarded to/acquired by your Company, as the operator, 32 blocks are operated presently and the remaining 82 blocks are relinquished so far. Exploration/ appraisal programme is under way in all the active blocks. As on 01.04.2017, your Company has a total of 64 discoveries, out of these, 58 discoveries (18 in deep water, 21 in shallow water and 19 in onland areas) are in 25 NELP blocks and the remaining 6 discoveries (4 deep water, 2 onland) fall under two blocks acquired from other operators. Commencement of production from these discoveries is governed by stipulation laid down in the respective Production Sharing Contracts (PSCs) and will be taken up after successful completion of appraisal programme followed by submission of Declaration of Commerciality (DoC) and approval of Field Development Plan (FDP) by Directorate of Hydro Carbon (DHC).

Reserve accretion & Reserve Replacement Ratio (RRR)

During the year, accretion to in-place Hydrocarbons (3P-Proved, Probable and Possible), from the Company operated fields in India, has been 203.24 million metric tonnes (MMT) of Oil and Oil equivalent Gas (O+OEG), out of which about 87 percent accretion has been due to exploratory efforts. Reserve Replacement Ratio (RRR) during the year has been 1.45.

Total in-place reserve accretion during 2016-17 in domestic basins, including the Company's share in PSC JVs, stands at 210.61 MMtoe (7.37 MMtoe from JVs). As on 01.04.2017, total in-place hydrocarbon volume of ONGC group stands at 9,655.36 MMtoe against 9,444.74 MMtoe as on 01.04.2016. The ultimate reserves (3P) have been estimated at 3,132.35 MMtoe as against 3,075.51 during the FY'16. Voluntary disclosures in respect of Oil & Gas Reserves, conforming to SPE classification 1994 and US Financial Accounting Standards Board (FASB-69) have been followed in your Company.

The following table gives the details of reserve accretion (2P-Proved and Probable) 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 (3)=(1)+(2)**	**ONGC Videsh's Share in Foreign Assets (4)**	**Total (5)=(3)+(4)**
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
2016-17	**64.32**	**0.22**	**64.54**	**120.28**	**184.82**

Note: Reserve accretion reported in terms of 2P reserves

Statement of Reserve Recognition Accounting (RRA)

Reserve Recognition Accounting (RRA) 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 in USA 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 reserves quantities

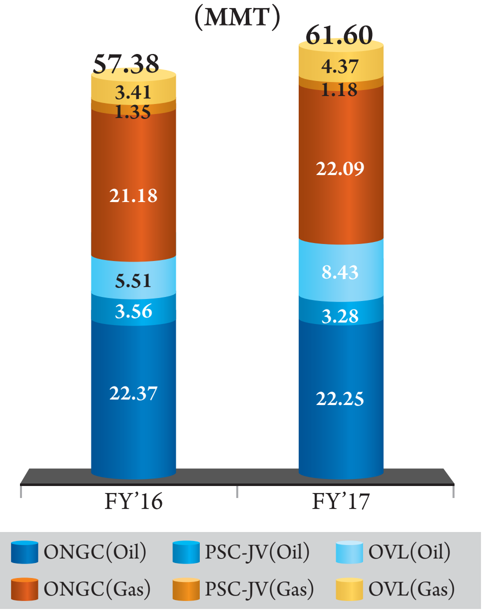
Your Company has disclosed information in respect of (a) to (d) above in the Annual Financial Statements.

Your Company has also made voluntary disclosure on standardized measure of discounted future net cash flows relating to proved oil and gas reserves at **Annexure-'A'** to this report as statement of RRA.

Oil & Gas Production

On standlone basis, in FY'17 the Company's domestic crude oil production level registered at 22.25 MMT against 22.37 MMT in FY'16. Oil production from onshore assets increased by 2.4% while offhore registered a decline of 1.6%. Increase in onshore oil production has been mainly due to various initiatives and early monetization of discoveries in Ankleshwar, Cauvery (Madnam) and Rajahmundry (Keshnapalli West), etc. Domestic PSC JVs contributed 3.31 MMT of oil against 3.56 during FY'16.

ONGC Group O+OEG Production
(MMT)

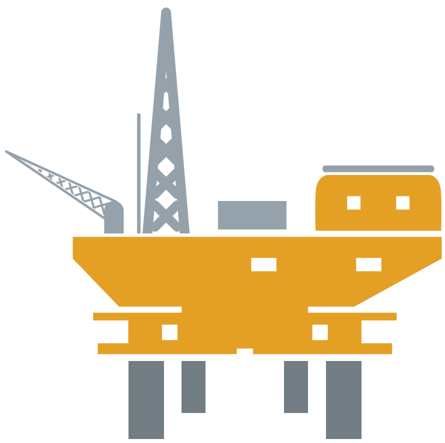


Crude Oil figure Including Gas Condensate46

Natural gas production (from domestic operated fields) during FY'17 has been 4% higher than the previous year (22.09 BCM against 21.18 during FY'16). The Company's onshore gas production increased by healthy 9.1% where as offshore production increased by 2.9%. Onshore gas production increased mainly due to commissioning of GDUs in Rajahmundry, drilling of development wells and commissiong of Sonamura GCS in Tripura and GS-4 well in Gandhar. Incremental gas production in offshore was contributed by C-26 cluster/Daman fields in Western Offshore and Deep Water well S2AB in Eastern Offshore. Further most of Assets registered increase in gas production during the year. Your Company's share in oil and gas production from PSC JVs has been 3.29 MMT and 1.18 BCM respectively.

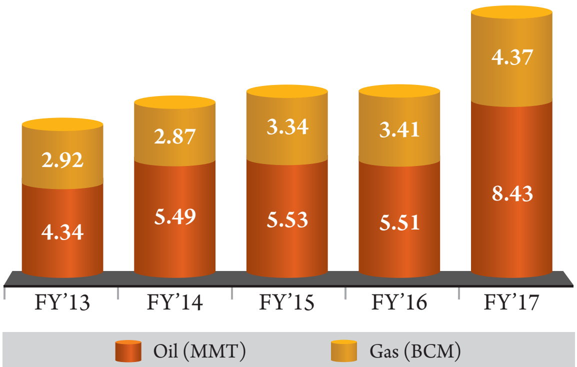
Oil & Gas production of ONGC Group, including PSC-JVs and from overseas assets for FY'17 has been 61.60 MMtoe (against 57.38 MMtoe during FY'16); an increase of 7.4%. Out of the total production of 33.96 MMT of crude oil, 65.5 per cent production came from the Company operated domestic fields, 24.8 per cent from the overseas assets and balance 9.7 per cent from domestic joint ventures. As far as natural gas production is concerned, majority of production (79.9 per cent) came from the Company operated domestic fields, 15.8 per cent from overseas assets and 4.3 per cent from domestic joint ventures.

	Unit	Production Qty		Sales Qty		Value (₹ in millions)	
		FY'17	FY'16	FY'17	FY'16	FY'17	FY'16
Direct							
Crude Oil	(MMT)	25.53	25.93	23.86	24.15	548,036	511,316
Natural Gas	(BCM)	23.27	22.53	17.94	17.10	139,398	182,239
Ethane/Propane	000 MT	420	375	420	375	8,557	8,945
Propane	000 MT	90	29	87	26	2,223	496
Ethane	000 MT	137	-	135	-	5,354	-
Butane	000 MT	31	-	30	-	1,131	-
LPG	000 MT	1355	1195	1352	1191	37,276	34,951
Naphtha	000 MT	1101	1043	1087	1065	30,455	30,609
SKO	000 MT	36	67	42	66	1,321	2,118
Others						1,113	894
Sub Total						**774,864**	**771,568**
Trading							
Motor Spirit	000 KL			0.21	0.68	11	35
HSD	000 KL			0.43	1.16	20	49
Sub Total						31	84
Total						**774,895**	**771,652**

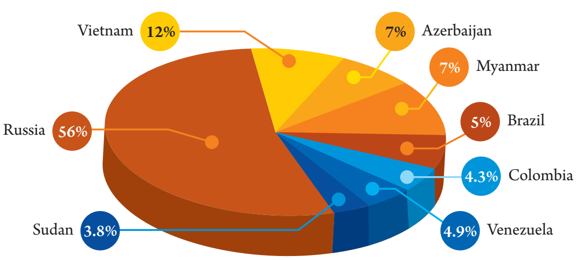


Production from Overseas Assets

During the year total production from overseas assets has been 12.80 MMtoe of O+OEG (Oil: 8.43 MMT; Gas 4.37 BCM) against 8.92 MMtoe during FY'16; an increase of 43% mainly due to incremental production from Sakhalin-1 (Russia) and additional production on account of acquiring 26% share acquisition in Vankorneft. Russia (56%), Vietnam (12%), Azerbaijan (7%), and Myanmar (7%) contribute 82% of equity oil and gas followed by Brazil (5%), Venezuela (4.9%), Colombia (4.3%) and Sudan (3.8%).



ONGC Videsh Ltd: Country-wise Production (FY'17)



Technology Induction/Upgradation

Your Company gives utmost importance for induction and upgradation of technology in various areas of its operations to remain competitive. During the year the following technology were inducted:

- Suitable polymer squeezing technology to arrest sudden rise in water cut in North Kadi field of Mehsana Asset - Job execution in 8 No. of wells done
- Deep Penetrating Retarded Acid System (DPRAS) & Self Diverting Acid Stimulation technology for wells of NBP & other fields of Mumbai Offshore - job execution in 30 No. of wells done
- Technology for deliquification for reviving production from gas wells of Ahmedabad Asset. The same is implemented in 2 No. of wells
- Resource optimization through Batch Drilling in Offshore & Pad Drilling in onshore
- Under Balanced Drilling
- Technology penetration in onshore drilling at par with offshore
- Use of Advanced Hybrid bits

Exploration of different hydrocarbon

(a) Basement Exploration:

Concerted efforts for Basement Exploration, a frontier exploration play, have been taken up by the Company as a major initiative. The prospects achieved success in Mumbai Offshore, Kutch offshore, Cambay, Cauvery and A&AA Basin have further enhanced the scope of basement exploration.

During the year, Basement fracture modeling and prospectivity analysis are also in progress in Assam & Arakan, Cauvery and KG and Kutch Offshore and West of Mumbai High Area of Western Offshore basins. Fracture model developed for Madnam field has been validated by Production Logging Tool (PLT) logs recorded in well MD-3 Sub and MD-7. Further, 7 exploratory wells and 8 development wells were drilled in different basins for basement prospect.

In A&AA Basin, exploratory well SU-3 flowed 3.5-7.2 m^3/day oil with 11000 m^3/day gas from basement during production testing. B-121-8 in Western Offshore Basin flowed oil @200 Barrels/day through ½" choke, well BH-75 gave oil indications from basement during testing and another well N-24-5 in Mumbai High Field flowed oil at 190 barrels/day from Basaltic Basement. In Cauvery basin development well MD-3 Sidetrack, MD-7, MD-8 and MD-9 have flown oil from basement. In Madnam field cumulative oil gain is around 300 m^3/day from basement.

For the development of discoveries in basement play, FDP approval has been obtained for Madanam Field and plan is under implementation. PML of Madanam field has been granted by GoI and grant from state government is awaited. FDP of Pandanallur Field, which also has basement play, has been submitted to DGH for approval.

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

Fields/Reservoirs with a sub-surface pressure of more than 10,000 psi and temperature of more than 350°F are classified as HP-HT reservoirs. The Company has prioritized HP-HT/Tight/Deeper plays in KG, Cauvery, Western Offshore Basin and Assam & Arakan Fold belt where such environment have been encountered during exploration for deeper pays. These plays have been an exploration challenge for drilling as well as for testing.

In addition, your Company after acquiring the operatorship of NELP block KG-ONN-2003/1 has submitted the FDP of two discoveries made in the block. Further, hiring desired technological support/ services from domain consultants and service providers are explored to maximize established/potential for monetization. An action plan has been prepared for monetization of 3 HPHT Fields - Nagayalanka, Periyakudi and Bantumilli South and first production from these efforts is likely to commence in 2017.

During the year, one well D-33-7, in Mumbai Offshore was drilled and proved the presence of oil & gas. Another well Bantumilli South-3 in KG basin will be taken up for further drilling by suitable drilling rig at a later date. An R&D project has been taken up for formulating alternative clear fluid of weight greater than 15 ppg which can sustain pressure up to 15,000 psi and temperature up to 550°F through IIT, Chennai under PAN India-IIT MoU with the Company.

Daytime view of Mumbai Offshore, the backbone of ONGC's production from Offshore for the last 43 years and still going strong.

Unconventional & Alternate sources of energy

Your Company plans to continue its endeavor for exploration and development of unconventional like - Shale (CBM) etc. and alternate sources of energy. Necessary action plan is being worked out for exploration and exploitation of Non-Conventional and Alternate Sources of energy which has been perceived as the future sources of energy. The initiatives towards this are summarized below:

(a) Shale Gas/Oil Exploration:

Exploration for assessing the Shale gas/oil prospectivity has been initiated in 4 basins of the country viz., Cambay, KG, Cauvery and A&AA Basins as per the policy guidelines notified by Government of India (GoI) for exploration and exploitation of shale gas and oil by National Oil Companies (NOCs), your Company has identified 50 nomination PML (Petroleum Mining Lease) blocks under Phase-I. As on 31.03.2017, 22 assessment wells (5 exclusive shale gas in Cambay basin and 17 dual objective wells) in 19 PML blocks have been drilled and required data are being generated/ evaluated for Shale gas/oil assessment.

During the year, 4 dual objective wells in Cambay basin have been drilled. Laboratory studies of core and cutting samples collected in wells during the current year are in different stages of completion. A second zone in well JMSGA (JM#55) (instead of well number field/block may be mentioned) has also been hydro-fractured (HF) and indication of oil was observed during post-HF activation. Cumulative oil knocked out till 21.03.2017 was 2.35 m^3. The well has been put on Gas Lift Value (GLV) for effective activation. Earlier, the well cumulatively flowed 19 m^3 of oil with gas and about 173 m^3 of flow back water from first zone.

(b) Coal Bed Methane (CBM):

The Government of India awarded total 33 blocks to various operators through four rounds of bidding and nomination. Out of these, your Company was awarded 9 CBM Blocks. Due to poor CBM potential, concluded on the basis of data generated in the exploratory activities, five blocks viz. Satpura (Madhya Pradesh), Wardha (Maharashtra), Barmer-Sanchor (Rajasthan), North Karanpura (West) and South Karanpura (Jharkhand) have been relinquished.

Currently, the Company is operating in four CBM Blocks i.e. Jharia, Bokaro and North Karanpura in Jharkhand and Raniganj in West Bengal. FDP for Bokaro and North Karanpura Blocks have been approved and development activities are underway.

(c) Gas Hydrate Exploration:

Your Company has been an active participant in the National Gas Hydrate Programmes (NGHPs). Towards this, Gas Hydrate Research & Technology Centre (GHRTC) was established on 14th September, 2016 at Panvel. The Centre would give impetus to the Gas Hydrate research & technology development and contribute to GOI's plan to commercialize Gas Hydrates as energy resource at the earliest.

(d) Alternate sources of energy

For harnessing alternate sources of energy, your Company took structured initiatives.

- The contract for installation of a 10 MW Solar Plant at Hazira was awarded in 2016-17. The Notification of Award (NOA) was placed on 23.02.17 with scheduled completion period as seven months from NOA
- One 40 KW Roof Top Solar Power plant at KV Hazira was commissioned in 2016-17(06.03.17). Another three 20 KW Roof Top Solar Power plants were installed in Ahmedabad at IRS, Logging Section and Fire Station in December 2016.

Oil & Gas Projects

(a) Projects completed during FY'17

Sl. No.	Name of the Projects	Completion/ Commencement of Production	Total Investment (₹ in Million)	Envisaged Oil & Gas Gain
1.	Additional Development of Vasai East	May, 2016	24,768	1.827 MMT of oil and 1.971 BCM of gas by 2029-30
2.	Improved Oil Recovery of B-173A Field	December, 2016	3,525	0.567 MMT of oil and 0.071 BCM of gas by 2025-26
3.	Reconstruction of BPA & BPB Platforms	March, 2017	11,385	-
4.	Construction of 6 ETPs, Five at Ahmedabad and One at Ankleshwar	March, 2017	3,176.4	-
	Total		**42,854.4**	

(b) Projects initiated during FY'17

The following 6 development projects were taken up.

Sl. No.	Name of the Projects	Estimated Cost (₹ in Million)	Incremental Oil & Gas Gain
1.	NW B-173A Development Plan for Exploitation of Mukta pay – NW B-173A Field	4741.5	0.760 MMT of oil and 0.213 BCM of gas respectively by the year 2031-32.
2.	4th Phase Development of NBP field	9,686.1	2.08 MMT of oil by the year 2031-32.
3.	Development of BSE-11 Block	5,113.0	0.20 MMT of oil, 0.37 MMT of condensate and 0.568 BCM of gas by 2030-31
4.	Development of B-147 field	5,461.5	0.489 MMT of oil and 0.708 BCM of gas by year 2029-30
5.	Development of R-series fields including revival of R-12 (Ratna)	40,068.3	7.03 MMT of oil and 0.881 BCM of gas by the year 2035-36
6.	Redevelopment of Santhal field	11,625.6	3.44 MMT by the year 2029-30
	Total	**76,696.0**	

(c) Implementation of IOR/Redevelopment Schemes

To arrest the decline and improve recovery factor from mature fields, your company has successfully implemented several IOR schemes to sustain/augment oil & gas production from major offshore producing fields - Mumbai High, Heera & Neelam since year 2000-01.

To further improve the recovery from the matured fields, three major IOR Projects were initiated during the FY' 14-15 and 15-16 and are as under:

➢ Two IOR Projects were initiated in FY 15 viz. **"Mumbai High North Redevelopment Phase-III Project** with an investment of

₹58,132.5 Milliion envisaging 6.997 MMT of oil and 5.253 BCM of gas by 2030 and **Mumbai High South Redevelopment Phase-III Project** with an investment of ₹60688 Million envisaging 7.547 MMT oil and 3.864 BCM gas by 2030.

Production has commenced on both the above projects.

- One IOR projects was initiated in FY 15-16 i.e. **"Neelam Redevelopment Plan for Exploitation of Bassein and Mukta pay of Neelam field"** with an investment of ₹28188.8 Million. The project envisages incremental production of 2.76 MMT of oil and 4.786 BCM of gas by year 2034-35.

(d) Fast track monetization of Marginal Fields

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

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

In addition, production has commenced from "Development of C-26 Cluster Fields" and "Daman Development" projects in 2016-17 and would contribute further with drilling of more wells under these projects. Monetization of marginal fields under B-127 cluster is under implementation and would contribute in the coming years.

(e) Development of fields in Eastern Offshore

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

Your Company is vigorously pursuing to develop these fields as early as possible. The production from shallow water field GS-15 and deep water field G-1 has already commenced.

Presently "Integrated Development of Vasistha & S-1 Fields" is under implementation and is aimed to contribute 15.95 BCM of gas by year 2026. The production has commenced from deep water well S2AB under this project from May 2016 utilizing the existing G1 field facilities and remaining wells are under drilling and would contribute in coming years.

Further, to boost up oil and gas production from Eastern Offshore, one mega project for development of cluster 2 fields of NELP Block KG-DWN-98/2 was initiated in March 2016. The project is under implementation and envisages production of 23.526 MMT of oil and 50.7 BCM of gas by 2034-35.

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

In addition to above initiatives, after the decision of Government of India to revert Ratna and R-Series fields in Western Offshore to the Company, Project "Development of R-series fields including revival of R-12 (Ratna)" has recently been initiated, which envisages incremental production of 7.03 MMt of oil and 0.881 BCM of gas by the year 2035-36.

1. Financial Results

The Ministry of Corporate Affairs (MCA), vide its notification in its official gazette dated 16th February 2015, notified Indian Accounting Standards (Ind AS) applicable to certain class of Companies. Ind AS has replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies Accounts Rules, 2014. For ONGC, your company, Ind AS is applicable from April 1, 2016 with a transition date of April 1, 2015

GS-15-1 Top Deck Installation in progress at G-1 & Gs-15 Development Project, KG Basin.

and IGAAP as its previous GAAP.

The following are the areas which had an impact on account of transition to Ind AS:

- Fair valuation of certain financial instruments
- Discounting of certain long term provisions like decommissioning provision
- Valuation of loans by Effective Interest rate method
- Accounting for proposed dividend
- Deferred tax on the above adjustments
- Valuation of equity instruments through other Comprehensive income

The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in notes to account at note 56 in the Standalone Financial Statements.

Despite volatility in the crude oil prices and reduction in natural gas prices during 2016-17, your Company has registered Gross revenue of ₹779,078 million and earned a Profit After Tax (PAT) of ₹179,000 million, up by 10.91% over FY'16 (₹161,399 million).

Highlights:

- **Gross Revenue** : ₹779,078 million
- **Profit After Tax (PAT)** : ₹179,000 million
- **Contribution to Exchequer** : ₹ 387, 341 million
- **Return on Capital Employed** : 32.59%
- **Debt-Equity Ratio** : NA
- **Earnings/ Share (₹)** : 13.95
- **Book Value/ Share (₹)** : 145

(₹ in million)

Particulars	2016-17	2015-16
Revenue from Operations	779,078	777,417
Other Income	75,481	70,094
Total Revenues	**854,559**	**847,511**
Profit Before Interest Depreciation & Tax (PBIDT)	386,266	392,495
Profit Before Tax (PBT)	252,155	235,988
Profit After Tax (PAT)	**179,000**	**161,399**

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the 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, is appended to this report, which shall form part of the Financial Statements.

2. Dividend

Your company paid first interim dividend of ₹4.50 per share of ₹5 each (90%) which was pre-bonus. Second interim dividend of ₹2.25 per share (45%) was post- bonus. The Board of Directors have recommended a final dividend of ₹0.80 per share (16%) post bonus. This makes the aggregate dividend at ₹9.075 per share (181.5%) before considering bonus as compared to 170% paid in 2015-16. The total dividend for 2016-17 will be ₹77,641 million, besides ₹15,789 million as tax on dividend amounting to 52.20% of PAT (inclusive of dividend tax). There was delay in remittance of unpaid dividend aggregating ₹13.79 million to Invest Education and Protection Fund due to technical reasons which was beyond the control of the Company.

3. Management Discussion and Analysis Report

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

4. Financial Accounting

The Financial Statements have been prepared in compliance with Indian Accounting Standards Ind-AS issued by The Institute of Chartered Accountants of India (ICAI) effective from 01.04.2016 and provisions of the Companies Act, 2013. Further, as per Ministry of Corporate Affairs (MCA) notification, the financial statements have been prepared as per the format prescribed under the Schedule III to the Companies Act, 2013.

Loans, Guarantees or Investments

Your Company is engaged in Exploration & Production (E&P) business which is covered under the exemption provided under section 186(11) of the Companies Act, 2013. Accordingly, the details of loans given, investment made or guarantee or security given by the company to subsidiaries and associates are 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, under Form AOC-2, are placed in **Annexure-B.**

5. Subsidiaries

(I) ONGC Videsh Limited

ओएनजीसी विदेश
ONGC VIDESH

ONGC Videsh, the wholly-owned subsidiary of your Company for E&P activities outside India, has participation in 38 projects in 17 countries viz. Vietnam (2 projects), Russia (3 projects), Sudan (2 projects), South Sudan (2 projects), Iran (1 project), Iraq (1 project), Libya (1 project), Myanmar (6 projects), Syria (2 projects), Brazil (2 projects), Colombia (7 projects), Venezuela (2 projects), Kazakhstan (1 project), Azerbaijan (2 projects), Mozambique (1 Project), Bangladesh (2 Projects) and New Zealand (1 Project). Out of 38 projects, 14 are producing, 4 are discovered/under development, 16 are exploratory and 4 are pipeline projects.

ONGC Videsh's share of oil and oil equivalent gas (O+OEG) production, was 12.803 MMtoe during FY'17 as compared to 8.916 MMtoe during FY'16 (43.60% higher). The oil production has increased from 5.510 MMT during FY'16 to 8.434 MMT during FY'17 (53.1% higher) and the gas production increased from 3.406 BCM during FY'16 to 4.369 BCM during FY'17 (28.3% higher).

During FY'17, the Company has earned net profit after tax of ₹6,974 Million as compared to a net loss of ₹36,401 Million during FY'16. The increase in profit is mainly on account of higher production, higher crude oil prices and lower impairment provisions.

(a) Significant Acquisitions, Alliances and Operational highlights of ONGC Videsh during FY'17:

ONGC Videsh successfully completed acquisition of 15% interest in Vankor Field located in East Siberia of the Russian Federation on 31st May, 2016 from Rosneft Oil Company and subsequently acquired additional 11% interest on 28th October, 2016. Vankor is Russia's second largest field by production and accounts for about 4% of Russian crude oil production. The daily oil production from the field is around 400,000 bopd on an average and ONGC Videsh's share considering both the acquisitions is about 104,000 bopd.

Financing arrangements for above Acquisition:

- ONGC Videsh Vankorneft Pte. Ltd., a step down wholly owned subsidiary of ONGC Videsh raised USD 1 billion comprising of USD 400 million Senior Unsecured Notes due 2022 and USD 600 million Senior Unsecured Notes due 2026 in the international capital markets in July 2016. The bond issuance was made at competitive rates and was well received by the investors. The deal was awarded the "Best Corporate Bond" deal from India at The Asset Triple A Country Awards 2016.

- ONGC Videsh Vankorneft Pte. Ltd also raised finances by way of bridge loan to acquire 11% interest in JSC Vankorneft in October 2016. The bridge loans were replaced in April 2017 for which the company tied up facilities of USD 500 million and JPY 38 billion syndicated for longer tenor at competitive prices from International commercial banks.

(b) During FY'17, ONGC Videsh signed the following Memorandum of Understanding (MoUs):

i. **MoU with SOCAR Trading SA:** ONGC Videsh and SOCAR Trading SA signed an MoU on 27th May, 2016 for co-operation in identified areas such as co-operation in joint marketing of Azeri crude, other mutually agreed crude oil/gas etc.

ii. **MoU with Dana Energy:** ONGC Videsh and Dana Energy have entered into an MoU on 18th August 2016 for development of possible projects in Iran.

iii. **MoU with Roseneft:** ONGC Videsh and Rosneft, Russia signed an Agreement on 15th October 2016 for mutual cooperation in the area of education and training.

iv. **MoU with Ecopetrol:** ONGC Videsh and Ecopetrol entered into an MoU on 8th March 2017 as a way-forward for realizing the common intention of relinquishing Block RC-10 and transfer of pending Minimum financial commitments of Block RC-10 to new block(s).

v. **MoU with Mubadala:** ONGC Videsh and Mubadala Petroleum signed an MoU on 6th February, 2017 for future collaboration in

ONGC Videsh completed acquisition of 26% interest in Vankor field and its total acquisition in Russia is about 104,000 BOPD. Seen in the picture, OVL's operation in Russia.

upstream oil and gas exploration, development and production projects in third countries.

vi. **MoU with Gazprom Neft PJSC:** ONGC Videsh and Gazprom Neft signed an MoU on 29th March, 2017 for cooperation for geological survey, exploration, appraisal, development and production of hydrocarbons on the continental shelf of the Russian Federation and third countries.

(c) Operations

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

ii. **South Sudan:** The operations in South Sudan projects are temporarily under shutdown due to internal conflicts and adverse security situation in the country since December, 2013.

iii. **Venezuela:** As a part of remediation plan in **San Cristobal** project, water injection (45 KBPD) facilities for phase-I are near finalization which will arrest decline in production.

iv. **PetroCarabobo:** The crude sale and purchase agreement (SPA) was signed between President PCB & PPSA in Nov 2016. After construction of pipelines, the changeover of diluent from Naptha to Mesa-30 has been affected since 11th March 2017 and the JV is producing Merey-16 to result in better value realization of extra heavy crude (XHO) being produced.

v. **Sakhalin-I, Russia:** A new onland rig "Krechet" for Odoptu field has been commissioned in early 2017 for stage 2 development of the Odoptu field with a drilling plan of 32 wells.

Drilling of world's longest ERD well (O5-RD) in Chayvo field with measured length of 15000m is in progress. The well was spudded on 6th March 2017. Earlier world record of longest well of 13,500m is also held by Sakhalin-I project.

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/Jvs in Sudan, South Sudan, Syria, Venezuela, Brazil and Myanmar. ONGBV holds 25% Participating Interest (PI) in Greater Nile Oil Project (GNOP), Sudan with its share of oil production of about 0.481 MMT during FY'17. ONGBV also holds 25% PI in Greater Pioneer Operating Company (GPOC), South Sudan. Due to adverse geo-political conditions, ONGC Videsh could not produce in GPOC, South Sudan during FY'17.

   ONGBV holds 16.66% to 18.75% PI in four Production Sharing Contracts in Al Furat Project (AFPC), Syria. Due to force majeure conditions in Syria, there was no production in AFPC project during FY'17. ONGBV holds 40% PI in San Cristobal Project in Venezuela through its wholly owned subsidiary ONGC Nile Ganga (San Cristobal) BV with its share of oil & oil equivalent gas production of about 0.475 MMTOE during FY'17. ONGBV holds 27% PI in BC-10 Project in Brazil through its wholly owned subsidiary ONGC Campos Ltd. with its share of oil and oil equivalent gas production of about 0.643 MMTOE during FY'17. It also holds 25% PI in Block BM-SEAL-4 located in deep-water offshore, Brazil through its wholly owned subsidiary ONGC Campos Ltd. ONGBV also holds 8.347% PI in South East Asia Gas Pipeline Co. Ltd., (SEAGP) for onshore Pipeline project, Myanmar through its wholly owned subsidiary ONGC Caspian E&P B.V.

   San Cristobal Project: Consequent to the signing of agreements on Pending Payments and Financing of San Cristobal project for remediation plan between PdVSA and ONGC Nile Ganga (San Cristobal) BV on 4th November 2016, PdVSA has paid USD 19.75 million till March 2017 to liquidate partly the outstanding dividend due from the JV Petrolera IndoVenezolana S.A.(PIVSA)

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

3. **ONGC Amazon Alaknanda Limited (OAAL):** OAAL, a wholly-owned subsidiary of 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'17, ONGC Videsh's share of oil and oil equivalent gas production in MECL was about 0.555 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'17, Imperial Energy's oil and oil equivalent gas production was about 0.298 MMTOE.

5. **Carabobo One AB:** Carabobo One AB, a subsidiary of ONGC Videsh incorporated in Sweden, indirectly holds 11% PI in Carabobo-1 Project, Venezuela. During FY'17, ONGC Videsh's share of oil and oil equivalent gas production was about 0.151 MMTOE.

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

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

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

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

10. **ONGC Videsh Singapore Pte. Ltd.:** The Company was incorporated on 18th April, 2016 in Singapore for acquisition of shares in Vankorneft, Russia, through its subsidiary ONGC Videsh Vankorneft Pte Limited. OVVL holds 26% shares in Vankorneft, Russia and its share of production during FY'17 was 4.545 MMTOE.

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% equity shares of OMEL in the ratio of 49.98 : 48.02 remaining 2% shares are held by SBI Capital Markets Ltd. OMEL also holds 1.20% of the issued share capital of ONGBV by way of Class-C shares issued by ONGBV exclusively for Syrian Assets and is being financed by Class-C Preference Shares issued by ONGBV.

(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 and listed entity, which is a single location 15 MMTPA Refinery on the West coast.

Performance Highlights FY'17

MRPL achieved the highest-ever throughput of 16.27 MMT in FY 2016-17 against 15.69 MMT in FY 2015-16.

Marketing & Retail Operations

MRPL continues to expand its market spread in the direct sales segment of petroleum products in Karnataka and its adjoining states. MRPL has significant market share and direct customer relations for products such as

MRPL achieved highest ever throughput in FY'17, seen in picture enthusiastic workforce at MRPL complex.

Bitumen, Fuel Oil, Sulphur, Diesel, Naphtha, Petcoke and Mixed Xylene in its refinery zone. The total sales volume of direct marketing products including polypropylene during FY 2016-17 was **1858 TMT**. MRPL has penetrated the polypropylene market with additional grades and has achieved sales volume of 264 TMT during FY 2016-17. The Company has in a remarkably short term achieved a leadership position in south India for few large volume polymer grades.

Future projects of MRPL

The Company has taken up the enhancement of the Refinery capacity to 18/25 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 BS- 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.

ONGC Mangalore Petrochemicals Limited (OMPL)

OMPL has been promoted by your Company, 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 (MSEZ) as value chain integration project of your Company. After the successful commissioning of OMPL, MRPL has increased its equity from 3% to 51.002% in Feb, 2015 with balance 48.998% held by your Company and thus OMPL has became a subsidiary of MRPL.

The total project cost is about ₹69,110 million. OMPL commenced commercial operation from 1st October, 2014. OMPL is presently operating at 95% capacity utilization. During FY'17 OMPL achieved highest revenue of ₹52,565 Million with highest exports of ₹37,412 million, establishing a niche presence in the international market.

6. Annual Report of Subsidiaries and Consolidated Financial Statement

The Consolidated Financial Statement for the year ended 31st March, 2017 of your Company have been prepared in accordance with section 134 of the Companies Act, 2013, Ind AS 110 "Consolidated Financial Statements" and Ind AS 28 "Investments in Associates and Joint Ventures". The audited Consolidated Financial Statements for the year ended 31st March, 2017 form part of the Annual Report.

Full Annual Report of subsidiaries of the Company will be made available to any shareholder upon request, 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

(a) ONGC Petro additions Limited

ONGC Petro-additions Limited (OPaL) is promoted by your Company as a Joint Venture (JV) Company, with envisaged equity stake of 26% along with GAIL (8.85%). GSPC also has a token presence in OPaL. The balance equity would be tied up with Strategic Partners/FIs or through Public offer. OPaL is a mega petrochemical project at Dahej SEZ for utilizing in-house production of C2-C3 and Naphtha from various units of ONGC. Hon'able Prime Minister of India dedicated OPaL to the nation on 7th March, 2017. Total project cost of OPaL is ₹270,110 million. OPaL successfully raised ₹72,860 million through Compulsorily Convertible Debenture at competitive interest rates. With this the entire equity of ₹112,300 million has been tied up. All units of OPaL were commissioned during Dec'16 to Feb'17. The products of OPaL - Polypropylene, HDPE and LLDPE are well accepted by the market.

(b) ONGC Tripura Power Company Limited (OTPC)

OTPC is promoted by your Company 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 your Company in land-locked Tripura state and to boost exploratory efforts in the region.

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

OTPC's both power units of 363.3 MW each are fully operational since 4th Jan, 2014 and 24th March, 2015 respectively.

Plant achieved highest generation of 747 MW (103%) on 15th February 2017. It generated record 4170 million units of power during FY'17. The plant meets 35% power requirement of North Eastern states. It became the first Dividend paying standalone gas based power generation company in India. It also obtained CERC certification.

(c) Dahej SEZ Limited (DSL)

Your Company, as a Lead Promoter has developed a multi-product SEZ at Dahej in coastal Gujarat to set up C2-C3 Extraction Plant as a value-chain integration project – OPaL through JV route in this SEZ Area. Your Company has 50% equity in the project with GIDC having the rest 50%.

Present Status:

SEZ is already operational with total 43 units are in production and units in SEZ have clocked export of ₹6,750 million in FY'17 against ₹27,480 million in FY'16. Total investment is to the tune of ₹390,000 million with employment of around 12000 people.

(d) Mangalore SEZ Limited (MSEZL)

Your Company has set up MSEZ to serve as site for development of necessary infrastructure to facilitate and locate ONGC/MRPL's Aromatic complex. Your Company has an equity stake of 26% in MSEZ and other equity shareholders are

KIADB (23%), IL&FS (50%), OMPL (0.96%) and KCCI (0.04%). SEZ is operational since 1st April, 2015.

(e) Petronet MHB Limited

PMHBL is a JV company where in your Company has an equity stake of 32.72%, HPCL (32.72%) and balance 34.56 % 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'17 PMHBL pipeline has achieved a throughput of 3.429 MMT against total throughput of 3.318 MMT last year.

As per audited result for FY'17, the turnover & PAT of PMHBL are ₹1,283 million and ₹810 million, respectively.

(f) ONGC TERI Biotech Limited

ONGC TERI Biotech Limited (OTBL) which was incorporated on 26th March, 2007 is a Joint-venture Company of your Company in association with The Energy Research Institute (TERI), with shareholding of 49.98% and 48.02%, respectively. Remaining 2% shareholding is held by individuals. Through the efforts of joint research of your Company along with TERI over the years, OTBL is offering technologies and providing various Biotechnical Solutions to Oil and Gas Industry, both in India and abroad. These technologies include:

Oil zapper Technology (Bioremediation) Used to eliminate & tackle oil spills, oily sludge, and hazardous hydrocarbon waste; Paraffin Degrading Bacteria (PDB) - used to prevent Paraffin Deposition in Oilwell Tubing

Wax Deposition Prevention (WDP) – Used to prevent Paraffin Deposition in surface and subsurface flow lines

Microbial Enhanced Oil Recovery (MeOR) – Used for Enhanced Oil Recovery by mobilizing crude oil trapped in pores of Oil Reservoirs

(g) Petronet LNG Limited (PLL)

Your Company has 12.5 per cent equity stake in PLL, with the same proportion of stakes (12.5% each) held by other Oil PSU co-promoters viz., IOCL, GAIL and BPCL. Dahej LNG Terminal was further expanded from 10 MMTPA to 15 MMTPA in October 2016 and the same is further being expanded to 17.50 MMTPA.

A new LNG terminal of capacity 5 MMTPA has been set up at Kochi.

PLL is also planning to set up an LNG terminal of capacity 5 MMTPA at Gangavaram, Andhra Pradesh. The turnover of PLL during FY'17 is ₹2,46,160 million and PAT was ₹17,231 million

(h) Pawan Hans Limited (PHL)

Your Company 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.

The GoI acting through the Department of Investment & Public Asset Management ("DIPAM") proposes to disinvest its entire equity shareholding in PHL by way of strategic sale to prospective investor(s) along with transfer of management control. GoI has appointed SBICAP as its advisor to advise and manage the Strategic Sale of PHL ("Transaction"). Meanwhile, the GoI proposed to convert its loan into equity capital by way of right issue. PHL has offered proportionate number of shares at face value to the Company. Accordingly, your Company has decided to invest a sum of ₹1528.16 million to maintain the present equity shareholding level at 49%.

8. Other Business Initiatives, Important MoUs/Agreement

(a) Re-assessment of Hydrocarbon Resources, KDMIPE, Dehradun

Your Company is carrying out the project on Re-assessment of hydrocarbon resources of sedimentary basins and deep water areas of India, in association with Oil India Ltd. (OIL) and DGH. For this purpose 2 methodologies are being adopted, namely, Petroleum System Modelling- for basins with adequate geological information and data availability (11 basins) and Areal Yield- for basins with relatively poor data availability (15 basins). The project is to be completed by November, 2017. The project is being periodically reviewed by National and International Experts to ensure that the workflow for the project and quality of the deliverables are conforming the best industry practices and international standards.

Presently the project is being carried out by identified teams at designated workcentres of the Company. As on 31.03.2017, the geological model for Satpura-South Rewa-Damodar, Bastar, Chattishgarh, Karewa, Vindhyan, Mahanadi, Rajasthan, Spiti-Zanskar, Mumbai Offshore and Pranhita-Godavari basins have been prepared and resource assessment and estimation of YTF will be carried out in association with international experts. The studies for twelve sedimentary basins (Cambay, KG, Cauvery, Bengal-Purnea, Andaman-Nicobar, Kutch-Saurashtra, Assam Shelf, Assam-Arakan fold Belt, Kerala-Konkan, Himalayan Fold Belt, Bhima-Kalagdi and Ganga–Punjab Plains) is in progress at designated work centres of the Company.

(b) National Seismic Programme: Acquisition, Processing & Interpretation of Un-appraised Areas

MoPNG has assigned your Company the responsibility of Acquisition, Processing & Interpretation (API) of 40835 LKM of 2D seismic data in Unappraised areas of Indian sedimentary basins falling in 24 onland areas (grouped in 11 sectors) except North east, situated in 18 States/Union Territory under "National Seismic Project (NSP)". The basic objective of the seismic survey is to map and study Tertiary/ Mesozoic/Proterozoic sediments for hydrocarbon prospectivity and assessment of their potential. This would enable Government to assess hydrocarbon prospectivity of the areas for carving out and offering exploration blocks in future bidding rounds as per the GoI policies. Under this project, 2D seismic data acquisition work has started in Saurashtra area on 12.09.2016 and in Rajasthan, Mahanadi, Deccan Synclise, Bhima, Kaladgi, Vindhyana and Himalayan Foreland areas in October, 2016. As on 31.03.2017, 5033 LKM of 2D data has been acquired and further acquisition is in progress.

(c) Agreement between ONGC and OPaL

Your Company and OPaL (ONGC Petro Additions Ltd) signed an agreement on 22.04.2016 for supply of Naphtha through Marine Route.

(d) Crude Oil Sale Agreement (COSA)

i. Nominated Fields: Negotiations are in progress for the new COSA with the PSU Refiners. The existing COSA was valid till 31.03.2015 and has been extended till 31.03.2018.

ii. NELP Fields: Regarding crude supply from NELP fields in Gujarat to IOCL, the JV COSA for NELP fields (Karannagar, Vadatal, Nadiad & W Patan) under the Company's operatorship is under negotiation with IOC.

   Similarly for NELP fields in Karaikal Asset (Madanam & Nagayalanka), the process has been initiated to put COSA in place with CPCL and MRPL.

(e) Regasification Agreement between ONGC and SLPL for LNG:

A definitive regasification agreement was executed on 23.06.2016 for booking of 1.0 MMTPA regasification capacity for a period of 20 years in 5.0 MMTPA Floating Storage and Regasification Unit (FSRU) Terminal at Jafrabad Port, Gujarat, being set up by Swan Energy Ltd. (SEL) through a Special Purpose Vehicle (SPV), Swan LNG Pvt. Ltd. (SLPL).

(f) Agreement of Collaboration (AOC) with National Mining Research Center-Skochinsky Institute of Mining (NMRC-SIM):

Your Company signed an Agreement of Collaboration (AOC) with National Mining Research Center-Skochinsky Institute of Mining (NMRC-SIM), Russia on 25th November 2004 for Underground Coal Gasification (UCG). Under this AOC, NMRC-SIM provided consultancy to your Company for carrying out suitability studies for some coal / lignite blocks in India. Award of mining lease for the said Vastan lignite block by

MoC, GoI is still awaited. The AOC with SIM expired on 24th November, 2014 and has been extended for another five years upto March 4, 2020.

(g) **Industry Affiliates programme (IAP) Agreement** on Chemical EOR was signed on 10.03.2015 between IRS and University of Texas, Austin, Texas, USA and it is valid for five years.

(h) **MoC between ONGC PAN IIT:**

Your Company has entered into a Memorandum of Collaboration (MoC) with PanIIT in 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. Pan IIT is a consortium of seven premier Indian Institutes of Technology namely, IIT-Kharagpur, IIT-Kanpur, IIT-Madras, IIT-Mumbai, IIT-Delhi, IIT-Guwahati and IIT-Roorkee. This is long-term initiative for sustained research, development and capacity building. Under this program a total of 15 projects have been taken up in Phase-I and for Phase-II, 12 projects approved by the Program Advisory Committee. Further, for Phase-III, a total of 55 project proposals have been received from various IITs and the same have been under review by ONGC Institutes.

(i) **MoU with Geological Survey of India:**

Your Company and GSI Training Institute (GSITI), Hyderabad entered into a Memorandum of Understanding which aimed at providing exposure and advanced field geological training to young ONGC geoscientists at GSI Field Training Centers (FTCs) at Kuju (Jharkhand) and Aizawl (Mizoram). As per the MoU, the first batch of 15 young geoscientists from all the Company underwent training in Field Geology at the GSI Training Institute's Field Training Centers (FTCs) in Kuzu (Jharkhand) and Aizawl (Mizoram) from 8th to 31st March, 2017.

(j) **Farm-in/Farm-out Agreement with Gujarat State Petroleum Corporation Limited (GSPC) in respect of NELP Block KG-OSN-2001/3:**

Your Company has acquired 80% stake in the block KG-OSN-2001/3 falling in KG Offshore along with Participating Interest (PI) and Operatorship at a purchase consideration of US$ 995.26 million for DDW Field in the Block. The Farm-in/Farm-out Agreement was executed between your Company and GSPC on 10.03.2017. The Farm-in/Farm-out Agreement envisages: the said acquisition is subject to satisfaction of a set of conditions precedent, including mandatory Government approval.

9. Information Technology

- Your Company has taken up the ambitious challenge of going Paperless. The Project has been awarded on 29th Dec 2016 and is aimed at making more than 3000 paper-based processes paperless. This initiative will be one of the Company's contribution towards our Prime Minister's initiative of Digital India. The Project is scheduled to be rolled-out in Mumbai by May 2017 and organisation-wide by June 2018.

> New version of Sametime Video Conferencing has been deployed which has built-in Multiparty Video conferencing facility.

- Microwave Offshore-Onshore Project was been completed successfully. Under this project, terrestrial links were established which connect the Company's Bandra and Uran Offices with Neelam – B-193 – BPB – BPA and Heera platforms in Mumbai Offshore situated more than 100 kms away into the sea. This high-capacity backbone Microwave link is capable of carrying multi-service traffic with high spectral efficiency and providing carrier grade service. This technology driven project has gone through many challenges while constructing a 125 m Tower on Dronagiri hills off Mumbai with effective height of 205 m above MSL. This is the longest over the sea microwave link, longest offshore hop of the length of 65 kms in the region having total offshore path length of 138 kms. Link uses Radios supporting higher-order modulation of 1024 QAM with XPIC technology for higher throughput of upto 450 Mbps and reduced latency. This project will meet full gamut of IT and telecommunication needs (including Video Conferencing, RTOC, Rotary equipment monitoring and CCTV) of Neelam and Heera Asset and Bassein and Satellite Assets of Offshore and will be a stepping stone for further extension to MH Asset.

Initiatives and Development in the field of Information Technology

Information Security services

a) CISO office is taking due initiative in ensuring information security measures across your Company. In this direction, additionally 11 Infocom Data Centres (Karaikal, Rajahmundry, Kolkata, Dehradun, Vadodara, Hazira, Jorhat, Nazira, Agartala, Mehsana and Ankleshwar) and 4 G&G Data Centres (Panvel-SPIC, VRC, EPINET and GEODEC) were taken up for ISMS implementation through in-house resources. ISMS documentation of 11 Infocom Data centres have been completed and documentations of 4 Geological and Geo-physics (G&G) Data Centres are in progress.

b) For the first time, IS awareness session was conducted for GTs during their Multi-Disciplinary Training (MDT) at Dehradun.

EACS Project:

A state-of-the-art Enterprise wide Access Control and Surveillance (EACS) system project has been conceptualized to mitigate any threat perception to the security of the oil installations as well as offices of your Company. For the implementation of the state-of-the-art EACS system, contracts have been awarded to-

- M/s BEL (LSTK contractor) for EACS project implementation.
- M/s RITES (PMC contractor) for EACS project management.
- M/s PDIL (TPI agency) for Third Party Inspection services for EACS project.

Online Project Monitoring and Control (OPMAC) tool of SAP system is used for uploading all the project related documents and their versions. Suitable trainings have been provided to the concerned executives from the various work centres and also to the contractor's personnel for its use.

ONGC carries its legacy of being the pioneer corporate in initiating import substitution and indigenisation.

10. INDEG-Make in India Campaign in ONGC

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

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

Indigenization of Capital, Stores and Spares items

A. UPET Rig Spares

i. Your Company has done indigenized revamping of Wireless Remote Control System for Romanian 50-IV- Workover Rig, at a cost of ₹46.8 million.

ii. Central Workshop Vadodara of your Company successfully completed capital refurbishment of imported ROM-100-I rig (Romanian) and Rom-50-IX Rig, adding a fresh lease of life to the work-over Rigs. All capital repairs and maintenance of imported equipment of the rig are carried out indigenously.

iii. Your Company during the refurbishment has developed various spares locally for UPET-ROM make (Romanian) Work over rigs.

B. Drilling Services

i. Your Company has developed an in-house innovative PLC controlled Safety System for Travelling block movement. This system has been successfully installed on an on-shore drilling rig.

ii. Radial drilling, a productivity improving drilling technology, was carried out in four wells for the first time to enhance reach in the reservoir and increasing flow path.

C. Production Process Equipment

i. Your Company has recently developed SRP monitoring system in-house and introduced it successfully in 57 SRP wells in Limbodra GGS II, Ahmedabad. This system will help to attend the fault and revive instantaneously thus reducing the downtime particularly for remote locations. The cost of such system is very low compared to procurement from an international source.

ii. Your Company has domestically carried out indigenous repairs on 2 Cryogenic pumps used in LNG facility at Dahej, manufactured by Ebara International Corporation, USA (EIC). The failure of two of these three pumps had forced the plant capacity to 50%. Your Company successfully undertook indigenous repairs of these pumps, thus saving 83% of cost at ₹3.15 million against ₹17.6 million.

iii. A chemical formulation of polymeric surfactant was developed and prepared by RGL, Vadodara for treatment of asphaltic or waxy crude for flow improvement. The solution was successfully tested and used for crude oil in Cambay Basin.

D. Well Services

i. Well Stimulation Services of your Company has indigenized products worth nearly ₹9.8 million and developed 10 vendors in the process. It has also saved ₹364.4 million through use of indigenous equipment and services in its Make in India efforts.

ii. Rig BHEL 120 VI of Well Services was successfully refurbished thereby adding a fresh lease of life to the Workover Rig.

iii. Successful fracturing of deepest and highest temperature well at Rajahmundry was carried out by in-house team (depth of 4069.5 Mts and BHT – 165.5°C) using in-house developed fracture fluid for this high temperature.

E. Other Equipment Indigenization

Your Company carried out successful replacement of display monitors in logging unit with indigenously manufactured advanced feature monitors thereby saving ₹0.45 million per unit of such replacements.

Tie ups with Global Players

a) Global Industry Players – Tie ups in India

i) Riser Maintenance yard in Kakinada in Andhra Pradesh has been developed by Transocean, to avoid the need to periodically export & re-import the "Risers" for inspection and reconditioning. This facility includes Riser certification, Floatation repairs, Preservation – enhancing the life of costly asset and adequate storage area. The facility is operated through JVs with international companies Vetco/NOV for riser joints and Dynaglass for floatation modules.

ii) Equipment and Services Centre set up by NOV India Pvt. Ltd. (NOVIPL) extends aftermarket support services to all Oil/Gas producing companies for Service, Repair, Parts Supply and extending Technical Training. NOVIPL has acquired 4 workshops in India, Mumbai (2), Chennai and Pune one each for repair, recertify, all NOV supplied equipment. Previously all these jobs were done in Singapore and UAE. These workshops are supported by many small Vendors, fabricators, and suppliers within India. NOV is also sourcing parts manufactured in India through strategic partnership with local manufacturers.

iii) Offshore Vessels and Rig Repair set up by Sembmarine Kakinada Limited (SKL) is a JV between Sembwang Shipyard Pte. and Kakinada Seaports Limited. SKL is operating within the vicinity of Kakinada Seaports and will be developed in 3 phases to offer shipowners and offshore operators a one-stop integrated offshore service facility for the repairs and servicing of offshore vessels and ships, oil and gas riser/equipment repairs as well as platforms and modules fabrication. Your Company has awarded repair job of its floater rig Sagar Vijay. SKL is also engaged in repair of various other Indian flag vessels.

iv) Land Rig Manufacturing unit set up by Drillmec India Pvt Ltd. Drillmec India has manufactured the First Mobile Rig Workover & Drilling Mod. MR 8000. It is a joint venture company between Drillmec S.p.A Italy and KMOC Kakinada Marine and Offshore Complex Ltd. India.

b) Domestic Ancillary Companies in India by Global Players

i) **NOV Rig system:** Repair and servicing of major drilling equipment like BOPs, Risers, Pressure control equipment, etc.

ii) **Hydril Pressure Control Pvt. Ltd. :** Hydril BOPs are being inspected and repaired at Hydril facility in Chennai.

11. 'ONGC Start-up' Initiative

"Start-up India" initiative was launched by the Hon'ble Prime Minister of India on January 16, 2016, which aims at fostering entrepreneurship and promoting innovation by creating an ecosystem that is conducive for growth of "Start-ups".

Your Company has launched ₹1000 million Start-up fund on its 60th Foundation Day, i.e. on 14th August 2016 to foster, nurture and incubate new ideas related to energy sector. 'ONGC Start-up' Fund shall cater to the "Energy Sector". Your Company intends to provide the entire support chain for start-ups including seed capital, hand-holding, mentoring, market linkage and follow-ups. The aim of 'ONGC Start-up' is to increase the contribution of fresh implementable ideas in the oil and gas sector.

The following road-map has been considered for implementation of the Start-up Initiative.

a) Creating a Start Up Fund:

- Your Company has already announced launch of ₹1000 million Start-up fund on 14th August 2016

b) Creating Awareness & Invitation of Proposals

- Your Company created a webpage on its corporate website for creating awareness about the initiative on 14th August 2016
- **Dedicated Website: A dedicated website startup.ongc.co.in** for 'ONGC Start-up' initiative has been created, which was launched by Honorable, Union Minister of State (I/C) Petroleum and Natural Gas on 7th December 2016. Start-ups are registering their interest through this website for sharing their ideas and seeking support from ONGC.

c) Collaboration for Technology Business Incubation

- Your Company entered into a MoU with IIT Bombay (IITB) and Society of Innovation and Entrepreneurship (SINE), on 7th December, 2016. In collaboration with IITB and SINE, your Company intends to nurture and incubate new ideas related to energy sector. The first batch of incubation of Start-Ups is likely to happen in early 2017-18.

12. Health, Safety and Environment (HSE) Accreditations and Other Achievements

Being a high risk industry, safety of its employees is topmost priority for your Company. Achieving the annual targets with "Mission-Zero Fatality" is the theme adopted for the year 2016-17 with each employee of the organization as safety officer. Globally recognized QHSE Management System is implemented conforming to requirements of QHSE Certifications ISO 9001 ISO 14001 and ISO 18001(OHSAS) at the Company's facilities and certified by reputed certification agencies at all its operational units. 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 practices.

Accreditations:

a. Your Company is 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 2016-17:

a) Performance of Memorandum of Understanding (MoU) with MoPNG on HSE parameters:

Your Company gives highest priority to the implementation of the observations

raised during External Safety Audits (ESA) and Internal Safety Audits (ISA). Highest compliance to the observations has been achieved, as under:

External Safety Audits		Internal Safety Audits
OISD	DGMS	
97.54%	94.09%	88.5%

b) **The Mines Vocational Training:** 2546 (1329 ONGC+ 1217 Contractual employees) have been provided to the field going personnel.

c) Various safety awareness programs were conducted at all work centres with the theme **"Safety Rules Saves Lives"** for the year 2017.

d) Review of HSE policies including Improvement in policies on training of Contractual Employees, HSE Manpower Reporting, Safety briefing guidelines, Behavioural Based Safety, Compliance pending M B Lal recommendations, Safety critical equipment, Issuing of SOPs, Accident/ incident analysis by Third party and Setting of ERC at Corporate Office.

e) Online incident reporting started as per the requirement of PNGRB regulation.

f) A detailed HSE dossier for each work centre was provided to all Asset/Basin Managers and Services Chiefs for monthly monitoring. Dossier includes ISA compliance status, OISD audit observations, DGMS observations, EC decision compliance, SOPs, Safety Champion, issues related to Environment, Mock Drills, ERP upgradation, Hazard Alert Card, Accident/Incidence reporting in SAP, compliance to recommendations of inquiry committees in fatal & major accidents in last three years, PME and Safety Critical Equipment. The VCC at each work centre will discuss all the HSE pending issues as per EC decision and status/ ATR will be submitted to Chief HSE on monthly basis.

g) DGMS in association with the Company and other upstream oil companies reviewed and prepared the Draft OMR 2014 based on OISD standards & submitted to the Ministry of Labour and Employment. The draft OMR Regulation 2016 has been finalised and is expected to be published shortly.

h) In order to improve monitoring of DGMS observations, first time an initiative was taken to upload DGMS observations in ICE system, in pursuance of which all planned 6794 observations have been uploaded in ICE system for online monitoring.

i) For onshore locations, roll out of e-PTW started with go live at GGS7-Kalol, Ahmedabad Asset on 6th March 2017. The process of training and roll out at Onshore shall be completed by September 2017. e-PTW is already running at Uran, Hazira, all offshore process complexes and ONGC owned Rigs.

j) The first Asian Ministerial Conference on Disaster Risk Reduction was hosted by Government of India in collaboration with the United Nations International Strategy for Disaster Reduction (UNISDR) from 3rd to 5th November, 2016 at Vigyan Bhavan which was inaugurated by Hon'ble Prime Minister of India. Your Company showcased its capabilities contributing towards effective disaster risk reduction, mitigation and preparedness with the help of two working models of fire-fighting systems of fixed oil and gas production installation and drilling / work-over rig. A brochure on crisis management team activities was also released.

k) Third Party Audit of 14" & 16" Hazira-KRIBHCO pipelines, 10" Sonamura – Monarchak pipeline and 20" Uran Trombay Pipeline has been conducted as per PNGRB regulations.

l) Safety Audit generic observations compendium has been prepared by scanning through all observations raised during external and internal audits for last four years. A mechanism has been designed in SAP system (ICE) for monitoring regular compliances of these observations every six months installation and rig wise.

m) In view of notification issued for drill cutting (from water base mud) waste under non-hazardous category issued in Schedule –1 of Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016, the disposal of drill cuttings from water based mud does not attract the provisions of Hazardous and Other Wastes (Management & Trans boundary Movement) Rules, 2016 and this will save a lot of time as authorization under Hazardous Waste Rules will not be required.

n) Dispensation has been obtained from the Ministry of Environment, Forest and Climate Change regarding requirement of Forest Clearance for Shot Hole drilling during seismic survey.

o) The Environment ministry permitted ground flaring without the provision of 100 meters green belt. In view of scarcity of land, the provision of ground flaring without 100 m green belt will be helpful for your Company.

p) Preparation of 5 Nos. of in-house EIA reports resulting in notional savings of approximately ₹22 million and saving of valuable time.

13. Carbon Management & Sustainable Development

Your Company's hydrocarbon exploration & production (E&P) operations are being carried out in varied climate and environment areas ranging from deserts to coastal areas, hilly terrains to forest areas, shallow water to deep waters and also in ultra-deep water areas.

These E&P activities often interact with the ecosystems and may have physico-chemical & bio-geochemical impact on the surrounding environment. Your Company, being responsible Corporate not only cares and preserves the environment but also makes efforts for its protection. It is fully conscious to see that ecology & environment are preserved and even improved by taking consistent steps and also through technological upgradation. Your Company has put in place an effective Environment Management Plan and is also taking advance preventive actions so that environment is protected and its activities can remain in harmony with nature.

> The Company adopted Environmental Policy in Commissions meeting no 2(1)/9 dated 16th May, 1983 and declared Environment Protection as one of the prime objectives in July, 1988. A policy was framed to conduct Environment Audits.

Your Company has also set up a dedicated Institute viz. Institute of Petroleum Safety and Health Management (IPSHEM) at Goa for conducting trainings for industrial health, safety and environment management and also to promote practices in the organization about the safety, health and environment aspects in every phase of operations by evolving best practices and providing trainings in virtual environments.

Your Company has taken requisite measures to minimize the impact of E&P activities and taken various measures to mitigate the pollution. It has introduced clean technologies for emission control including design and construction facilities for different, gaseous, liquid and solid effluent generated due to drilling, production and processing facilities from onshore and offshore operations.

Measures taken for Mitigating Air Pollution

There are no major risk for air pollution like process industry. The source of air emissions are flaring of natural gas, exhaust from running of DG sets, use of heavy equipments, construction activities, movement of vehicles etc. In order to reduce the gas flaring, generators have been installed in the field to utilize low pressure gas for generation of electricity for internal consumption. Regular ambient air quality monitoring studies are carried out around drill sites and production installations as per statutory requirement to measure and monitor concentration of air pollutants in ambient air. The concentration of air pollutants have been found to be within the permissible limits.

Gaseous Emissions Control through Box Flare: Box flare facilities have been installed at Uran Terminal, Hazira Gas Processing Complex and Assam Group Gathering Stations to achieve following

- Complete combustion of the flared gases using several stage multiple burners.
- Use of low NOx burners.
- Cladded in refractory shells with steel enclosures to control the effect of heat and light radiations.
- Acoustical insulation for noise control.

Smokeless Flaring: The smokeless flare is achieved by properly designed tall stacks with following facilities.

- Use of steam injections
- Providing additional Oxygen
- Height of the stack is maintained in such a way that when emissions strike the ground, they should have ground level concentration within permissible limits.

Real Time Monitoring Stations (RTMS): 5 no's of RTMS are installed each at Uran Terminal and Hazira Gas Processing complex to monitor the ambient air quality in and around plants round the clock.

Reduction in Gas Flaring/Low Carbon Fuel: In order to reduce GHG emissions, the low pressure gases and other natural gas is being utilised to operate Compressors, Turbines and DG Sets.

Vapour Recovery System: Vapour Recovery system has been installed at the crude oil storage tanks to prevent release of fugitive emissions, VOCs etc. besides to check the loss of HC.

De-sulphurization of Sour Gas: The sour gas produced from South Bassein Field of West Coast is sweetened at processing plant through Sulphur Recovery Units (SRUs) to avoid the release of acidic gas to the atmosphere.

Measures taken for Mitigating Water Pollution and its Management

Conservation of fresh water: Towards conservation of an important natural resource 'fresh water' through its replenishment in the aquifer to prevent its further depletion and to sustain ground water table. Six wells to collect the discharge water at different locations of the KDMIPE campus are active.

Waste Water Management:

Your Company monitors the use of water resources and quality of effluent discharge. Effluent Treatment Plants have been installed in work centres to treat effluent generated during processing of oil and gas to meet statutory requirements for discharge of treated effluent at surface/subsurface.

Water Conservation through Rain Water-Harvesting:

For conservation of fresh water, your Company has a policy on Rain Water Harvesting which is mandatory for all future projects. Details of existing Rain Water Harvesting projects are given in the section 'Sustainable Development'.

Treated water is used for various purposes during drilling at drill site and injecting into the formation for the purpose of maintaining formation pressure. Treated effluent is also used for gardening purpose, floor cleaning and other utilities. Your Company follows the policy of Recycle, Reuse and Recovery for water conservation.

Effluent Treatment Plants: In view of environmental friendly disposal of produced effluent, ONGC has set up 26 Nos. of ETPs at different work centres of your Company to treat about 78110 m^3/d of waste water produced during E&P operations.

Lining of drill site waste pit with High Density Poly Ethylene Sheets (HDPE): To avoid contamination of ground water quality of surrounding areas, HDPE lining is laid in waste pit at drill site. In this way percolation of waste water in the ground during drilling of wells is checked and ground water quality is protected.

Produced Water Conditioners (PWCs): Produced Water Conditioners (PWCs) have been installed for treatment of offshore effluent (produced water). For treatment of sewage water being generated at living quarters at offshore platforms, Sewage Treatment Plants (STPs) have been installed before discharging it at offshore. Therefore, the waste water separated from oil and gas is treated and pollutants values are maintained as per prescribed limits before discharging it at onshore/offshore.

Offshore Monitoring to check Marine pollution at West & East Coast:

To study the impact of E&P operations on Marine Environment, your Company has instituted regular offshore monitoring at West Coast and East Coast covering the entire operational areas. The reports are regularly submitted to regulatory authorities.

Oil Spill Management - Response and Combat:

Your Company has the capability to handle 700 MT of oil spillage using its Oil Spill Response equipment stockpile kept on 5 different Multi-Support Vessels which are strategically positioned 24 x7 round the year to cover the entire operational area to ensure minimum response time during emergency. It has also in place a Contingency Plan duly approved by the Indian Coast Guard for both West and East Coast. For oil spills of Tier – 3 level i.e. > 10,000 MT. Your Company has an agreement with Oil Spill Response Limited, UK for oil spill combatment. Besides, the Company participates in various National Level Exercises with Indian Coast Guard thereby ensuring commitment for marine Environment Protection.

Soil Pollution control:

Bio-remediation: The oil is recovered from the oily waste produced during drilling operation as far as possible. The remaining waste and oil contaminated soil is subjected to Bioremediation where the oil content is reduced to less than 1% TPH using a consortium of Hydrocarbon degrading bacteria by the OTBL since March 26, 2011. During 2016-17, **25220 MT** of oily sludge/ oil contaminated waste has been bio-remediated.

Noise Pollution Control: Following mitigation measures to control noise impacts:

- Regular noise monitoring is done to measure and monitor sound levels around equipments and machineries and high noise areas are demarcated.
- Acoustic enclosures are provided around gen-sets to reduce noise pollution.
- Personnel Protective Equipment (PPE) like ear muff/plugs is provided to personnel working in noise prone areas.
- Green belt is developed and maintained around major installations which also contribute in mitigating noise pollution.

Afforestation projects resulting in CO^2 Fixation through Mangrove & Ringal Plantation:

Creating Green and Clean Environment: Green belts have been developed up to one third of total area around all the production installations and processing plants to comply with the stipulations of various permissions obtained from state as well as central government. In addition to regular plantation at drill sites and production installations, your Company has undertaken following massive plantation as part of your Company's Corporate Social Responsibility for Environment Protection & for mitigation of Climate Change impacts and also to conserve biodiversity.

Mangrove Plantation: A project on mangrove plantation along the shores of Dhadar River on West Coast has been taken up by the Company to protect erosion of shoreline. In the Phase 1 of the project, more than 21.11 lakh mangroves have been planted in the soil erosion-prone area along the coast of the Dhadar River at Gandhar, Ankleshwar and Hazira area.

Ringal Plantation: Ringal plantation (Hill bamboo) has been undertaken by the Company in Joshimath and Kedarnath forest areas of Upper Himalayas to strengthen fragile Himalayan eco-system. Plantation of 1.075 million Ringal Plantation in Upper Himalayas is already completed in an area of 430 Hectares in three phases resulting in 1.97 million tonnes of CO_2 fixation per annum. Another 0.75 million Ringal plants will be planted in two phases in an area of 300 Ha in Upper Himalayan region which shall result in an additional 1.37 million tonnes of CO_2 fixation per annum. An Agreement was also signed with Uttarakhand Bamboo and Fiber Development Board, Dehradun on 01.03.2016 for fourth phase of Ringal Plantation.

To protect the shoreline, ONGC has undertaken Mangrove plantation along the coast of Gandhar, Ankleshwar and Hazira in Gujarat.

Other initiatives:

a. **Green Building:** Your Company acknowledges that buildings have major environmental impact over their entire life cycle. Hence, the Company has taken up concept of constructing green building, the essence of which would be to address all these issues in an integrated and scientific manner with due compliance to the guidelines of GRIHA (Green Rating for Integrated Habitat Assessment). As part of its commitment to sustainable development, it is planned to build Green Buildings at Delhi, Mumbai, Kolkata and Dehradun. These buildings are expected to save 50% to 60% energy, save water by about 30%, harvest 100% rainwater and discharge zero sewage and as compared to baseline buildings. Currently, Green buildings at Delhi, Mumbai, and Dehradun house the officers of the Company.

b. **Replacement of Halons:** Corporate HSE has obtained a clarification from the Ozone Cell, MoEF & CC regarding the issue of replacement of Halon based Fire Suppression System. The clarification issued by the Ozone Cell permitted the use of recycled/ recovered Halon. Further, it was clarified that the roadmap was developed for phasing out of production and consumption of Hydro-fluorcarbons (HCFCs) in India and is not applicable for Halon. Therefore, use of the Company's existing stock of Halon can be continued.

c. **Use of Renewable Energy:**

Wind Energy: Your Company's holistic focus on sustainable growth ensures its thrust on pursuing renewable sources of energy, decreasing our internal carbon footprint and exploring unconventional hydrocarbons. Further, the Company has commissioned two energy efficient Wind Power Project, one a 51 MW Unit at Bhuj, Gujarat and another 102 MW Wind Farm in Jaisalmer, Rajasthan.

Solar Energy: Many of the residential colonies in ONGC have solar water heaters and solar powered street lights. Unmanned platforms in offshore areas also use solar energy for navigation lights and telemetry units.

d. **Sustainable Development:**

i. Sustainable Water Management (SWM): As an E&P Company, the Company business depends on sustainability of fresh 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 the Company to develop new strategies for water management in order to achieve sustainable growth and development. The details of existing rain water harvesting projects of the Company are given below.

- 29 ground water recharge wells at various locations of Ahmedabad Asset.
- Rain water from rooftop and surface run off harvesting at Green Building, Mumbai.
- Percolation well for bore well recharge at Residential complex, Ankleshwar Asset.
- Rain water harvesting system as integral part of C2-C3 plant, Dahej, Gujarat.
- Rain water harvesting at Rajahmundry Asset base complex.
- 16 infiltration well in IPSHEM, Goa.
- 2 ground water recharge wells at IRS, Ahmedabad.
- 6 ground water recharge wells at KDMIPE, Dehradun.
- 1 ground water recharge well at base complex, RFB, Jodhpur.
- RWH system at K. V. School, NOBH and officers' club at Agartala, Tripura Asset.
- RWH system, PPCL building, Uran Plant, Raigad, Maharashtra.
- Bhavale Hill RWH system, Panvel, Maharashtra.
- RWH system at SPIC campus, Panvel, Maharashtra.
- RWH systems at various locations at Western Onshore Basin, Vadodara.

ii. Clean Development Mechanism Projects

Emission Reduction through CDM Projects: Your Company commenced its Clean Development Mechanism (CDM) journey in 2006. Currently, it has 15 registered CDM projects with the United Nations Framework Convention on Climate Change (UNFCCC) that yield (potential) Certified Emissisons Reductions (CER) approx. 2.1 million yearly. The registered CDM projects are as under:

Sl. No.	Project	CER/annum
1	1 Waste heat recovery from Process Gas Compressors (PGCs), Mumbai high south (offshore platform).	5320
2	Up-gradation of Gas Turbine 1 (GT 1) and Gas Turbine 2 (GT 2) at co-generation plant of Hazira Gas Processing Complex (HGPC).	7802
3	Flare gas recovery project at Uran plant.	97740
4	Flare gas recovery project at Hazira Gas Processing Complex (HGPC), Hazira plant.	8793
5	Amine Circulation Pumps Energy Efficiency at Hazira Plant.	4043
6	51 MW wind power project of ONGC at Surajbari.	85762
7	Energy Efficient Green Building at Mumbai.	544
8	Energy Efficient Green Building at 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.	5944
13	Gas flare reduction at GGS Charali Assam.	15172
14	Replacement of MOL pumps at Neelam and Heera.	10539
15	102 MW Wind Power project at Jaisalmer, Rajasthan.	180177
	Total	**2102769**

Four production installations (CPF Gandhar, Gandhar GGS-I, Ankleshwar CTF, and Nawagam CTF) were declared carbon neutral for the year 2015-16 after voluntarily retiring 1,34,419 CERs of CP-1 credit period from CDM registry account (UNFCC).

iii. 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. Your Company 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. Your Company 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. 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 through gas leak surveys at various production installations using Gas Find Infrared Camera for identification of methane emission reduction opportunities.

iv. **Sustainability Reporting**

ONGC Group Sustainability Report FY'16 was released on 14th March 2017. This being the seventh report of the Company and fourth of ONGC Group (comprising of your Company, ONGC Videsh and MRPL) in succession, was prepared as per latest GRI G4.0 framework with external assurance by third party under "Core" category.

14. Business Responsibility Report – 2016-17

In terms of clause (f) of sub-regulation (2) of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stipulates that the annual report shall contain a Business Responsibility Report describing the initiatives taken by the listed entity from an environmental, social and governance perspective in the format specified. Accordingly, the Business Responsibility Report – for 2016-17 has been drawn up and appended to this Annual Report.

15. Internal Control System 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 preparation of standalone financial statements (Ind AS Compliant) for external purpose in accordance with generally accepted accounting principles. These internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Your company has adequate internal financial controls system over financial reporting in compliance with the provisions of section 134(3)(c) of the companies Act, 2013 and such internal financial controls over financial reporting were operating effectively.

In addition to the above, 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 (BPD). The Integrated BDP is updated from time-to-time in line with the needs of the organization as well as to bring further delegation. The Company an 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.

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.

Patents granted

Patents granted during FY 2016-17 against three

International PCT patents on Cu-Cl cycle, filed earlier, jointly by OEC and ICT-Mumbai in six countries (USA, Canada, Japan, UK, Korea and China) were:

1. 'Hydrogen Production Method by Multi-Step Copper-Chlorine Thermochemical Cycle' - granted in People's Republic of China. (This patent has now been granted in five out of six countries)

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

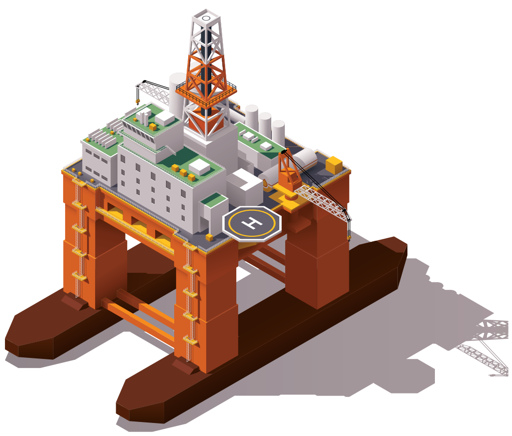
3. 'Electrochemical Cell Used in Production of Hydrogen Using Cu-Cl Thermochemical Cycle' - granted in UK (Patent already been granted in Canada, Japan and USA)

I. R&D Projects by ONGC Energy Centre during 2016-17

The year commenced with 22 projects. Another 15 projects were taken up during the year. Out of the 37 projects under implementation during 2016-17, a total of 6 projects were concluded. The year ended with 31 projects in hand.

II. New Projects taken up during the year

During FY 2016-17, the Company's Energy Centre has taken up Fourteen (14) new in-house/collaborative projects, besides two new initiatives. The details are given below:



A. Uranium Exploration:

1. "Drilling, logging and coring operations in approx. Thirty Eight (38) no of parametric wells in Son valley and Sagar district in MP and Karjan-Padra in Gujarat": To validate the leads obtained from drilling and 3-D seismic modelling in the areas in order to assess the potential for sub-surface Uranium.

B. Hydrogen Program:

2. "Scale-up of I-S, EED & ED based membrane processes for production and concentration of HI as Hydrogen source", in collaboration with CSIR-CSMCRI, Bhavnagar: To scale-up the I-S, EED and ED for producing HI by reducing I2, increasing the HI molality (concentration) in the presence of HIx solution using indigenously prepared cation-exchange membrane and anion-exchange membrane.

3. "Development of Ceramic Membranes for Gas Separation Applications in I-S and Cu-Cl cycles For Clean Energy Production", in collaboration with CSIR-CGCRI, Kolkata: To develop zeolite membranes for separation of H_2 from HI/I_2 in I-S cycle, H_2 from HCl vapour, SO_2 and O_2 from SO_3 in I-S cycle on indigenously prepared clay alumina support tube and demonstration of performance of the membrane at economically scaled uplevel.

4. "Design and development of Sulfuric Acid Concentrator and Internals for Bayonet Convertor in S-I Cycles", in collaboration with FITT/IIT Delhi: To Design & develop sulfuric acid concentrator for sulfuric acid concentration in S-I Cycle, and catalyst loading and distributor system to be used in bayonet convertor, and optimize the process/equipment configuration for future scale up.

5. "Stability tests of IIT-D developed catalysts and materials of constructions for HI decomposition reaction of SI cycle", in collaboration with IIT-Delhi: Preparation of Activated Carbon supported bimetallic Ni-Pt catalyst by impregnation-reduction method and performs long term stability tests of 600

hours and immersion corrosion coupon test to screen the potential material of construction for HI decomposition reaction.

6. "Thermo-chemical Hydrogen Generation through Partially Open-Loop S-I process involving H_2S incineration: H_2S incineration to SO_2", in collaboration with CSIR-IIP, Dehradun: Laboratory study for the incineration of H_2S to generate SO_2 to develop process know-how in perspective of partially open loop S-I cycle.

7. "Development & demonstration of closed loop I-S process in all glass assembly", in collaboration with FITT/IIT Delhi: To demonstrate integrated closed loop to enable stable, continuous, and long-term operation of I-S process for hydrogen production in all glass /quartz assembly of capacity 5 NL/hr. of hydrogen production continuously for at least 10 hours.

8. "Selective Conversion of CO_2 to CO using an inexpensive Nano-porous Carbon doped oxides through plasma/photocatalysis", in collaboration with Maulana Azad National Institute of Technology (MANIT), Bhopal: To develop inexpensive catalysts (nanoporous carbon doped oxides), that can convert carbon dioxide into carbon monoxide using plasma-photocatalytic technology.

C. Biotechnology Program

9. "Hotwiring microbial communities for enhanced unconventional gas production" in collaboration with TERI, as Indian partner and University of New South Wales, Australia, as Australian partner, under the Australia-India Scientific Research Fund - 2015 (AISRF-2015) for collaborative research on Clean Energy Technologies.

10. "Development of hybrid nano-zyme-bacterial hydrogels for augmentation of uranium leaching from subsurface soil", in collaboration with PSG Institute of Advanced Studies (PSGIAS), Coimbatore: To develop hybrid nano-zyme-bacterial hydrogels for augmentation (by 0.01 to 0.35%) of uranium leaching from subsurface soil.

11. "Proof-of-Concept for Investigation on Microbial Bioleaching of Uranium from Secondary Uranium Deposits", in collaboration with Savitribai Phule Pune University (SPPU), Pune: To understand the geochemical composition and the indigenous microbial community structure of uranium bearing sediments and to develop enriched microbial consortia with the potential of uranium bioleaching.

D. Geothermal program

12. "Feasibility of Geothermal Energy in India using Single Well and Production Method", in collaboration with Indian Institute of Technology, Delhi (IIT-D): On development of simulation model, experimental work will be planned for Single Well Engineered Geothermal Pilot Power Plant.

13. "Thermal modelling to assess Geothermal Energy Potential in Gandhar area of Cambay Basin", in collaboration with KDMIPE, Dehradun: To carry out thermal modelling of area identified by OEC for assessing Geothermal Energy resources in Gandhar Field.

E. Solar Program:

14. "Development of Self-Cleaning Coatings Based on Super-hydrophobicity for Solar Panel Applications", in collaboration with PSG Institute of Advanced Studies (PSGIAS), Coimbatore: To develop a transparent and super-hydrophobic, self-cleaning coatings for photovoltaic solar cells, solar thermal and hybrid applications.

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

- 33,660 ONGCians (as on 31st March, 2017) 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 as factoring the manpower profile of the Company.

- 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 the year 2016-17, a total of 163 teams and 652 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 94 teams and 376 employees participated in FTG during the year 2016-17. The winners of Business Games and Fun Team Games were felicitated by the CMD on Republic Day Celebrations.
- Your Company attaches utmost importance to the development of its human resource. During the year, a total of 15846 executives and 5703 non-executives were imparted appropriate training, spanning 187712 executive mandays and 20548 non-executive mandays respectively during 2016-17 to 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 November, 2013.

  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. During FY 2016-17, 1940 cases of retired employees were settled amounting to ₹8400 million.
- **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 along with 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 include casual, contingent, daily rated, part-time, adhoc, contract appointees, tenure-based employees, apprentices and trainees employed by your Company besides regular and past employees. Under the scheme an amount of ₹54.60 million was disbursed by the Trust during 2016-17.

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% of PBT. During the year, under this scheme financial assistance of ₹1,594.59 million was provided to 14,600 ex-employee as on 31.03.2017.

Persons with Disabilities

Your Company believes in affording equal opportunities to physically challenged people. As on 31.03.17, there were 245 permanent employees with disabilities (0.73%) on the rolls of your Company.

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 9.9 percent respectively as on 31st March, 2017.

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 w.e.f. FY 2011-12. Out of this, ₹60 million is distributed amongst all the work centres 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 for pursuing higher professional courses at different Institutes and Universities in the country.

Your Company provides 500 scholarships for meritorious SC & ST students for pursuing higher professional courses at different Institutes and Universities across the country in Graduate Engineering, MBBS, PG courses of MBA and Geo-Sciences. The major feature of the scheme is that the scholarships have been equally divided for both boys and girl students and the amount of scholarship has been made @ ₹4,000/- per month amounting to ₹48,000/- per annum per student subject to the conditions of the scheme. The financial implication involved in a cycle of four years with 500 scholarships awarded every year is around ₹76 million per annum.

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 year 2016-17.

21. Grievance Management System

A structured four-tier Grievance Management System in place in the Company to address employee grievances related to policy/policies. The channel of grievance is Reporting Authority of Individual, Sectional in charge, Key executive, Appeals Committee. Appeals Committee has outside professionals as members and empowered to suggest measures to prevent similar grievances in future. CMD takes the final decision in totality on the grievance of the employee with inputs from Director (HR).

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).

Your Company voluntarily facilitates resolving grievances through Independent External Monitors (IEMs) and through Outside Expert Committee (OEC). Further, a separate website is maintained for grievance redressal (https://grievance.ongc.co.in).

22. Implementation Under the Right to Information Act -2005

An elaborate mechanism has been set up throughout the organization to deal with requests received under the RTI Act, 2005. A Nodal Officer in the rank of a General Manager has been appointed for the purpose who is based at the Registered Office at Delhi. Besides this, 22 Central Public Information officers (CPIOs) have been designated at different work centers across the country in compliance of Sections 5(1) and 5(2) of the Act. Further, an Officer of the level of Executive Director has been appointed to discharges the role of an Appellate Authority under the Act. The particulars of all the quasi-judicial authorities under the ambit of RTI Act, 2005 have been uploaded on the ONGC Corporate portal (www.ongcindia.com) for wider information of the general public.

> In compliance of Government directives, your Company has successfully introduced online processing of applications under the Act from August, 2016 onwards.

A total of 123 RTI applications were carried forward from the year 2015-16. Further, 947 applications were received during the period from April, 2016 to July, 2016 before migration to the RTI online system. A total number of 1397 applications were received during the period from August 2016 to March 2017; making a total of 2344 applications. Out of these 2244 applications were replied to during the year.

Additionally, the Department of Public Information/RTI Cell also processed 169 Second Appeals which were listed for hearing at the CIC during the FY 2016-17 and took follow-up actions to dispose off the same.

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 6.6 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 women 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'17:

- No. of Complaints received: 02
- No. of Complaints disposed of: 02

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 traits among the employees.

26. Sports

Your Company continued its large scale support for development of sports in the country in the form of job offers and scholarships to deserving sportspersons. Sponsorships to various sports associations / federations / sports-bodies to organise sports events as well as develop infra-structure were also extended.

Your Company extended support in 23 game disciplines to 166 players on regular rolls and 201 players on scholarship. The support has enabled many sportspersons to achieve and bring home laurels for the nation and the organisation. Some of the key achievements during the year are given below:

Sports facility centre at ONGC's Mehsana Township, Gujarat.

- Five ONGCians were conferred the prestigious "Arjuna Award" for the year 2016 namely Shiv Thapa (Athletics), Amit Kumar (Wrestling), Sourav Kothari (Cue Sports), Sandeep Singh Maan (Athletics (Para)) and Rajat Chouhan (Archery).
- Cricketer Virat Kohli, was conferred the prestigious "Padam Shri Award" for the year 2016. The total number of National Awardees in the organization stand at 31 (Khel Ratna – 1, Padma Shri – 3 & Arjuna – 27)
- In Rio Olympics 2016, 7 ONGCians namely Ms. Kavita Raut (Marathon), Ms. M.R. Poovamma (4x400m relay Athlete), Ms. Ashwini Ponnappa (Doubles Badminton), Ms. Heena Sidhu (Shooting), Shiva Thapa (Boxing), Ms. Jisna Mathew (Scholarship 4x400m relay Athlete) and R. Mohan Kumar (Scholarship 4x400m relay Athlete) participated.
- Shri Pankaj Advani won 16th world title in cue sports. In the year 2016-17 he won World Billiards title in point format and also in 6 Red Asian Snooker.
- Shri Dhruv Sitwala won his 2nd Asian Billiards Title in April 2016.
- ONGCian Shri Virat Kohli has been appointed as Indian Cricket team's captain in all match format i.e. Test, One Day & T-20.
- Shri Pranaav Jerry Chopra of ONGC won Syed Modi GP Gold Badminton Tournament title in the year 2016-17.
- Two Kabaddi players namely Jasvir Singh and Scholarship holder Sandeep Narwal won World cup kabaddi Championship in the year 2016-17.
- 5 scholarship players namely Mandeep Singh, Gurjant Singh, Sumit, Simranjeet Singh & Vikramjit Singh secured Gold medal at Junior World Hockey Cup as a member of Indian team in the year 2016-17.
- ONGC Scholarship Athlete Ms. Jisna Mathew (400 mt) and Ajay Kumar Saroj (1500mt) won Gold medal in Asian Jr. Athletics Championship in 2016-17.

27. Corporate Social Responsibility (CSR)

Your Company as a responsible corporate has always been committed towards creating a conducive environment to bring about an inclusive growth in the society. The Company is fully engaged in ensuring equitable and sustainable growth specially in the area of its operations besides complying with government directives to discharge its social responsibility as a leading Indian corporate.

It is for the first time in the history of the company that the CSR expenditure has exceeded ₹5,000 million and funds required for continuing with some of the Projects in the next fiscal year is ₹4,010 million. Out of the total CSR budget of ₹5,356.66 million for the year 2016-17, the expenditure is ₹5,259 million, which includes, additional overhead expenditure of ₹87.4 million towards salary of officers/ personnel dealt with CSR on full time basis. This translates to overall utilization of 98.18% of the CSR budget. ₹97.66 million are unspent during the year FY 2016-17.

CSR activities of the company are guided by project based approach in line with the provisions of Companies Act 2013 promulgated by Ministry of Corporate Affairs. Necessary CSR & SD Policy has been framed and put in place in line with Companies Act 2013.

A separate report on Corporate Social Responsibility (CSR) activities undertaken by your Company during the FY'17 is enclosed as **Annexure 'C'**.

Reason for non-utilization of CSR budget:

Around 98.18 % of CSR budget has been spent during the financial year 2016-17 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 ₹15,209 million from balance of CSR unspent funds of previous years, ₹7,111.60 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 2017-18 onwards.

Major emphasis was laid towards taking up various projects under Swachhata Programme and these concerted efforts resulted in an expenditure of ₹1,542.30 million for such projects during the year 2016-17 across the country. With a view to create health infrastructure the company contributed ₹801.60 million and ₹2,001.80 million towards different type of education & skill development related projects. Apart from Health and Education, project worth ₹748.50 million have been implemented in North Eastern Region, ₹113.20 million was spent towards projects for empowerment of women and project worth ₹152.90 million were undertaken for welfare of SC/ST.

Board of Directors take pride in reporting the brief details of the important CSR projects implemented during the year 2016-17:

(a) Healthcare Initiative:

i. Multi-Specialty Hospital at Sivasagar:

The 362 bed Multi-Specialty Hospital at, Sivasagar is the largest ever CSR project to be undertaken by your company. The hospital will be developed in three phases at a cost of ₹3,123.4 million. Dr Babasaheb Ambedkar Vaidyakiya Pratishthan (BAVP) will be the Construction, Operating and Management (COM) partner for this project. MOA has been signed with BAVP on 10th March 2017. The prime objective of the hospital is to provide quality health care services to the people

Shri Dharmendra Pradhan, Hon'ble MoS (I/C) MoPNG during the foundation stone laying ceremony of Chau lung syukapha 362 bed Multispeciality hospital at Sivasagar, Assam at a cost of ₹3,123.4 million-one of the largest ever CSR projects undertaken by ONGC.

of Northeast at an affordable cost. The charges for treatment will be as low as 70% of the market price and further discount of 50% will be provided to economically disadvantaged people. The phase wise medical facilities and the timeline are as follows:

Phase	Phase-I	Phase-II	Phase-III	Total
Cost (₹ in million)	990.7	960.5	1,172.2	3,123.4
Number of Beds	100	120	142	362
Medical Facilities	Internal Medicine Paediatrics General Surgery ENT Orthopaedic Gynaecology & Obst Pulmonary Medicine Ophthalmology	Cardiology Cardiac Surgery Gastroenterology Nephrology Urology Neurology Neurosurgery Paediatric Surgery Surgical Gastroenterology Plastic & Cosmetic Surgery	Renal Transplant IVF Endocrinology Surgical Oncology Medical Oncology Radiation	
Timeline	July 2019	July 2021	July 2023	

ii. Varisthajana Swasthya Sewa Abhiyan:

This flagship CSR project of the Company has succeeded in providing 1.921 million door step medical treatment to 63797 elderly citizen through Medical Mobile Unit in the operational areas of ONGC in last six years at a cost of ₹164.5 million. Considering the number of elderly citizen being benefited through this project, 11 new MMUs were initiated in the year 2016-17 in addition to the existing fleet of 20 MMUs for serving the community in the remote areas for the next three years at a cost of ₹199 million. Help-Age India is the implementing agency for this project. The total amount sanctioned for this project till 31.03.2017 is ₹363.4 million (for 9 years, since 2010)

iii. Lady Goschen Hospital :

Your Company 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. Lady Goschen Hospital was established in 1849, at the heart of Mangalore City. This hospital is exclusively dedicated to the women patient. Women from Karnataka and others areas of Konkon region are largely dependent on this hospital for their treatment. On an average the hospital had to deal with 500 to 600 deliverer cases. Due to increase inflow of patients there was an urgent need for additional facilities. The new ONGC-MRPL wing of the hospital will address the long standing need of the women patient of the region. The hospital is schedule to be commissioned in August 2017. MRPL has also contributed ₹88.9 million towards this project.

iv. Integrated Muscular Dystrophy Rehabilitation Centre (IMDRC) at Solan:

Your Company is supporting Indian Association of Muscular Dystrophy is setting up an Integrated Muscular Dystrophy Rehabilitation Centre' (IMDRC) at Solan, Himachal Pradesh at a cost of ₹6.6 million.

v. Eye-Care Initiative:

Your Company has undertaken eye-care initiative for the benefit of both adult and children with two different NGO's namely Anugraha Drishtidan and Praani. While Praani specifically aims at undertaking screening and eye treatment for school going children of NCR region whereas Anugraha Drishtidan focuses on eye treatment of adult population near Company's operational area of Assam, Jharkhand and Andhra Pradesh. Through both these programs more than one lakh people have been benefited. The project includes screening, providing medicine, spectacles and cataract operation.

vi. Health Care Initiative in Arunachal Pradesh:

Your Company is working towards improving the health care facilities in the remote hilly areas of Arunachal Pradesh. In the last one year the Company had provided support for:

I. Ambulance, ultra-sound and X-Ray machine for District Government Hospital Ziro

II. Ambulance and Medical equipment for Community Health Center, Basar (West Siang)

III. Medical equipment and hearse van for Government Hospital Aalo,

IV. Ambulance for Govt. hospital Tawang.

V. Medical equipment's for District. Govt. Hospital Tezu. The total financial implication for all these project is ₹16.8 million.

vii. Indian Menopause Society:

Your Company has supported to Indian Menopause Society towards undertaking Urogynaecological Surgeries. These surgeries were performed by organizing three mobile surgical camps at Herbetpur, Uttrakhand, Raxaul, Bihar and Manali, Himachal Pradesh for the benefit of the underprivileged women who otherwise remain deprived from getting medical facilities. Some of the surgeries which cannot be performed in remote location are operated in a Hospital in Delhi. More than 90 such surgeries are carried out through this project. The total cost of this project is ₹983 million

(b) Promoting education Skill Development and livelihood enhancement

Your Company's initiatives promoting education covers a wide range of subject from promoting Sanskrit language to setting up B. Ed. College for improving the literacy rate of Arunachal Pradesh. It has undertaken various projects which contribute towards promotion of education, skill development and enhancement of livelihood. Some of the major initiative in the field of education and skill development are:

i. Setting up of B. Ed. College:

With an objective to improve the literacy rate of Arunachal Pradesh, your company is setting up

Empowering Women-Imparting Vocational Training & Skill Development to the women of Baramulla (J&K).

a B. Ed. college at Nirjuli, Arunachal Pradesh in association with Vivekanand Kendra Vidyalaya Arunachal Pradesh Trust at a cost of ₹59 million. The college will be imparting training to more than 200 students in a year in B. Ed. and shall also conduct other in-house training activities.

ii. ONGC Super 30:

Your Company has set up a Super 30 center at Sivasagar to train 30 aspiring students to get admission in IITs and other premier engineering institutes of our country. Two batch had already completed the course successfully since 2014 with financial implication of ₹13.2 million The 3rd batch of 30 students for the year 2016-17 is currently undergoing training with the financial implication of ₹6.33 million. The project is being undertaken in partnership with Center for Social Leadership.

iii. Establishment of Indian Institute of Petroleum and Energy (IIPE), Visakhapatnam:

In order to establish IIPE, Vizag which will primarily focus on teaching and research in Petroleum and Energy, your company has contributed ₹600 million to IIPE, Vizag towards corpus/ Endowment fund for establishment of Indian Institute of Petroleum and Energy (IIPE), Visakhapatnam, Andhra Pradesh.

iv. 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. 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 programme, technology orientation programme, continuous learning programme to the teaching community. Research on Sanskrit education, nationwide survey, and data collection, translation of contemporary literature in Sanskrit including children's literature and editing and publications of rare manuscripts etc., are the other highlights of the project. This Project is a step-forward towards the revival of Sanskrit in India and abroad.

v. ONGC's Support for S-VYASA University, Bangalore:

Your Company has supported 'Vivekananda Yoga Anusandhana Samsthana' (VYASA) by granting ₹120 million towards construction of a 350 bed boy's hostel at S-VYASA University campus located at Gidden Halli, Jigani Hobli, Bangalore. The hostel will have all the latest facilities including solar lights, solar heating 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

vi. Ekal Vidyalaya:

Your Company 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 of education. The classes are being conducted in these Vidyalayas by a local educated youth who has minimum education of metric level and trained by team of experts. This project covers 420 Ekal Vidyalayas in as many villages of rural, tribal and backward areas in 10 states.

> With average enrolment of 30 students per school, Ekal Vidyalaya initiative is targeted to impart free basic informal education to 24,000 students, at a financial implication of ₹19.2 million for two years.

After the completion of the 1st year in November 2016, the project has entered the 2nd year of implementation.

vii. Job Oriented Computer Training and soft skills development for students mainly belonging to the weaker sections of Society:

Your Company 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 is through BVB's Gandhi Institute of Computer Education and Information Technology, (GICEIT) at five work centers located at Mehsana, Dehradun, Nazira, Karaikal and Rajahmundry. These centers have been named as "ONGC-GICIET" centers. The project started in the year 2010-11. The total cost of the project is ₹100 million. During the year 2016-17, an amount of ₹30 million has been released towards implementation of this project and more than 5500 students have been trained in computer literacy and soft skill through five centers.

viii. Green Hub Project:

This is an unique initiative to train 20 youth of North East every year in wildlife videography and documentation. The Green Hub project is implemented in partnership with North East Network. The main objective of the project is to create a team of environment enthusiast having expertise in conservation. In the last two year 40 youth has been trained. The Centre has recently been conferred with Manthan Awards in the category of Environment & Green Energy for leveraging the power of youth to conserve biodiversity through a digital platform. The total cost of the project for two years is ₹3.94 million.

ix. ONGC ISKON Skill Development Center:

Your Company in partnership with Bhaktivedanta Gurukula and International School, an educational wing of ISKCON has set up a Vocational Education Centre at Ajhai, near Vrindavan, in Mathura at a cost of ₹80 lakhs. The Company's Centre for Skill development will be exclusively for imparting training in electrician, carpentry (wood), organic grower, hand embroidery and self-tailor.

x. Skill Development through CIPET:

The project is for job oriented technical skill development training on plastic processing & manufacturing in tool room mechanic operator and injection molding machine operator. 120 no. of youth would be identified through transparent selection procedure who would be trained by CIPET. The youth from the State of West Bengal, Odisha and North Eastern will be benefitted from the project activities. The total cost of the project is ₹8.28 million.

xi. Water Hyacinth Craft

50 Women of Sivasagar district in Assam are being trained in Water Hyacinth Craft by a team of professional from North East Development Financial Corporation Ltd. Out of the fifty women, 20 women have been selected to undergo advance training program through National Institute of Design, Ahmedabad. All these women will become expert in designing craft made of water hyacinth which are in high demand in North East. The total cost for undertaking this training program is ₹3.2 million.

xii. Skill Development Program for Girls of Jammu & Kashmir:

This CSR project is for training of 60 Kashmiri girls of Baramulla region of Jammu & Kashmir in Fashion Designing course through RICHA in association with Chinar 9 Jawan Club (Indian Army). These girls are chosen from Baramulla and nearby areas. The total cost of the project is ₹1.65 million. The project will be for a period of one year.

(c) Adoption of Monuments and iconic places

1. Restoration of Kunds in Varanasi:

Your Company has undertaken a flagship initiative for restoration and beautification of four ancient Kunds of Varanasi. Work is in advance stage of progress in three Kunds having historical importance i.e Durga Kund, Lakshmi Kund and Lat Bhairav Kund. An amount of ₹114.6 million was allocated towards implementation of this project. The project is being undertaken through M/s National Buildings Construction Corporation Ltd. with active support from Nagar Nigam Varanasi. The renovation and beautification of Kunds are near completion.

ii. Cleanliness drive at Tirumala Tirupati Devasthanams (TTD), Tirupati:

The Company's Board has approved an amount of ₹149.5 million towards undertaking various cleanliness initiatives at Tirumala, which includes setting up of solid waste management plant, laying pipeline for utilization of recycled water, deployment of eco-friendly vehicle and equipment for waste disposal & cleaning, etc.

iii. Beautification of Park near Jantar Mantar:

This is a proactive CSR initiative of your Company towards 'Rejuvenation/Beautification of Park adjacent to Jantar Mantar'. The project was implemented through Indian National Trust for Arts and Cultural Heritage (INTACH), Delhi Chapter. The total cost of the project is ₹7.77 million.

iv. Green Rameshwram Project:

The 'Green Rameshwram' project is another unique project of your Company implemented in association with Hand in Hand India in 4 wards of Rameshwaram Municipality, Tamil Nadu. The objective of the project is to improve Solid Waste Management System through door-to-door garbage collection, effective waste segregation, waste recycling / processing, using modern technologies like GPS, behavioural change in households / commercial establishments / waste pickers / local bodies through various IEC activities and sustainable financial model through user charges. Your Company has extended financial support of ₹6.72 million for two years.

(d) Ensuring Environmental Sustainability and Ecological Balance

i. Eastern Swamp Deer Conservation project:

Your Company implemented the project for conservation of Eastern Swamp Deer in Kaziranga in partnership with Wild Life Trust of India and Department of Environment & Forest, Govt. of Assam. Currently, the project is in the third phase of implementation. After the initial research work undertaken in the first phase to understand the habitat and different traits of Eastern Swamp deer, 19 Swamp Deers were translocate to Manas

ONGC's Noble Mission-Eastern Swamp Deer Conservation Project, Kaziranga.

National Park from Kaziranganga National Park in the second phase. In Phase III another 17 eastern deer swamp deer were trans-located from Kaziranga National Park in the month of Feb 2017 to Manas National Park, creating an alternate breeding ground for the Eastern Swamp Deer other than Kaziranga National Park. An amount of ₹22.65 million, has been sanctioned towards implementing the three phases of this project.

ii. Statue of Unity at Gujarat:

The project aims at building 182 meters (392 feet) tall, the World Largest Statue of Sardar Vallabhbhai Patel at the Sadhu Bet Island, approximately 3.5 kms south of Sardar Sarovar Dam at Kevadia in the Narmada district of Gujarat. The monument will have development oriented Initiatives like Development of banks of River Narmada up to Bharuch, Clean Technology Research Park & Agriculture Training Centers, Schools, colleges and universities for tribal development, Education Research Centre and Knowledge City etc. The project activities will boost tourism and facilitate development in the surrounding tribal areas. Your Company has supported 'Sardar Vallabhbhai Patel Rashtriya Ekta Trust' with financial support of ₹500 million towards this project.

iii. Pradhan Mantri Ujjwala Yojana (PMUY):

This project is being implemented as per the directives of Ministry of Petroleum & Natural Gas (MoPNG) 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 environment sustainability and social upliftment by providing smokeless clean fuel in rural/underserved areas so that standard of life in rural areas improves and dependency on fire wood reduces in these areas of the country. In the year 2016-17 your Company has contributed ₹1,071.3 million towards this initiative, which has been implemented by IOCL.

iv. Ringal Plantation in Upper Himalayas:

Your Company 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 center, with emphasis on survival of planted saplings. Your Company 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. Till 31.03.2017 plantation is done in 430 hectares resulting in 1.97 million tonnes of CO2 fixation/annum.

v. Harit Moksha:

Green Cremation System: This is a unique CSR initiative of your company 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 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 was successfully completed and helped in saving approximately 13,700 tonnes of wood & reduced 26,500 tonnes of GHG emissions annually till date. Considering the impact of this project, 4 new units has been approved in FY 2016-17, for installation of one unit at Pilhibit and 3 unit at Delhi at a cost of ₹13.8 million.

vi. Solar Lights:

More than 4900 numbers of Solar Street Lights have been installed in the states of Andhra Pradesh, Rajasthan, Gujarat, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttrakhand and Jharkhand availing services of MNRE Channel partners empanelled under rate contract at a total financial implication of ₹98.2 million.

e. Swachh Bharat Abhiyan

i. Information, Education, Communication program:

Your Company is the only company to initiate Information, Education, Communication (IEC) activities in 5592 school across India. After the successfully completing the construction of toilets under Swachh Vidhyalaya Abhiyan , the Company has taken a step forward by carrying out School Led Total Sanitation (SLTS) initiative through Aroville Foundation in all 5592 school across India. The project aims at the behavioural and habitual changes among the students and local public. An amount of ₹70 million is earmarked towards implementing this project. Operation & Maintenance of the school toilets through community/ parents, teachers association has been established in 3003 schools by 31.03.2017 and efforts are under progress in other schools.

ii. Open Defecation Free Initiative:

Your Company has undertaken an initiative for making villages near its operation area Open Defecation Free (ODF). In the last one year more than 3540 Individual House Hold Latrine (IHHL) had been constructed in the operational areas at cost of ₹64.2 million. Besides project worth ₹106.8 million has been approved for construction of 7749 IHHL in Assam.

iii. Swachhata Initiative of ONGC reaches Himalaya:

Your Company is one of the first company to take the Swachh Bharat initiative to the Himalaya. The project is implemented in partnership with Indian Mountaineering Foundation (IMF) through which tons of garbage's are brought down from the high altitude mountain ranges of Uttarakhand. Specialized trained mountaineers are engaged to carry out this task. In the last two years the Company had undertaken the following Swachhata initiative in different mountain ranges of the Himalayas with IMF at a cost of ₹5.22 million.

(₹ in Million)

Duration	Mountain Ranges covered	Project cost (₹)
Aug –Sept 2015	Peak Stok Kangri in Ladakh, Shigri Glacier Region, Spiti Valley, Tapovan, Gangotri Region, Pindari Area in Uttarakhand Himalaya	1.82
May 2016 and Oct 2016	Gaumukh, Tapovan, Nandanvan and Gangotri	1.44
Jan-Feb 2017	Chanshal Valley, Dhauladhar Range, Yamunotri, Anini / Mechuka (Arunachal Pradesh)	1.96

iv. Community Toilets at Dharavi:

To address the sanitation problem in the slums of Dharavi (Mumbai), your Company has implemented a project for construction of five community toilets at a cost of ₹7.72 million. This project is being implemented through Sulabh International Social Service organization.

v. Mobile Water ATM:

This project is for provision of clean drinking water for the local population and tourists of Lucknow through Mobile Water ATM. The project has a dual benefit. First, the project has helped in provision of clean and safe drinking water for the local population and tourists in Lucknow. Secondly, the project has helped 7 Person with Disability (PwD) earn livelihood by operating these Mobile Water ATM. All seven mobile water ATM's are operated by PwD, who collect the water from a centralized RO plant and sell them to on-the-go commuters in various location of Lucknow at a very nominal cost. The project is undertaken in association with Margdarshak at a cost of ₹1.97 million. Decentrik Technologies (DT) who has developed this innovative Water ATM technology is the technical service provider of the project.

vi. Deep Water Tube Wells:

The project for installation of six deep water tube well through National Consumer Cooperative Federation in six different locality of Kamrup district of Assam in under implementation. The locations has been identified in consultation with district administration where there is acute problem of clean drinking water.

vii. Hand Pumps:

More than 400 hand-pumps are installed across different location of the country. The project

ONGC installed Mobile Water ATM at Lucknow as a part of its CSR initiatives.

locations are identified based on need, where there is scarcity of drinking water. An amount of ₹23.6 million has been earmarked for installation of these hand pumps.

f. CSR initiatives exclusively for benefit of SC-ST and tribal population:

Efforts have always been made by your company towards identification and implementation of CSR projects meant exclusively for the benefit of SC-ST in the country. Implementation of such projects has never been restricted to operational areas of the Company alone. Project worth ₹152.9 million are implemented during the year 2016-17 for the same. Besides, as per the bilateral understanding with AISCSTEWA, an amount of ₹155 Million is allocated towards 1000 merit scholarship for a period of 4 years commencing from 2016-17 exclusively for the benefit of students belonging to ST/SC. Some of the other major CSR initiative for the benefit of SC/ST and Tribal community are:

i. Development of Model Village at Korbongpara:

In Tripura, your company in partnership 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 community centre, sanitation, drinking water facilities, irrigation, market shed, internal road connectivity, education, healthcare, income generation to support the livelihoods.

ii. Multi-Purpose Skill Development and Community Centre at Natun Jelom:

Your Company, under Sansad Adarsh Gram Yojna supported for construction of Multipurpose Skill development and community center at Natun Jelom, Jonai in Dhemaji district of Assam at a cost of ₹4 million. More than 98% of Natun Jelom population belongs to ST community.

iii. Infrastructure development of Rongagora Junior College:

This project was implemented under ST/SC component plan for construction of Rongagora Junior college at Golaghat at a cost of ₹2.69 million.

iv. Construction of Community Hall and Schools:

Your Company has supported construction of three community center, one school building, 12 unit of school toilets and 8 teachers quarter at West Siang District of Arunachal Pradesh at a cost of ₹10.4 million. The majority of the population of these villages belongs to ST community.

v. Infrastructure development of school and hostel:

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 the tribal students and access to healthy educational environment.

g. Promotion of Sports:

i. **Chau Lung Syukapha Indoor Stadium.** The Chau Lung Syukapha Indoor Stadium, constructed in Sivasagar with funding from your company is one of the major sports infrastructure development project undertaken under CSR. The stadium is constructed at a cost of ₹15.2 million, which is going to help the budding young sportsmen of Sivasagar and other district of Assam.

ii. Training of Indian Wrestlers: Your Company has contributed ₹11.5 million to Wrestling Federation of India towards development of wrestling in India.

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)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there 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 on 31st March, 2017 and of the profit of the Company for the year ended on that date;

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

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

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

(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, 2017along with a certificate from the Company's Statutory Auditors confirming compliance of conditions forms part of this report.

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

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

(h) Dividend Distribution Policy

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

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

i. **Whistle Blower Policy/ Vigil Mechanism:** A total of 40 Protected Disclosures till 31.03.2017 have been processed through the Whistle Blower mechanism of your Company which was implemented from December 01, 2009. The policy ensures that a genuine Whistle Blower is granted due protection from any victimization. The Policy is applicable to all employees of the Company and has been uploaded on the intranet of the Company.

In addition, the Company has a full-fledged Vigilance Department, which is headed by Chief Vigilance Officer 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.

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

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

iii. **Meeting of Independent Directors:** Four Meetings of Independent Directors were held during FY'17.

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

Your Company being a Government Company, the provisions of section 197(12) of the Companies Act, 2013 and relevant Rules do 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 are subject to the applicable guidelines issued by the Dept. of Public Enterprise, 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.

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. M K P S & Associates, Mumbai, M/s. Lodha & Co., Kolkata, M/s. PKF Sridhar & Santhanam LLP, Chennai, M/s. Khandelwal Jain & Co., Mumbai and M/s. K C Mehta & Co., Baroda Chartered Accountants were appointed as joint Statutory Auditors for the financial year 2016-17. The statutory auditors have been paid a total remuneration of ₹43.41 million (previous year ₹26.39 million) towards audit fees, certification and other services. The above fees are inclusive of applicable service tax but exclusive of re-imbursement 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) form part of this Report and is attached as **Annexure 'G'.** There is no qualification in the Auditors Report on the Financial Statements of the Company.

36. Secretarial Audit

In terms of section 204(1) of the Companies Act, 2013, the Company has engaged M/s P P Agrawal & Co., Company Secretaries in whole-time practice, as Secretarial Auditors for conducting Secretarial Compliance Audit for the financial year ended 31st March, 2017. The report has been annexed and forms part of the Annual report.

37. Cost Audit

Six firms of Cost Accountants were appointed as Cost Auditors for auditing the cost accounts of your Company for the year ended 31.03.2017 by the Board of Directors. The Cost Audit Report for the year 2015-16 has been filed under XBRL mode on 23.09.2016 which was well within the due date of filing.

38. Directors

Policy On Directors' Appointment Etc.

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

Performance Evaluation

The provisions of Section 134(3)(p) of the Companies Act, 2013 relating to evaluation of Board/ Directors do not apply to your Company since necessary exemptions are provided to all government companies. Further, similar exemption is awaited from SEBI under the provisions of Listing Regulations – 2015.

Appointments / Cessation Etc

Since the 23rd Annual General Meeting held on 08.09.2016, Shri Deepak Sethi, Shri Vivek Mallya, Shri Sumit Bose were inducted as Independent Directors of the Company with effect from 31.01.2017 and Dr. Santrupt B. Misra was inducted as Independent Director of the Company with effect from 06.02.2017.

Shri A. P. Sawhney, Additional Secretary, MoP&NG, Government Nominee Director ceased to be Director on the Board of the Company w.e.f. 23.06.2017. The Board places on record its appreciation for his contribution during his tenure.

Shri Rajiv Bansal, Additional Secretary, MoP&NG, joined the Board as Government Nominee Director on 10.08.2017 in place of Shri A. P. Sawhney.

The strength of the Board of Directors of the Company is 16 comprising 7 Executive Directors (Functional Directors including CMD) and 9 Non-Executive Directors including two Government Nominees and seven 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'17.

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

Shri M. E. V. Selvamm took over as Company Secretary on 01.06.2017 in place of Shri V. N. Murthy who superannuated on 31.05.2017.

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

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

On behalf of the Board of Directors

(Dinesh K Sarraf)
Chairman & Managing Director

Place: New Delhi
Date: 21.08.2017

Construction activity in Odoptu field in Sakhalin, Russia.

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, 2017.

(₹in million)

Particulars	Gross Value as at		Present value (Discounted at 10%) as at	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
REVENUES				
OIL	8, 931, 686.56	8, 228, 364.52	4, 377, 049.69	3, 905, 939.26
GAS	1, 827, 381.89	1, 953, 630.19	972, 227.99	1, 018, 868.79
Total Revenues	**10, 759, 068.45**	**10, 181, 994.71**	**5, 349, 277.68**	**4, 924, 808.05**
COSTS				
Operating, Selling & General	5, 807, 285.66	5, 977, 655.78	2, 900, 996.99	2, 901, 287.68
Corporate Tax	1, 040, 593.42	783, 408.87	504, 487.82	356, 325.99
Sub Total	**6, 847, 879.08**	**6, 761, 064.65**	**3, 405, 484.81**	**3, 257, 613.67**
Evaluated Cost of Acquisition of Assets and Development				
a) Assets	408, 588.63	480, 625.90	279, 532.27	312, 016.73
b) Development *	1, 088, 825.40	1, 043, 232.63	490, 143.78	528, 347.73
Sub Total	**1, 497, 414.03**	**1, 523, 858.53**	**769, 676.05**	**840, 364.46**
Total Cost	**8, 345, 293.11**	**8, 284, 923.18**	**4, 175, 160.86**	**4, 097, 978.13**
Net future earnings from Proved Reserves	**2, 413, 775.34**	**1, 897, 071.53**	**1, 174, 116.82**	**826, 829.92**

** Includes decommissioning 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 2016-17. Revenue on account of Gas have been work out on the basis of current Gas Price.
2) Expenditure on Development, Acquisition of capital assets, decommissioning costs and Operating Expenditure have been considered at current costs i.e as on on 31.03.2017. Taxes and Levies have been considered at prevailing rates as on 31.03.2017.
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, decommissioining costs and rates of taxes and levies, may be at variance from those assumed herein.
7) Previous year figures have been restated to confirm to current year presentation.

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 arms 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 transactions 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	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Sale of crude oil	for FY 16-17	As per Crude oil sale agreement	53, 001.84		
2	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Transfer of Retail outlet	for FY 16-17	As per contractual agreement	37.26		
3	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Purchase of trade product	for FY 16-18	As per contractual agreement	26.01		
4	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Purchase of petroleum oil and lubricants/high speed diesel	for FY 16-19	As per contractual agreement	5, 251.07		
5	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Lease of Office space at Mumbai to MRPL	for FY 16-17	As per contractual agreement	12.59		
6	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Guarantee fee received for import of crude	for FY 16-17	Actual	4.47		
7	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Guarantee fee for import of crude	for FY 16-17	non cash transcation (Ind As fair valuation)	12.15		
8	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Deputaion & other charges from MRPL	for FY 16-17	As per contractual agreement	1.80		
9	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Interest Income received	for FY 16-17	Market rate	2, 435.03		
10	Mangalore Refinery and Petrochemical Ltd (MRPL)	Subsidiary	Financial guarantee issued for import of crude	for FY 16-17	Guarantee for USD 225 Million	14, 591.25		

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)		
11	ONGC Videsh Ltd (OVL)	Subsidiary	Interpretation studies for overseas activities of OVL	for FY 16-17	As per contractual agreement	21.90		
12	ONGC Videsh Ltd (OVL)	Subsidiary	Guarantee fee in respect of financial gurentee extended to OVL	for FY 16-17	non cash transcation (Ind As fair valuation)	531.84		
13	ONGC Videsh Ltd (OVL)	Subsidiary	Interest Income	for FY 16-17	non cash transcation (Ind As fair valuation)	411.97		
14	ONGC Videsh Ltd (OVL)	Subsidiary	Loan converted into equity	for FY 16-17	Actual	50, 000.00		
15	ONGC Videsh Ltd (OVL)	Subsidiary	Performance Guarantees in favor of National oil company of Libya for Area 43 for USD 61 million.	effective from 05.03.2007	Guarantee amount (₹3,955.85 million)	1, 621.25		
16	ONGC Videsh Ltd (OVL)	Subsidiary	ONGC, the parent company guarantee has been given in respect of Block SS-04, Bangladesh dated 27th March 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 (₹1,245.12 million)	1, 245.12		
17	ONGC Videsh Ltd (OVL)	Subsidiary	ONGC, the parent company guarantee has been given in respect of Block SS-09, Bangladesh dated 27th March 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 (₹2,101.14 million)	2, 101.14		
18	ONGC Videsh Ltd (OVL)	Subsidiary	Financial Guarantee for IDBI Trustship 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 for Imperial-Russia	due on 06/01/2020	Guarantee amount (₹4,000.00 million)	3, 773.58		
19	ONGC Videsh Ltd (OVL)	Subsidiary	USD BOND for acquisition of 2.7213% participating interest of Hess Corporation in the ACG fields and 2.36% participating interest in the BTC Pipeline of: -5 year USD 300 Million - Due 07th May 2018 -10 year USD 500 Million - Due 07th May 2023	due on 07/05/2018 07/05/2023	Guarantee amount (₹19,649.55 million) (₹32,911.38 million)	52, 560.93		
20	ONGC Videsh Ltd (OVL)	Subsidiary	Financial Guarantee for Long term Loan of USD 1775 Million for acquisition of R-2 10% PI from Anadarko	due on 27/11/2020	Guarantee amount (₹115,122.19 million)	115, 122.19		
21	ONGC Videsh Ltd (OVL)	Subsidiary	Financial Guarantee for Mozambiq. BREML_ 6%Videocon _3.25% coupon USD 750 Million - Due 15th July 2019	due on 15/07/2019	Guarantee amount (₹48,971.21 million)	48, 971.21		

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)		
22	ONGC Videsh Ltd (OVL)	Subsidiary	Financial Guarantee for Mozambique. BREML_ Videocon 6%USD 750 Million - Due 15th July 2024	due on 15/07/2024	Guarantee amount (₹49112.39 million)	49, 112.39		
23	ONGC Videsh Ltd (OVL)	Subsidiary	Financial Guarantee for Mozambique. OVL_ Anadrako 10%Euro 525 Million - Due 15th July 2021	Due on 15th July 2021	Guarantee amount ₹37072.97 million	37, 072.97		
24	ONGC Videsh Ltd (OVL)	Subsidiary	Financial Guarantee for Refinance of up to USD 87.60 million (outstanding principal out of Bridge Finance Facility of USD 1,155.00 million for acquisition of 15% shares of CJSC Vankorneft by ONGC Videsh Vankorneft Pte Ltd, Singapore. USD 87.60 Million facility due June 2017: Guarantee capped at 103%of Total Commitments	due on 30/06/2017	Guarantee amount ₹5851.94 million	5, 851.94		
25	ONGC Videsh Ltd (OVL)	Subsidiary	Financial Guarantee for USD 400 Million Bonds 2.875% due 27 Jan 2022; Guarantee given to OVL; capped at 109 per cent. of the total aggregate principal amount	due on 27/01/2022	Guarantee amount ₹28416.86 million	28, 416.86		
26	ONGC Videsh Ltd (OVL)	Subsidiary	Financial Guarantee for USD 600 Million Bonds 3.75% due 27 Jul 2026 Guarantee given to OVL; capped at 109 per cent. of the total aggregate principal amount	due on 27/07/2026	Guarantee amount ₹42690.23 million	42, 690.23		
27	ONGC Videsh Ltd (OVL)	Subsidiary	Financial Guarantee for Bridge Finance for acquisition of 11% shares of CJSC Vankorneft by ONGC Videsh Vankorneft Pte Ltd, Singapore. USD 875 Million facility due 27 April 2017: Guarantee capped at 103%of Total Commitments	due on 27/04/2017	Guarantee amount ₹55271.75 million	55, 271.75		
28	ONGC Tripura Power Company Limited (OTPC)	Joint Venture	Sale of Natural gas	for FY 16-17	As per contractual agreement	5, 389.99		
29	ONGC Tripura Power Company Limited (OTPC)	Joint Venture	Management consultancy and interest charges provided	for FY 16-17	As per contractual agreement	1.10		
30	ONGC Petro Additions Limited (OPaL)	Joint Venture	Sale of Naphtha & C2-C3	for FY 16-17	As per contractual agreement	16, 055.62		
31	ONGC Petro Additions Limited (OPaL)	Joint Venture	Manpower deputation, loading and other charges provided	for FY 16-17	As per contractual agreement	374.54		
32	ONGC Petro Additions Limited (OPaL)	Joint Venture	Commitment for subscription of unpaid Share warrants	for FY 16-17	As per contractual agreement	480.50		
33	ONGC Petro Additions Limited (OPaL)	Joint Venture	Commitment given for Backstopping support for compulsory convertible debentures	for FY 16-17	As per contractual agreement	56, 150.00		

Sl no.	(a) Name(s) of the related party and nature of relationship		(b) Nature of contracts/arrangements/ transactions	(c) Duration of the contracts/ arrangements/ transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:		(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
	Name	Relationship			Salient terms	Transaction value (₹in million)		
34	ONGC Petro Additions Limited (OPaL)	Joint Venture	Commitment given for Backstopping support for compulsory convertible debentures-Interest Accrued	for FY 16-17	As per contractual agreement	3, 612.06		
35	ONGC Teri Biotech Limited (OTBL)	Joint Venture	Bio-remediation services received	for FY 16-17	As per contractual agreement	191.57		
36	ONGC Teri Biotech Limited (OTBL)	Joint Venture	Field study charges and rent for colony accommodation provided	for FY 16-17	As per contractual agreement	3.94		
37	Dahej SEZ Limited (DSEZ)	Joint Venture	Lease rent for SEZ land of C2-C3 plant	for FY 16-17	As per contractual agreement	8.71		
38	Pawan Hans Limited (PHL)	Associate	FE loss (gain) on hiring of Helicopter from PHL	for FY 16-17	Actual	(5.24)		
39	Pawan Hans Limited (PHL)	Associate	Hiring of helicopter services from PHL	for FY 16-17	As per contractual agreement	1, 933.42		
40	Pawan Hans Limited (PHL)	Associate	other services provided to PHL	for FY 16-17	As per contractual agreement	8.39		
41	Pawan Hans Limited (PHL)	Associate	Miscellaneous receipt on account of liquidated damages from PHL	for FY 16-17	Actual	19.03		
42	Pawan Hans Limited (PHL)	Associate	Interest income received	for FY 16-17	Market rate	0.45		
43	Pawan Hans Limited (PHL)	Associate	Dividend income received	for FY 16-17	Actual	53.04		
44	Petronet LNG Limited (PLL)	Associate	Facilities services received at C2-C3 plant	for FY 16-17	As per contractual agreement	85.74		
45	Petronet LNG Limited (PLL)	Associate	Director sitting fee received	for FY 16-17	Actual	0.18		
46	Petronet LNG Limited (PLL)	Associate	Dividend Income received	for FY 16-17	Actual	234.38		
47	ONGC CSSS TRUST	Trust	Contribution	for FY 16-17	Actual	1, 319.51		
48	ONGC SAHYOG TRUST	Trust	Contribution	for FY 16-17	Actual	28.60		
49	ONGC PRBS TRUST	Trust	Contribution	for FY 16-17	Actual	10, 091.21		
50	ONGC Contributory Provident Fund Trust	Trust	Contribution	for FY 16-17	Actual	10, 727.47		
51	ONGC GRATUITY FUND	Trust	Reimbursement	for FY 15-16	Actual	1, 674.14		
52	ONGC ENERGY CENTER TRUST	Trust	Contribution for Research & development	for FY 15-16	Actual	162.50		
53	ONGC FOUNDATION	Trust	Contribution	for FY 15-16	Actual	2, 257.50		

Annexure C

Annual Report on CSR Activities 2016-17

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 part);

xii. Mandatory Reporting

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

Sl. No.	Sector of Activity	Indicative Budget allocation
1	Promoting health care including preventative health care and sanitation and making available safe drinking water.	approx. 20% of CSR budget
2	Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	approx. 20% of CSR budget
3	Ensuring environmental sustainability, ecological balance, protections of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	approx. 20% of CSR budget
4	Rural development projects	approx. 20% of CSR budget
5	(i) Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and other such facilities for senior citizens (ii) 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 (iii) Training to promote rural sports, regionally recognised sports, Paralympics sports and Olympic sports (iv) 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	2013-14	2014-15	2015-16
Profit as per Sec 198	307, 188.60	264,002.70	232,312.50
Average profit u/s 135 for the last three years	267,834.60		

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

Ans. The prescribed CSR expenditure for FY 2016-17 is ₹5,356.66 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 ₹5,356.66 million, ONGC spent an amount of ₹5,259 million in FY 2016-17 which includes, additional overhead expenditure of ₹87.4 million towards Salary of the officers/personnel dealt with CSR on full time basis. This translates to overall utilization of 98.18% of the CSR Budget. ₹97.66 million are unspent during the year FY 2016-17.

The details are enclosed in Annexure-C1

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 98.18 % of CSR budget has been spent during the financial year 2016-17 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 ₹15209 million from balance of CSR unspent funds of previous years, ₹7111.60 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 2017-18 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 2016-17, is in compliance with CSR objectives and Policy of the company

Sd/-	**Sd/-**
(Dinesh K Sarraf)	**(Ajai Malhotra)**
CMD	**Independent Director**
Member, CSR & SD Committee	**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 Million)	Amount spent on the project or program		Cumulative expenditure up to the reporting period (₹ in Million)	Amount spent: Direct or through Implementing agency (IA)
			Local / other	State and District where project or program was undertaken		Direct expenditure (₹in Million)	Overheads (₹ in Million)		
1	Contribution towards Pradhan Mantri Ujjwala Yojana (PMUY)	Environment Sustainability	Local / other	All India	1,071.30	1,071.30		1,071.30	IOCL
2	Swachh Bharat Abhiyan	Sanitation	Local / other	All India	2,001.30	454.40		454.40	Various implementing Agencies
3	Swachh Vidyalaya Abhiyan	Education	Other	Meghalaya	21.80	21.80		21.80	STATE EDUCATION MISSION AUTHORITY
4	ONGC Multispeciality Hospital at Rajabari, Sibsagar, Assam	Healthcare	Local	Assam	990.70	246.20		246.20	Dr. Babasaheb Ambedkar Vaidyakiy Pratishthan
5	Support to IIPE Vizag for Corpus funds	Education & Skill Development	Local	Andhra Pradesh	600.00	600.00		600.00	Indian Institute of Petroleum Energy, Vizag
6	Financial support for a project-Statue of Unity	Art & Culture	Local	Gujarat	500.00	500.00		500.00	SARDAR VALLABHBHAI PATEL RASHTRIYA EKTA TRUST
7	Varishthajan Swastha Sewa Abhiyaan	Healthcare	Local	Operational area including the States of Operations	363.40	50.90		50.90	HELPAGE INDIA
8	Construction of B.Ed. College, at Nirjuli, Arunachal Pradesh	Education & Skill Development	Other	Arunachal Pradesh	59.00	26.60		26.60	Vivekananda Kendra Vidyalayas Arunachal Pradesh Trust
9	CSR Project for Promotion of Samskrit Language	Education	Other	All India	57.00	35.00		35.00	SAMSKRIT PROMOTION FOUNDATION
10	Health Infrastructure CSR Projects	Healthcare	Local / other	Arunachal Pradesh, Delhi, Gujarat, HP, Jharkhand, Karnataka, MP, Odisha, Tamil Nadu, Uttar Pradesh, Uttarakhand	207.30	56.40		56.40	Various implementing Agencies

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Project or Program		Amount outlay (budget) project or program wise (₹ in Million)	Amount spent on the project or program		Cumulative expenditure up to the reporting period (₹ in Million)	Amount spent: Direct or through Implementing agency (IA)
11	Preventive Health Initiatives	Healthcare	Local / other	Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Delhi,Gujarat, Jharkhand, Karnataka, Maharashtra, Odisha, Uttar Pradesh, Uttarakhand	130.70	112.20		112.20	Various implementing Agencies
12	Education & Skill Development Projects	Education & Skill Development	Local / other	Arunachal Pradesh, Andhra Pradesh, Assam, Bihar, Chattisgarh, Delhi, Gujarat, Haryana, J&K, Jharkhand, Karnataka, Kerala, Maharashtra, Odisha, Pondecherry, Rajasthan, Telangana, Tripura, Uttar Pradesh, Uttarakhand, West Bengal	819.20	415.90		415.90	Various implementing Agencies
13	Support to KV Schools of ONGC	Education	Local	Maharashtra, Gujarat, Uttarakhand, Tripura, Assam, Andhra Pradesh, Pondicherry	477.30	477.20		477.20	KENDRIYA VIDYALAYA
14	Environment Protection CSR Project	Environment Sustainability	Local / other	Arunachal Pradesh, Assam, Bihar, Delhi, Haryana, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Rajasthan, Uttar Pradesh, Uttarakhand	360.60	174.50		174.50	Various implementing Agencies
15	CSR projects for welfare of SCs/STs	schedule VII of the Companies Act	Local / other	Operational area including the States of Operations	172.10	152.90		152.90	DIRECT/ Various implementing Agencies
16	Women Empowerment & Reducing inequalities CSR Projects	schedule VII of the Companies Act	Local / other	Arunachal Pradesh, Bihar, Delhi, Gujarat, Haryana, J&K, Karnataka, Odisha, Rajasthan, Tripura, Uttar Pradesh, Uttarakhand	200.50	113.30		113.30	Various implementing Agencies
17	CSR Projects for promotion of Art and Culture	Art & Culture	Local / other	Assam, Delhi, Gujarat, Uttar Pradesh, Uttarakhand	20.60	12.40		12.40	Various implementing Agencies

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Project or Program		Amount outlay (budget) project or program wise (₹ in Million)	Amount spent on the project or program		Cumulative expenditure up to the reporting period (₹ in Million)	Amount spent: Direct or through Implementing agency (IA)
18	Projects for promotion of Sports	Promotion of Sports	Local / other	Arunachal Pradesh, Assam, Delhi, J&K, Maharashtra, Manipur, Karnataka, Uttarakhand	68.40	18.80		18.80	Various implementing Agencies
19	ONGC FOUNDATION i. ONGC Merit Scholarship Scheme, ii. Other CSR activities	schedule VII of the Companies Act	Local / other	All India	99.00	99.00		99.00	ONGC FOUNDATION
20	Rural Development CSR Programmes	Rural Development	Local / other	Andhra Pradesh, Delhi, Jharkhand, Assam	13.10	3.30		3.30	Various implementing Agencies
21	Preservation of Monuments & Heritage	Preservation of Heritage	Local / other	Kerala, Uttarakhand	5.60	2.30		2.30	Various implementing Agencies
22	CSR Projects of Onshore Asset/ Basin	schedule VII of the Companies Act	Local	Operational area including the States of Operations	493.40	370.80		370.80	Various implementing Agencies
23	CSR Projects of Offshore Asset/ Basin	schedule VII of the Companies Act	Local	Operational area including the States of Operations	22.10	12.90		12.90	Various implementing Agencies
24	CSR Projects of Plants	schedule VII of the Companies Act	Local	Operational area including the States of Operations	26.50	21.00		21.00	Various implementing Agencies
						5,049.10	**209.90**	**5,259.00**	

**includes, additional overhead expenditure of ₹87.4 Million towards Salary of the officers/ personnel dealt with CSR on full time basis.*

Annexure D

AWARDS

Your Company has been conferred with the following prestigious awards in CSR & Sustainable Development

1 **Special technical award "Greening of Oil and Gas Business, Corporate" during Petrotech 2016** The award was presented by Hon'ble Minister of State (I/C), Petroleum & Natural Gas, Govt. of India, Shri Dharmendra Pradhan in the presence of Hon'ble Finance Minister, Govt. of India, Shri Arun Jaitley to CMD ONGC, Shri D.K. Sarraf in association with the Board of Directors and GGM Chief-CM&SG.

The award was presented in a glittering awards ceremony during Petrotech 2016 at Vigyan Bhawan, New Delhi in the presence of about 1500 delegates/participants.

The award is conferred to ONGC for excellent and outstanding commitment & contributions towards greening of oil and gas business. ONGC has a Mission statement to continually strive to reduce CO2 emissions across its activity chain with the objective of achieving carbon neutrality.

The relentless efforts of ONGC demonstrate the commitment in Greening of Oil and Gas Business which were highly appreciated by Shri Dharmendra Pradhan, Hon'ble Minister of State (I/C), Petroleum & Natural Gas, Govt. of India.

2. **"Energy and Environment Foundation Global Sustainability Award 2016" in Gold Category.**

The award was received by Shri Jai Singh, GGM-Chief, Carbon Management & Sustainability Group on behalf of ONGC. The award was presented in a glittering awards ceremony during the 7th World Renewable Energy Technology Congress International Conference and Exhibition on 23rd Aug 2016 at Manekshaw Centre, New Delhi.

The award is conferred to ONGC for excellent and outstanding contributions, commitment and actions that have made a positive impact on the environment. The award is an inspiration for the transformative action, business excellence and environment management.

3. **Hindustan Ratna PSU awards:**

ONGC has been conferred Excellence in CSR practice for the year 2017 on 13th April 2017 by Hindustan Times. The award was received by CMD from Hon'ble Minister of Road Transport Highways and Shipping Shri Nitin Gadkari in presence of Hon'ble Minister of State (Independent Charge) Shri Dharmendra Pradhan.

4. **FICCI Award:**

Your company bagged the prestigious FICCI CSR award under category 'Environmental Sustainability, for the Eastern Swamp Deer Conservation Project in December 2016. The Federation of Indian Chambers of Commerce and Industry (FICCI) annually confers CSR awards under eight different categories to both public and private sector companies for their exemplary work in the field of CSR. The Eastern Swamp Deer Conservation Project through which 19 swamp deer were trans-located from Kaziranga National Park to Manas National park to create an alternate habitat for eastern swamp deer was chosen by an eminent jury of FICCI through a three tier process. It includes, initial paper presentation, followed by field visit carried out by third a party and further detailed presentation by team CSR in front of a panel of experts.

5. **Bhamashah Awards:**

Your company has been conferred the prestigious Bhamashah state level award 2016 by Government of Rajasthan for setting up of smart class rooms in 8 government school in Alwar district of Rajasthan.

6. **DMA Award:**

The Delhi Management Association conferred your company with the 'Outstanding CSR project award' in the DMA CSR Award function held at Delhi on 22nd July 2016. The award was conferred for one of the most unique CSR project implemented by ONGC for Vocational Training program for women of Sivasagar and Pilibhit in water hyacinth craft.

7. **ONGC bagged the prestigious "Energy and Environment Foundation Global Sustainability Award 2016"** in Gold Category for excellent and outstanding contributions, commitment and actions that have made a positive impact on the environment. The award was presented during the 7th World Renewable Energy Technology Congress International Conference and Exhibition on 23rd August, 2016 at Manekshaw Centre, New Delhi.

8. **17th Greentech Environment Award:** Institute of Petroleum Safety, Health and Environment Management (IPSHEM, Goa) has been awarded Greentech Environment Award under GOLD category for the last two consecutive years, i.e. 2015-16 and 2016-17.

9. IC Complex in western offshore has been awarded the prestigious Oil Industry Safety Award for the year 2014-15 for **"Best overall safety performance"** in offshore production platforms on 29th Nov'2016. The award was conferred by Hon'ble Minister of State (Independent Charge) Ministry of Petroleum and Natural Gas, at New

Shri Dinesh K Sarraf, CMD, ONGC receiving the 'Company of the Year' Petrofed Award in Environmental Sustainability category from Shri K D Tripathi, Secretary, MoPNG.

Delhi in the function organized by Oil India Safety Directorate (OISD).

10. Hazira Plant received the **'Golden Peacock Environment Management Award'** for the second consecutive year on 08th July, 2016 in New Delhi and **"Genentech Safety Award 2016"** (Platinum Category) on 30th Aug, 2016 in Goa.

11. Hazira Plant received **"Energy and Environment Foundation Global Environment Award 2016"** (Platinum Category) and **"Global Sustainability Award 2016"** (Gold Category) on 22nd and 23rd Aug, 2016 respectively in New Delhi.

12. Hazira Plant received the **"Greentech Foundation Environment Management Platinum Award 2017"** at Bengaluru on 02.02.2017.

13. Your Company won the PCRA "**Best overall performance award among the upstream sector oil companies for Oil & Gas conservation programs" for the year 2016.**

ONGC's Registered office, Pandit Deendayal Upadhyaya Urja Bhawan, New Delhi received the LEED Platinum Award from US Green Building Council for highest recognition in sustainable building design. The LEED Green Building rating system is a globally accepted benchmark for design, construction and operation of high- performance green buildings.

Annexure E

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March, 2017

[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:** Pandit Deendayal Upadhyaya Urja Bhavan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070. Ph: 26754073/79, Fax: 26129091

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

vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:** Alankit Assignments Limited, Alankit Heights, 1E/13 Jhandewalan Extension, New Delhi – 110055 Tel: 91-11-4254 1234/1960, Fax: 91-11-42541201/23552001, 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	% to total turnover of the company
1	Crude Oil	27090000	70.72%
2	Natural Gas	27112100	17.99%

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 Pandit Deendayal Upadhyay Urja Bhavan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070	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)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
6	Mangalore SEZ Limited Al-Latheef, 1st Floor, No.2 Union Street, off Infantry Road, Bangalore Karnataka 560001	U45209KA2006PLC038590	Joint Venture	26	2(6)
7	Petronet MHB Limited No. 332, Darussalam Building, First Floor, Queen's Road, Bangalore-560052	U85110KA1998PLC024020	Joint Venture	32.72	2(6)
8	Dahej SEZ Limited Block No.14, 3rd Floor, Udyog Bhavan, Sector-11 Gandhinagar- 382017, Gujarat	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	49.98	2(6)
10	Petronet LNG Limited World Trade Centre, 1st Floor, Babar Road, Barakhamba Lane, New Delhi-110001	L74899DL1998PLC093073	Associate	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 Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	5897676260	0	5897676260	68.93	8735650510	0	8735650510	68.07	(0.86)
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):-	5897676260	0	5897676260	68.93	8735650510	0	8735650510	68.07	(0.86)
(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

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	
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
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	5897676260	0	5897676260	68.93	8735650510	0	8735650510	68.07	(0.86)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	115253433	6300	115259733	1.35	179794903	9450	179804353	1.40	0.05
b) Banks/FI	117821934	60	117821994	1.38	144508062	198	144508260	1.13	(0.25)
c) Central Govt	0	0	0.00	0	0	0.00	0	0	0.00
d) State Govt(s)	0	0	0.00	0	0	0.00	0	0	0.00
e) Venture Capital Funds	0	0	0.00	0	0	0.00	0	0	0.00
f) Insurance Companies	780393335	5700	780399035	9.12	1210574790	8550	1210583340	9.43	0.31
g) FIIs	479237485	0	479237485	5.60	807485859	0	807485859	6.29	0.69
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0.00	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0.00	0.00	0.00
Sub-total (B)(1):-	1492706187	12060	1492718247	17.45	2342363614	18198	2342381812	18.25	0.80
2. Non-Institutions									
a) Bodies Corp. i) Indian ii) Overseas	989273503	9889	989283392	11.56	1473905689	14829	1473920518	11.49	(0.07)

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	
b) Individuals i) Individual Shareholders holding nominal share capital upto ₹1 lakh	142623442	794643	143418085	1.67	218872401	1187030	220059431	1.71	0.04
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	13595117	0	13595117	0.16	28907717	0	28907717	0.22	0.06
c)Others(specify)									
Non Resident Indians	4901154	38594	4939748	0.06	7650988	58603	7709591	0.06	0.00
Clearing Members/others	82299	5024158	5106457	0.06	168631	7110940	7279571	0.06	0.00
Trusts	8749798	0	8749798	0.10	17323369	0	17323369	0.13	0.03
Foreign Nationals	3016	0	3016	0.00	2661	0	2661	0.00	0.00
Sub-total (B)(2):-	1159228329	5867284	1165095613	13.62	1746831456	8371402	1755202858	13.68	0.06
Total Public Shareholding (B)=(B)(1)+(B)(2)	2651934516	5879344	2657813860	31.07	4089195070	8389600	4097584670	31.93	0.86
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)	8549610776	5879344	8555490120	100.00	12824845580	8389600	12833235180	100.00	0.00

(ii) Shareholding of Promoters

SI No.	Shareholder'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/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	President of India	5897676260	68.93%	---	8, 73, 56, 50, 510	68.07	--	(0.86)%
	Total	**5897676260**	**68.93%**	**---**	**8, 73, 56, 50, 510**	**68.07**	**--**	**(0.86)%**

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

SI. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5897676260	68.93%		
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	2948838130 equity (bonus issue in the ratio 1:2) on 18.12.2016 76625087 equity (off market sale) on 25.01.2017 34238793 equity (off market sale) on 22.03.2017	- 0.59% 0.27%	8846514390	68.34% 68.07%
	At the end of the year			8, 73, 56, 50, 510	68.07

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

SI. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the top 10 Shareholders	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year				
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	**Details are placed at Appendix**			
	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:

SI. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	(A) At the beginning of the year	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	(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 Kumar Sarraf (CMD)**				
	(A)	**3192**	**0.000037**	----	----
	(B)	----	----	**1596 (bonus issue)**	**0.000012**
	(C)	----	----	**4788**	**0.000037**

SI. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	**Shri Shashi Shanker, Director (T&FS)**				
	(A)	3712	0.000043	----	----
	(B)	----	----	1856(bonus issue)	0.000014
	(C)	----	----	5568	0.000043
3.	**Shri Tapas Kumar Sengupta, Director (Offshore)**				
	(A)	3672	0.000043	----	----
	(B)	----	----	1836(bonus issue)	0.000014
	(C)	----	----	5508	0.000043
4.	**Shri Desh Deepak Misra, Director (HR)**				
	(A)	1700	0.000020	----	----
	(B)	----	----	850(bonus issue)	0.000006
	(C)	----	----	2550	0.000020
5.	**Shri Ajay Kumar Dwivedi, Director (Exploration)**				
	(A)	820	0.000010	----	----
	(B)	----	----	410(bonus issue)	0.000003
	(C)	----	----	1230	0.000010
6.	**Shri Ved Prakash Mahawar, Director (Onshore)**				
	(A)	1272	0.000015	----	----
	(B)			636(bonus issue)	0.000005
	(C)			1908	0.000015
7.	**Shri Adapa Krishnarao Srinivasan, Director (Finance)**				
	(A)	5752	0.000067	----	----
	(B)	----	----	2876(bonus issue)	0.000022
	(C)	----	----	8628	0.000067
8.	**Shri U P Singh (Govt. Nominee Director)**				
	(A)	NIL	NIL	----	----
	(B)	----	----	NIL	NIL
	(C) ceased on 29.06.2016	----	----	NIL	NIL

SI. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	**Shri Amar Nath, Govt. Nominee Director**				
	(A) appointed w.e.f 28.06.2016	**NIL**	**NIL**	----	----
	(B)	----	----	**NIL**	**NIL**
	(C)	----	----	**NIL**	**NIL**
10.	**Shri Ajay Prakash Sawhney, Govt. Nominee Director**				
	(A) appointed w.e.f.02.01.2016	**NIL**	**NIL**	----	----
	(B)	----	----	**NIL**	**NIL**
	(C)	----	----	**NIL**	**NIL**
11.	**Shri K M Padmanabhan, Independent Director**				
	(A)	**NIL**	**NIL**	----	----
	(B)	----	----	**NIL**	**NIL**
	(C)	----	----	**NIL**	**NIL**
12.	**Shri Ajai Malhotra, Independent Director**				
	(A)	**1100**	**0.000013**	----	----
	(B)	----	----	**550 (bonus issue)**	**0.000004**
	(C)	----	----	**1650**	**0.000013**
13.	**Prof. Shireesh Balwant Kedare, Independent Director**				
	(A)	**NIL**	**NIL**	----	----
	(B)	----	----	----	----
	(C)	----	----	**NIL**	**NIL**
14.	**Shri Deepak Sethi, Independent Director**				
	(A) appointed w.e.f. 31.01.2017	**NIL**	**NIL**	----	----
	(B)	----	----	----	----
	(C)	----	----	**NIL**	**NIL**
15.	**Shri Vivek Mallya, Independent Director**				
	(A) appointed w.e.f. 31.01.2017	**NIL**	**NIL**	----	----
	(B)	----	----	**NIL**	**NIL**
	(C)	----	----	**NIL**	**NIL**

SI. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
16.	**Shri Sumit Bose, Independent Director**				
	(A) appointed w.e.f. 31.01.2017	**NIL**	**NIL**	----	----
	(B)	----	----	----	----
	(C)	----	----	**NIL**	**NIL**
17.	**Dr. Santrupt Misra, Independent Director**				
	(A) appointed w.e.f. 06.02.2017	**NIL**	**NIL**	----	----
	(B)	----	----	**NIL**	**NIL**
	(C)	----	----	**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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year **Additions** **Reduction**	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager							Total Amount
		Shri Dinesh Kumar Sarraf	Shri Shashi Shanker	Shri Tapas Kumar Sengupta	Shri Desh Deepak Misra	Shri A.K. Dwivedi	Shri Ved Prakash Mahawar w.e.f 01.08.2015	Shri A.K Srinivasan w.e.f 23.09.2015	
		CMD	Director (T&FS)	Director (Offshore)	Director (HR)	Director (Exploration)	Director (Onshore)	Director (Finance)	
1.	Gross salary								
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,78,008	25,59,142	21,46,523	20,55,225	22,02,625	21,83,548	21,72,449	15,79,7519
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13,62,373	23,86,528	17,96,816	19,76,085	18,86,941	15,22,139	17,72,038	12,70,2921
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-	
2.	Stock Option	-	-	-	-	-	-	-	
3.	Sweat Equity	-	-	-	-	-	-	-	
4.	Commission	-	-	-	-	-	-	-	
	- As % of profit	-	-	-	-	-	-	-	
	- Others, specify..	-	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-	
5.	Others-Provision for PRP, gratuity, leave encashment under AS-15, Contribution to CSSS, PF, EPS, reimbursement of employer paid taxes, reimbursements not included under 17(2)	42,90,394	32,11,380	35,07,232	33,33,543	36,96,465	37,18,382	36,22,422	25,37,9818
	Total (A)	**81,30,775**	**81,57,051**	**74,50,571**	**73,64,853**	**77,86,031**	**74,24,069**	**75,66,908**	**53,88,0257**
	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:

SI. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Shri Deepak Sethi appointed w.e.f 31.01.2017	Shri Ajai Malhotra	Shri K.M. Padmanabhan	Prof. Shireesh Balwant Kedare	Shri Vivek Mallya appointed w.e.f 31.01.2017	Shri Sumit Bose appointed w.e.f 31.01.2017	Dr. Santrupt B. Misra	
1.	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify	1, 10, 000 NIL NIL	27, 50, 000 NIL NIL	26, 90, 000 NIL NIL	21, 70, 000 NIL NIL	1, 70, 000 NIL NIL	1, 70, 000 NIL NIL	1, 40, 000 NIL NIL	82,00,000 NIL NIL
	Total (1)	1, 10, 000	27, 50, 000	26, 90, 000	21, 70, 000	1, 70, 000	1, 70, 000	1, 40, 000	82,00,000
2.	Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	**1,10,000**	**27,50,000**	**26,90,000**	**21,70,000**	**1,70,000**	**1,70,000**	**1,40,000**	**82,00,000**
	Total Managerial Remuneration	1,10,000	27,50,000	26,90,000	21,70,000	1,70,000	1,70,000	1,40,000	82,00,000
	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:

SI. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			Shri V.N. Murthy		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		19,55,694 14,51,582		
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)		22,08,910		
	Total		**56,16,187**		

VII. Penalties/Punishment/Compounding of offences:

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

The vessel North Ocean 105 is a technological marvel deployed for the first time in India for S1 Vasishta fields. The vessel laid on sea floor large pre-fabricated pipeline through onboard reeling mechanism.

Appendix

Name		Change in shareholding		Cumulative Shareholding during the year	
(1) LIFE INSURANCE CORPORATION OF INDIA			% of total shares of the company	No. of shares	% of total shares of the company
(A) At the beginning of the year		740968234	8.66		
(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**				
8-Apr-16	Purchase	4,128,279		745,096,513	8.71
15-Apr-16	Purchase	2,311,878		747,408,391	8.74
13-May-16	Purchase	262,842		747,671,233	8.74
20-May-16	Purchase	4,584,353		752,255,586	8.79
27-May-16	Purchase	1,919,252		754,174,838	8.82
12-Aug-16	Purchase	3,860,675		758,035,513	8.86
19-Aug-16	Purchase	2,515,253		760,550,766	8.89
26-Aug-16	Purchase	95,973		760,646,739	8.89
1-Sep-16	Purchase	352,737		760,999,476	8.89
9-Sep-16	Purchase	620,291		761,619,767	8.90
16-Sep-16	Purchase	2,212,304		763,832,071	8.93
23-Sep-16	Purchase	5,123,479		768,955,550	8.99
30-Sep-16	Purchase	5,959,791		774,915,341	9.06
7-Oct-16	Purchase	2,964,944		777,880,285	9.09
14-Oct-16	Purchase	1,500,000		779,380,285	9.11
9-Dec-16	Sale	-710,000		778,670,285	9.10
17-Dec-16	Purchase	389,335,142		1,168,005,427	9.10
3-Feb-17	Sale	-2,488,651		1,165,516,776	9.08
8-Feb-17	Sale	-1,453,433		1,164,063,343	9.07
10-Feb-17	Sale	-622,188		1,163,441,155	9.07
17-Feb-17	Sale	-2,569,334		1,160,871,821	9.05
24-Feb-17	Sale	-1,824,208		1,159,047,613	9.03
3-Mar-17	Sale	-4,170,310		1,154,877,303	9.00
10-Mar-17	Sale	-2,068,500		1,152,808,803	8.98
31-Mar-17	-	-		1,152,808,803	8.98
(C) at the end of the year(or on the date of separation if separated during the year)				1,152,808,803	8.98

Name	Change in shareholding		Cumulative Shareholding during the year	
(2) INDIAN OIL CORPORATION LIMITED	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(A) At the beginning of the year	657923428	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):				
Date / **Reason**				
17-Dec-16 / Purchase	328,961,714		986,885,142	7.69
(C) at the end of the year(or on the date of separation if separated during the year)			986,885,142	7.69

Name	Change in shareholding		Cumulative Shareholding during the year	
(3) GAIL(INDIA) LIMITED	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(A) At the beginning of the year	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):				
Date / **Reason**				
17-Dec-16 / Purchase	102,800,534		308,401,602	2.40
(C) at the end of the year(or on the date of separation if separated during the year)			308,401,602	2.40

Young and enthusiatic ONGCian inside the control room during drilling operation.

Name		Change in shareholding		Cumulative Shareholding during the year	
(4) CPSE ETF		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(A) At the beginning of the year		20972980	0.25	----	----
(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**				
11-Nov-16	Sale	-87,468		20,885,512	0.24
18-Nov-16	Sale	-9,456		20,876,056	0.24
25-Nov-16	Sale	-1,062,616		19,813,440	0.23
2-Dec-16	Sale	-121,662		19,691,778	0.23
9-Dec-16	Sale	-112,650		19,579,128	0.23
16-Dec-16	Sale	-74,343		19,504,785	0.23
17-Dec-16	Purchase	9,752,392		29,257,177	0.23
23-Dec-16	Sale	-30,411		29,226,766	0.23
30-Dec-16	Sale	-1,485,391		27,741,375	0.22
6-Jan-17	Sale	-103,072		27,638,303	0.22
13-Jan-17	Sale	-54,757		27,583,546	0.21
20-Jan-17	Sale	-156,205		27,427,341	0.21
27-Jan-17	Purchase	76,499,468		103,926,809	0.81
3-Feb-17	Sale	-15,096,827		88,829,982	0.69
8-Feb-17	Sale	-4,013,366		84,816,616	0.66
10-Feb-17	Sale	-241,575		84,575,041	0.66
17-Feb-17	Purchase	507,641		85,082,682	0.66
24-Feb-17	Sale	-673,992		84,408,690	0.66
3-Mar-17	Sale	-276,251		84,132,439	0.66
10-Mar-17	Sale	-5,559,393		78,573,046	0.61
17-Mar-17	Sale	-1,264,012		77,309,034	0.60
24-Mar-17	Purchase	34,283,247		111,592,281	0.87
31-Mar-17	Sale	-11,100,562		100,491,719	0.78
(C) at the end of the year(or on the date of separation if separated during the year)				100,491,719	0.78

Name		Change in shareholding		Cumulative Shareholding during the year	
(5) ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.		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		54,623,944	0.64	----	----
(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**				
8-Apr-16	Purchase	963,664		55,587,608	0.65
15-Apr-16	Purchase	306,305		55,893,913	0.65
22-Apr-16	Purchase	19,748		55,913,661	0.65
29-Apr-16	Sale	-8,106		55,905,555	0.65
6-May-16	Purchase	1,167,819		57,073,374	0.67
13-May-16	Sale	-921,414		56,151,960	0.66
20-May-16	Sale	-84,046		56,067,914	0.66
27-May-16	Purchase	773,170		56,841,084	0.66
3-Jun-16	Purchase	1,734,573		58,575,657	0.68
10-Jun-16	Purchase	615,391		59,191,048	0.69
17-Jun-16	Purchase	19,489		59,210,537	0.69
24-Jun-16	Purchase	292,907		59,503,444	0.70
30-Jun-16	Sale	-27,050		59,476,394	0.70
8-Jul-16	Purchase	827,347		60,303,741	0.70
15-Jul-16	Sale	-66,925		60,236,816	0.70
22-Jul-16	Purchase	765,728		61,002,544	0.71
29-Jul-16	Purchase	515,049		61,517,593	0.72
5-Aug-16	Purchase	576,466		62,094,059	0.73
12-Aug-16	Purchase	1,883,756		63,977,815	0.75
19-Aug-16	Purchase	1,257,214		65,235,029	0.76
26-Aug-16	Sale	-305,849		64,929,180	0.76
1-Sep-16	Purchase	972,502		65,901,682	0.77
2-Sep-16	Purchase	138,364		66,040,046	0.77
9-Sep-16	Purchase	1,100,473		67,140,519	0.78
16-Sep-16	Purchase	1,056,847		68,197,366	0.80
23-Sep-16	Sale	-887,738		67,309,628	0.79
30-Sep-16	Sale	-147,131		67,162,497	0.79
7-Oct-16	Sale	-632,778		66,529,719	0.78
14-Oct-16	Sale	-198,228		66,331,491	0.78
21-Oct-16	Purchase	487,356		66,818,847	0.78
28-Oct-16	Sale	-273,519		66,545,328	0.78
4-Nov-16	Sale	-487,239		66,058,089	0.77
11-Nov-16	Sale	-699,397		65,358,692	0.76
18-Nov-16	Purchase	413,690		65,772,382	0.77

Name		Change in shareholding		Cumulative Shareholding during the year	
(5) ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD.		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
25-Nov-16	Sale	-1,347,863		64,424,519	0.75
2-Dec-16	Sale	-1,628,554		62,795,965	0.73
9-Dec-16	Sale	-2,020,995		60,774,970	0.71
16-Dec-16	Sale	-946,780		59,828,190	0.70
17-Dec-16	Purchase	29,914,095		89,742,285	0.70
23-Dec-16	Sale	-660,945		89,081,340	0.69
30-Dec-16	Sale	-394,880		88,686,460	0.69
6-Jan-17	Sale	-287,704		88,398,756	0.69
13-Jan-17	Sale	-1,165,177		87,233,579	0.68
20-Jan-17	Sale	-1,121,683		86,111,896	0.67
27-Jan-17	Purchase	244,230		86,356,126	0.67
3-Feb-17	Purchase	579,556		86,935,682	0.68
8-Feb-17	Purchase	26,182		86,961,864	0.68
10-Feb-17	Purchase	216,291		87,178,155	0.68
17-Feb-17	Purchase	325,724		87,503,879	0.68
24-Feb-17	Purchase	371,240		87,875,119	0.68
3-Mar-17	Sale	-639,841		87,235,278	0.68
10-Mar-17	Purchase	233,395		87,468,673	0.68
17-Mar-17	Sale	-655,193		86,813,480	0.68
24-Mar-17	Purchase	340,413		87,153,893	0.68
31-Mar-17	Sale	-1,692,238		85,461,655	0.67
(C) at the end of the year(or on the date of separation if separated during the year)				85,461,655	0.67

View of Offshore drillship.

Name		Change in shareholding		Cumulative Shareholding during the year	
(6) FRANKLIN TEMPLETON INVESTMENT FUNDS		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(A) At the beginning of the year		42,415,379	0.50		
(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)					
15-Apr-16	Sale	-84,800		42,330,579	0.49
27-May-16	Sale	-1654270		40,676,309	0.48
21-Oct-16	Sale	-124600		40,551,709	0.47
28-Oct-16	Sale	-160500		40,391,209	0.47
18-Nov-16	Sale	-279200		40,112,009	0.47
25-Nov-16	Sale	-222000		39,890,009	0.47
2-Dec-16	Sale	-1057300		38,832,709	0.45
17-Dec-16	Purchase	19416354		58,249,063	0.45
23-Dec-16	Sale	-821862		57,427,201	0.45
30-Dec-16	Sale	-122538		57,304,663	0.45
17-Mar-17	Sale	-981500		56,323,163	0.44
24-Mar-17	Sale	-1928800		54,394,363	0.42
31-Mar-17	Sale	-736050		53,658,313	0.42
(C) at the end of the year(or on the date of separation if separated during the year)				53,658,313	0.42

Monitoring performance and progress-ONGCians inside the control room.

Name		Change in shareholding		Cumulative Shareholding during the year	
(7) VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUND		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(A) At the beginning of the year		31,460,827	0.37		
(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				
8-Apr-16	Purchase	117,320		31,578,147	0.37
22-Apr-16	Purchase	17551		31,595,698	0.37
29-Apr-16	Sale	-114826		31,480,872	0.37
6-May-16	Sale	-73428		31,407,444	0.37
20-May-16	Sale	-48290		31,359,154	0.37
27-May-16	Sale	-185394		31,173,760	0.36
3-Jun-16	Sale	-247831		30,925,929	0.36
10-Jun-16	Purchase	69760		30,995,689	0.36
17-Jun-16	Sale	-141736		30,853,953	0.36
24-Jun-16	Sale	-70471		30,783,482	0.36
22-Jul-16	Purchase	73458		30,856,940	0.36
29-Jul-16	Purchase	221184		31,078,124	0.36
5-Aug-16	Purchase	176644		31,254,768	0.37
12-Aug-16	Purchase	185805		31,440,573	0.37
19-Aug-16	Purchase	264256		31,704,829	0.37
1-Sep-16	Sale	-773460		30,931,369	0.36
9-Sep-16	Purchase	117060		31,048,429	0.36
7-Oct-16	Purchase	108608		31,157,037	0.36
14-Oct-16	Purchase	74668		31,231,705	0.37
21-Oct-16	Purchase	254550		31,486,255	0.37
28-Oct-16	Purchase	101820		31,588,075	0.37
11-Nov-16	Purchase	220610		31,808,685	0.37
25-Nov-16	Purchase	268126		32,076,811	0.37
2-Dec-16	Purchase	152730		32,229,541	0.38
17-Dec-16	Purchase	16114770		48,344,311	0.38
6-Jan-17	Purchase	134376		48,478,687	0.38
13-Jan-17	Purchase	285549		48,764,236	0.38
20-Jan-17	Purchase	134376		48,898,612	0.38
3-Feb-17	Purchase	403128		49301740	0.38
17-Feb-17	Purchase	111980		49,413,720	0.39
24-Mar-17	Sale	-101932		49,311,788	0.38
31-Mar-17	Purchase	238216		49,550,004	0.39
(C) at the end of the year(or on the date of separation if separated during the year)				49,550,004	0.39

Name		Change in shareholding		Cumulative Shareholding during the year	
(8) GOVERNMENT PENSION FUND GLOBAL		**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
(A) At the beginning of the year		24,81,0704	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**				
20-May-16	Purchase	2,281,828		27,092,532	0.32
27-May-16	Purchase	1,570,306		28,662,838	0.34
3-Jun-16	Sale	-244,319		28,418,519	0.33
10-Jun-16	Sale	-377,250		28,041,269	0.33
17-Jun-16	Sale	-306,106		27,735,163	0.32
24-Jun-16	Purchase	662,082		28,397,245	0.33
8-Jul-16	Sale	-258,394		28,138,851	0.33
15-Jul-16	Sale	-25,481		28,113,370	0.33
29-Jul-16	Sale	-301,886		27,811,484	0.33
5-Aug-16	Purchase	800,000		28,611,484	0.33
26-Aug-16	Purchase	380,068		28,991,552	0.34
1-Sep-16	Sale	-281,907		28,709,645	0.34
23-Sep-16	Purchase	227,745		28,937,390	0.34
7-Oct-16	Sale	-709,823		28,227,567	0.33
16-Dec-16	Sale	-227,348		28,000,219	0.33
17-Dec-16	Purchase	14,000,109		42,000,328	0.33
23-Dec-16	Purchase	206,400		42,206,728	0.33
30-Dec-16	Purchase	92,305		42,299,033	0.33
6-Jan-17	Purchase	38,045		42,337,078	0.33
13-Jan-17	Purchase	335,595		42,672,673	0.33
8-Feb-17	Sale	-1,400,000		41,272,673	0.32
10-Feb-17	Sale	-985416		40,287,257	0.31
31-Mar-17	Sale	-135577		40,151,680	0.31
(C) at the end of the year(or on the date of separation if separated during the year)				40,151,680	0.31

Name		Change in shareholding		Cumulative Shareholding during the year	
(9) LIC OF INDIA P& GS FUND		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(A) At the beginning of the year		25417033	0.30		
(B) Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):					
Date	**Reason**				
12-Aug-16	Purchase	1,947,043		27,364,076	0.32
19-Aug-16	Purchase	708,964		28,073,040	0.33
2-Sep-16	Purchase	217,838		28,290,878	0.33
9-Sep-16	Purchase	213,135		28,504,013	0.33
25-Nov-16	Sale	-174,983		28,329,030	0.33
17-Dec-16	Purchase	14,164,515		42,493,545	0.33
3-Feb-17	Sale	-964,837		41,528,708	0.32
17-Feb-17	Sale	-590,756		40,937,952	0.32
24-Feb-17	Sale	-1,221,804		39,716,148	0.31
3-Mar-17	Sale	-557,197		39,158,951	0.31
10-Mar-17	Sale	-320,000		38,838,951	0.30
31-Mar-17	-	-		38,838,951	0.30
(C) at the end of the year(or on the date of separation if separated during the year)				38,838,951	0.30

ONGC Mangalore Petrochemicals Ltd. with an Annual Capacity of 914 KTPA of Para-xylene and 283 KTPA of Benzene achieved its highest revenue of ₹52,56 million in FY'17.

Name		Change in shareholding		Cumulative Shareholding during the year	
(10) VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(A) At the beginning of the year		21,353,709	0.25		
(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**				
15-Apr-16	Purchase	161,764		21,515,473	0.25
13-May-16	Purchase	154,331		21,669,804	0.25
20-May-16	Purchase	163,847		21,833,651	0.26
3-Jun-16	Purchase	160,320		21,993,971	0.26
17-Jun-16	Purchase	157,339		22,151,310	0.26
1-Jul-16	Purchase	159,724		22,311,034	0.26
8-Jul-16	Purchase	159,614		22,470,648	0.26
15-Jul-16	Purchase	146,213		22,616,861	0.26
12-Aug-16	Purchase	150,938		22,767,799	0.27
30-Sep-16	Purchase	131,222		22,899,021	0.27
7-Oct-16	Purchase	129,710		23,028,731	0.27
28-Oct-16	Purchase	119,508		23,148,239	0.27
18-Nov-16	Purchase	258,669		23,406,908	0.27
25-Nov-16	Purchase	122,834		23,529,742	0.28
2-Dec-16	Purchase	128,880		23,658,622	0.28
9-Dec-16	Purchase	118,465		23,777,087	0.28
17-Dec-16	Purchase	11,888,543		35,665,630	0.28
23-Dec-16	Purchase	111,082		35,776,712	0.28
30-Dec-16	Purchase	223,912		36,000,624	0.28
6-Jan-17	Purchase	176,515		36,177,139	0.28
13-Jan-17	Purchase	176,292		36,353,431	0.28
3-Feb-17	Purchase	168,608		36,522,039	0.28
17-Feb-17	Purchase	314,760		36,836,799	0.29
3-Mar-17	Purchase	171,628		37,008,427	0.29
10-Mar-17	Purchase	172,108		37,180,535	0.29
(C) at the end of the year(or on the date of separation if separated during the year)				37,180,535	0.29

Annexure F

A. Energy Conservation

The following measures were taken towards energy conservation during FY'17

- During the year, initiative were taken for the installation of Solar Panels at big Buildings like KDMIPE- Dehradun, GEOPIC - Dehradun, IRS Ahmedabad, CEWELL Centre – Vadodara, IPSHEM-Goa. Conventional Lighting were replaced by LED Lightings at many work centres.
- Energy Audits were carried out at numerous rigs/ installations across ONGC through in-house energy auditors, recommending measures for improvement in overall energy efficiency. 211 energy audits were conducted in 2016-17 against a target of 205.
- Energy conservation awareness campaigns through various activities and programmes such as month-long Saksham-2017, Akshay Urja Diwas and Energy Conservation Day, thereby educating the masses.
- Implementation of Energy Management System - ISO 50001 at Uran Plant, Ahmedabad Asset (GGS-II & GCP Kalol), IDT Dehradun and Hazira plant.
- Entered into a MoU with M/s Energy Efficiency Services Ltd. (EESL) for implementation of LED lighting program in ONGC. Prices offered by M/s EESL for various types of lights circulated to work-centres. Work-centres are in the process of obtaining sanctions/placement of orders for replacement of conventional lights with energy-efficient LED lights. Around 4000 LED lights already delivered.
- Commissioned 3 nos. of hired gas compressors of 40, 000 SCMD capacity each at Keshnapalli (W) GGS in Rajahmundry Asset in Sep'2016 to reduce flaring of low pressure associated gas.
- New 16" gas trunk pipe line from Geleki to Dikhow Junction Point (DJP) commissioned in Feb'17. Excess gas available, being flared earlier, is now being transported to Lakwa via DJP for internal consumption primarily for new GT operations.
- Overhauled Gas Turbines commissioned at Geleki & Rudrasagar for continuous availability of power thereby minimizing trippings of GCP compressors.

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 & Development

Institute of Drilling Technology (IDT)

Specific areas in which R&D was carried out

- Drilling, Coring and Logging of 16 Parametric Wells in Kaikalur-Lingala Area, Andhra Pradesh.
- "Prolonged Stability Tests of IIT-D Developed Catalysts for HI Decomposition Reaction of S-I Cycle", in collaboration with IIT-Delhi.
- "Characterization of supported metallic oxide catalysts and theirs stability in H2SO4 decomposition section of I-S cycle", in collaboration with IIT-Delhi.
- Scoping Study for Integration of GGS process system in association with Solar Block with Engineers India Ltd (EIL).
- Development of specialized microbial culture bank for energy recovery from lignite and matured oil reservoirs, with ARI, Pune.
- "Thermal modeling to assess Geothermal Energy Potential in Gandhar area of Cambay Basin", was taken up and completed by Basin Modelling Group, KDMIPE, Dehradun.
- Design of wells for Mumbai Offshore having simultaneous loss and activity situation. (BH-N & BSE#Q)
- Feasibility study on application of MPD in Pressurized Mud Cap Mode in wells having simultaneous loss and activity
- Design of wells of OLPAD
- Casing Policy Review for deep Development & Exploratory wells of Assam Asset
- Design of Well # MPM (Masimpur) of Cachar Forward Base, Silchar

- Design of Exploratory Wells of Cauvery Asset
- Design of Exploratory Well # KON-AA of KG Basin, Rajahmundry
- Design of High Angle/Horizontal wells in Mumbai High Basement Reservoir
- Design of Vertical Appraisal Well in Farsi Offshore exploration Block, Iranian part of Persian Gulf
- Framing of specifications of new generation LCM material equivalent to or better than Fracseal-Stop-loss
- Formulation of suitable clear drilling fluid to drill Barefoot in Trap Wash of Padra
- Identifying of additives for control of High Temperature Gelation as a substitute of Sodium Dichromate
- Designing of Eco-friendly, Non-invasive Drilling fluid system for High pressure wells of Tripura Asset
- Study of Mud wt. requirement in conjunction with Geo-mechanical studies in BCS, BMS, Kopili and Naga Thrust area
- Study of compatible mud wt. requirement in conjunction with hole stability & non-damaging productivity of pay zones of Sub-hydro static & depleted Tipam formation of Assam Asset, Assam
- Study of suitability of using LTSOBM as a substitute of KCl-PHPA-Polyamine mud system and HPWBM system for drilling deep Exploratory wells of Assam Asset, Assam
- Study the Attainment of enhanced Lubricity in Drilling fluid with the use of alternate lubricant other than EP Lube for Drilling Deeper and Troublesome BCS, BMS, Kopili and Tura Formations
- Exploring the possibilities of utilizing non-moving chemicals- Lime, CL, CLS available at CFB-Silchar for drilling shallow wells in Bhuvandar field of CFB-Silchar
- Dose optimization of KCl in water based drilling fluid for trouble free drilling in Tiruvarur & Kamlapuram Shale Formations
- Formulation of K-Lignite based drilling fluid for Assam Asset, Assam
- Specification formulation of cement additive packages Benefits
- Identification of cement additives, designing and firming up specification of cement additives for shale gas cementation
- Analysis of cementation jobs in vertical exploratory wells SKBI, WDAU and VTAC of Ahmedabad Asset
- Designing of suitable cement slurry for hydro-fracturing wells
- New formulation/technological solution for arresting severe to total mud loss situation in NBP field in order to reach to target depth and testing of lower pay objects
- Determination of critical salt concentration for optimizing the doses of Potassium Chloride (KCl) used in Hydro fracturing for the inhibition of Clay swelling
- Identification of suitable Clay Stabilizer to establish its efficacy in water base hydro fracturing as a substitute of KCl
- Identification and feasibility studies of suitable stabilizer as a substitute of Ammonium Chloride (NH_4Cl) to establish its efficacy in matrix acidizing job
- Material Selection for HPHT wells
- Premium connections for Drill Pipe and Drill Collar
- Building up Inventory for Landmark Software. (Proprietary Casing, Proprietary Casing Connections, Casing Hanger, MLS, Under reamers, Well Head, Bits, RSS)
- Case study : Analysis of Under Balance Drilling application in Sub-hydrostatic formations of Mumbai Offshore
- Designing of High Performance Water Based Mud system (HPWBM) as a substitute for Oil Based Drilling Fluids

IOGPT

Following are some of the major studies carried out in functional areas:-

- Back pressure reduction and Surge analysis of

NBP field through installation of 12” rigid subsea jumper connections in following lines

- 14” NBP-D-NBP-B pipeline and 16” NBP-B - subsea FPSO PLEM
- 12” NBP-C-NBP-B pipeline and 16” NBP-B - subsea FPSO PLEM

- Deep Penetrating Retarded Acid System (DPRAS) & Self Diverting Acid Stimulation technology for wells of NBP & other fields of Mumbai Offshore: Implemented in 30 wells and have resulted in realization of substantial gain.
- Closed fracture acidization (CFA): Technology inducted from collaborative R&D project with M/s Halliburton, for stimulation of conventional and horizontal wells in tight carbonate reservoirs, was successfully customized and implemented in 18 wells of Mumbai Offshore.
- Debottlenecking of cooling water network of Uran Plant: For effective debottlenecking of cooling water network, the modifications recommended by IOGPT have been implemented which solved flow issues leading to improved heat transfer.
- Feasibility study of installing turbo expander in LPG-I & II for additional recovery of heavier hydrocarbons of Uran Palnt
- Flow measurement system study for Santhal, Balol, Lanwa & Jotana fields of Mehsana Asset in western onshore.
- Surge analysis of 14” oil trunkline from Nawagam CTF to Koyali Refinery & 12” oil trunkline from South Kadi CTF to Kalol CTF & 8” oil trunkline from Gamij GGS-III to Ramol GGS of Ahmedabad Asset
- Conceptual scheme of surface facility for monetization of Chinnewala Tibba in Rajasthan.
- Scheme conceptualization of skid mounted modular surface facilities for processing of Mandepeta gas & condensate of Rajahmundry Asset
- Design of solvent formulation for wells of Malleswaram field
- Failure analysis of SRP units & sub surface pumps in wells of Ahmedabad Asset. Suggested recommendations have been implemented.

ONGC’s KDMIPE Institute at Dehradun.

- Design and optimization of gas lift system in many wells of offshore and onshore fields.
- Flow Assurance & Development Studies carried out for marginal fields and deep water fields.

IEOT

- Structural Integrity check of well platforms-for installation of additional risers & J-Tubes for subsea wells pipeline.
- Requalification Studies of Process Platforms and wellhead Platforms.
- Corrosion Audit of offshore installations and Subsea pipelines.
- Failure analysis of Process pipelines, flow arms and equipment etc. as per requirement and mitigations measures
- Study for implementation of improved version of painting scheme for Uran Plant.
- Application of composite material in on-shore installations.
- Quantitative Risk Assessment (QRA) Study of offshore and onshore Installations.
- Hazard and operability (HAZOP) study of offshore and onshore Installations
- Soil investigation for Mooring Buoy and platform locations of Indian offshore.

KDMIPE, Dehradun

- Prospectivity analysis of Syn-rift sediments, Cambay Basin.
- High resolution Sequence stratigraphy of Daman area and South Cambay Basin.
- Petroleum System modeling of Tripura- Cachar Fold belt, Kutch –Saurashtra Basin, Cambay Basin & Jaisalmer Basin.
- Sediment Dispersal Pattern and high resolution bio-stratigraphy.
- Structural evolution and structural Modeling of major tectonic elements of North East India.
- Depositional model of Surma Group sediments, Western Tripura.
- Digenetic implications in Tura Formation of North Assam Shelf.
- Fracture Network Modeling and tectonic history of basement rocks of Cauvery.
- Remote Sensing and Morphotectonic analysis.
- Fracture identification in limestone/tight reservoir with conventional open hole logs.
- Petroleum generation and expulsion studies in Kutch Offshore Basin.
- Geochemical characterization of oils, Source rock studies, Oil to Oil & Oil to Source correlation, High resolution geochemical characterization of oils, Fluid correlation and characterization.
- Surface geochemical and geomicrobial prospecting & analysis of absorbed gas and microbial data.
- API of Gravity, Residual gravity and MT Data.
- Genetic characterization and petrogenesis of basalts.

GEOPIC, Dehradun

- Integrated analysis of structural evolution and hydrocarbon prospectivity of Murud depression and South Mumbai low.
- To improve sand signature within coal laminated BCS sequences in Lakwa-Lakhmani area of North Assam Shelf block.
- Understanding abnormal pore pressure and its possible distribution in Agartala Dome.
- Play Fairway modelling and prospectivity analysis of Patan-Sanchor and Mehsana Blocks of Western Onshore.
- Evaluation of basement fracture geometry in Mattur-Pundi area, Tanjore Sub-Basin, Cauvery Basin.
- Play fairway and prospectivity analysis for Pre and Syn rift sequences in Nagapattinam and Tranquebar sub Basin, Cauvery Basin.
- Prestack inversion and AVO analysis in KG-DWN-98/2 Block.
- Resource Assessment of Vindhyan Basin, Ganga Basin and Punjab Plain using Aerial Yield Method.
- Refinement of GCM of Kalol Field.
- Seismic driven 3D geo-mechanical modelling of KG-DWN-98/2.

- Improvement in Low Frequency Modelling.
- Suppression of coal effect from seismic data & Geostatistics for subsurface uncertainty estimation in Wadu Paliyad area.
- 3D SRME (Surface Related Multiple Elimination/ Attenuation) on AN-DWN-2005/1 area.
- 3D R&D PSDM RTM and WEM (GEOVATION).
- 3D R&D Reproc+ PSTM Geothrust 3D work flow establishment on Khoraghat-Nambar area (Focus/ GD).
- 3D RTM (Reverse Time Migration) – Focus/ GeoDepth S/W.
- 3D R&D Basic/Rep+ PSTM OVT Processing (Geovation).
- 3D R&D Basic/Rep.+ PSTM broadband processing for sub-basalt imaging-Padra area.
- 3D Basic/Rep+ PSTM OVT (Offset Vector Tile) Processing (Omega S/W).
- 3D Basic/Rep+PSTM broadband processing SW of GK-28 area.
- ES360-Feasibility Studies (Focus/GeoDepth S/W).

IRS, Ahmedabad

Field Development/Redevelopment:

- Scheme for revival of R-12 (Ratna) and development of R-Series fields carried out.
- Simulation study of low salinity water-flood in identified pilot area in Mumbai High South completed successfully.
- Additional Development of B-193 field on revised GCM was carried out.
- Comprehensive development of NBP field was carried out.
- Review of development of L-II reservoir of MH North by updating existing geological model completed.
- Development strategy for free gas exploitation of Bandra Pay completed.
- Development study of B-192 field completed.
- Performance analysis and revision of profile for production enhancement and improvement of the recovery in G-1 field carried out.
- Integrated simulation studies of all pay sands of Nawagam field based on GCM prepared by E&D Dte was carried out.
- Performance review and GCM based simulation study for Langhnaj field completed.
- Performance Review & Simulation Study of Nandasan Field completed.
- GCM and simulation study of JS-1 Sand (Block of 20, 30) of Jambusar Field was completed.
- Simulation study of K-XII Sand of Kalol Field and K-VIII Sand of Limbodra Field carried out.
- Simulation study of GS-1 Sand (Block of G-698) of Gandhar Field, NUP and NMP of Nada Field carried out.
- Performance review and Simulation study for the sands of Kuthalam field completed.
- The development strategy of new discovery namely Dayalpur in Jorhat was carried out.
- Conceptual development of Water Injection scheme of TS-4 sand of Charali field based on simulation study completed.
- Geological Modelling and Simulation study of TS-6 sand of Geleki field carried out.

Enhanced Oil Recovery:

- Single well pilot for LoSal water flood in Mumbai High South field (IU#3) was carried out.
- Redevelopment of Santhal field by updation of GCM by incorporation of well data from 90 new wells carried out successfully. FR has been approved.
- FR for Polymer Flood pilot in heavy oil reservoirs of Bechraji Field was approved.
- Immiscible gas injection in Borholla field (KSD-V) was carried out which envisages increase in recovery to 38% from current 22%.
- Gas Assisted Gravity Drainage (GAGD) process in Kasomarigaon field has been approved for increasing recovery and stopping gas flaring.
- Field scale WAG Injection in Gandhar Field (GS-9 sand).

- Monitoring of Ongoing Polymer Flood Project in Sanand.
- Feasibility study for field application of surfactant flooding in KS-II sand of Nandasan field through simulation/classical analysis completed.

Laboratory Studies:

- Single well tracer test for evaluation of efficacy of low salinity water flood process in Mumbai High South was carried out.
- Application of gas tracer for tracking flue gases movement in Santhal field was done.
- Feasibility of ASP flood in K-III sand of Sanand Field completed.
- Continued application of water control job by optimizing water shut-off technology field/well specific for different Assets of ONGC, OVL and Oil India Ltd. 50 water shut-off/profile modification jobs using deep penetrating Polymer gel were designed and executed in 2016-17 with special mention of water shut off in offshore gas well BC-2 of Bassein field, Gas shut off in well SN-232 and water shut-off in wells of Gopavaram field of Rajahmundry Asset.
- Application of MEOR processes viz. MEOR in huff-n-puff mode, PDB jobs for paraffin degradation in tubulars in Mehsana & Ankleshwar Assets. 13 PDB and 13 MEOR jobs in wells of Mehsana and Ankleshwar Assets carried out.
- Miscibility test using HC gas of LBS-6 on crude oil of LBS-2 pay sand of Laiplingaon field indicated nearly miscible by yielding an ultimate displacement efficiency of 70% at initial reservoir pressure of 350 kg/cm^2. The miscibility pressure, higher than 350 kg/cm^2 is attributed mainly due to higher methane concentration in the injection gas. It can be brought down to around 255 kg/cm2 by enriching injection gas composition to a level of 65% methane content.
- Study for spontaneous air injection in Malleswaram field carried out successfully.
- Compatibility Study & Treatment Design of Injection water in different fields of ONGC completed.
- Remedial measures to control scale problems in Jhalora ETP completed.

Preparation of Geocellular Models (GCMs):

- Preparation of integrated Geocellular models of MHN (L-II), B-193, B-192 (Revisit), Heera (for Bandra gas), G-1, Gamij, Santhal, Kalol (IX+X sector), Nada, Jambusar(JS-1), Geleki(TS-6, Revisit), Demulgoan, Agartaladome, Gandhar (GS-3A, Revisit) were completed.

CEWELL, Vadodara

- Petrophysical evaluation of Gas Hydrates wells drilled under NGHP-02 has been attempted and completed for first time in ONGC.
- Basement evaluation including fracture network/ Geomechanics in basements of Koraghat area of A & AA Basin and Panadanallur and Madanam area.
- Geomechanical 1D-3D Model for GK-28 Structure and Nawagam middle pay.
- Rock compressibility study of Bandra formation of Heera field
- Petrophysical evaluation/revisit of logs for production enhancement:
- Inputs for GCM study of Charali and Lakwa-Lakhmani field:

INBIGS, Jorhat

- Bioremediation of crude oil has been recognized as an effective process for its ability to clean up the environment. The process combined Bio-augmentation with new microbial community and Bio-stimulation with the help of slow release fertilizer as growth stimulant. This innovative endeavour is duly corroborated by researches on slow release fertilizer used in Bioremediation process. During the application slow release fertilizer rock phosphate was used for sustained supply of nutrient to microbes.

IPSHEM, Goa

- Comprehensive Environment monitoring and analysis around offshore blocks both in Western and Eastern Offshore for assessing marine environmental health and to fulfil regulatory requirements.

- Study on Water management issues in offshore production assets.
- Trace metal characterization study of produce water from offshore and onshore operational areas, drill cuttings and sediments etc.

Benefits derived as a result of above R&D

R&D activities carried out by the Institutes under Exploration have helped in enhancing the growth of the company by ensuring high success-ratio through finding new oil in existing petroleum provinces using state of the art technology available in the company. R&D activities have also facilitated in improving recovery factor, incremental oil gain, mitigating complex challenges of exploration in Frontier basins, deep-water blocks and to tap unconventional energy resources.

Besides, Offshore Environment Monitoring in Western Offshore and Eastern Offshore has helped in meeting the statutory requirements. The innovative endeavour in the process of Bioremediation leads to enhancing oil degradation rate, reduction of duration of bioremediation and cost cutting. This has proved to be an effective methodology in biodegradation of crude oil contaminated effluent and effective environmental protection.

C. Technology Absorption

- Under Balance Drilling (UBD): Under balanced drilling (UBD) Technology Introduced for the first time in ONGC and has been successfully implemented in three wells in Heera and two wells of Mumbai High field. The major benefits of this technology are drilling without damaging formation, immediate production benefits, production enhancement and superior reservoir management in depleted fields.
- Pressure pulse technology has been successfully used to identify choking in B-193 oil export trunk line (21 km x 12”) in western offshore experiencing high back pressure and indicating choking in the first 10 km of pipeline from B-193 platform. This will facilitate identifying suitable technology to mitigate and prevent the problem from recurring.
- Acoustic leak flow analyzer (ALFA): The tool uses very sensitive acoustic sensors to records noise generation and temperature variation, enabling a very effective way of leak detection as well as detection of flow behind the multiple tubulars. This technology has been used to identify leakage points in tubing as well as liner & casing in VSEB#5H & C26-P#3 wells.
- 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.
- 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.
- 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
- 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.
- 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.
- 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.

- 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.
- 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.
- Multi Finger Imaging Tool (MIT): 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.
- 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.
- 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.
- "Azitrack" Technology has been introduced in new wells of VSEA field to keep the drain hole in oil zone and has been successfully tried in one of the wells.
- Magnetic thickness detector (MTD): This tool records metal thickness by response of pulse eddy current attenuation changes in frequency & amplitude. This determines thickness of tubing & casing(s). This technology has been used to determine tubing & casing condition of wells of Bassein field.
- Toe-to-Heel Air Injection (THAI): Pilot testing of Toe-to-Heel Air Injection (THAI) concept for In-situ Combustion is carried out in Balol field for the first time in Mehsana Asset. Air injector BLOY drilled in February 2016. Horizontal producer BLOW drilled in October 2016.
- High Rate Water Pack (HRWP) job executed for Gravel pack completion in Well KV#29 of Kesavadaspalem field of Rajahmundry Asset for containing production of sand from the reservoir. The GP job was completed using Weatherford – WFX style BlackCat GP Packer system.
- Radial Drilling: Ahmedabad Assets completed a pilot project for radial drilling in existing wells through M/s Radial Drilling services for improved permeability & wider wellbore to reservoir connectivity. A total of 4 wells in different fields were completed through this project.
- Pad drilling is being adopted in Onshore for Additional Development of Gamij field (Ahmedabad Asset). This has substantially reduced land required for development wells.
- Hydro-fracturing in HP-HT Wells: Carried out successful HF jobs in the HPHT environment (High Pressure, High Temperature) with the help of M/s Halliburton in 2 wells of Nandigama field, Rajahmundry Asset.
- Multistage Fracturing in horizontal wells have been taken up in four wells of Gamij Field in Ahmedabad Asset with the help of Consortium of M/s BJ Services & Baker Hughes.
- Ankleshwar Asset has successfully drilled its highest ever horizontal drift well in Dahej field. Well DJAT drilled to a depth of 3785 m with horizontal drift of 2172.9 m has helped to complete the well from surface location on land to its sub-surface objective location lying under the sea.
- Dynamic Gas blending System at Ankleshwar: Dynamic Gas Blending System is a major initiative

towards saving of High Speed Diesel in Drilling Rigs by substituting Diesel with Natural Gas. The System enables engine to run on blended mixture of Diesel and Natural Gas and optimizes gas substitution with respect to variable load and gas quality automatically. DGB System can accept gasified LNG, CNG, Pipeline or associated field gas of LHV between 900 to 2300 btu/scf and inlet manifold supply pressure of 50-70 psi. Max substitution achieved is 67%. After installation of DGB System more than 90, 000 L HSD of worth approx. 56.75 Lakh has been saved in one month.

- Lime- CL-CLS based drilling fluid was successfully field implemented at Silchar in December 2016
- Under gauged hole while drilling in EOR area of Mehsana Asset:-A new drilling fluid with low conc. Of KCL and 2.5% of polyamine has been designed by IDT. The system is being field implemented at Mehsana Asset.
- Successfully Field Implemented IDT developed Microbbble based mud system in first well #GKIM of Assam Asset

D. Information regarding Imported Technology for last five years

Sr. No.	Technology Imported	Year of Import
	A.TECHNOLOGY	
(i)	• Sm-Nd Dating facility to date hard rocks like Igneous and metamorphic.It also helpful in ascertaining the provenance age in sedimentary rocks and correlation of reservoir lithologies.	2012-13
(ii)	• Radial 3D Saturn Probe-used for pressure measurements, downhole fluid analysis 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

(iii)	• 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 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.	2014-15
	• 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.	

(iv)	• 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. • 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/lCP-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.	2015-16
(v)	• Nuclear Magnetic Resonance (NMR) equipment: Nuclear Magnetic Resonance (NMR) log is recorded to get lithology independent porosity and estimation of T2 relaxation time. It directly measures effective porosity, fluid saturations, fractional fluid mobility, and viscosity which are significant for realistic reservoir estimation. • Motorized Polarising Fluorescence Microscope: The motorized polarizing-fluorescence microscope with digital camera and image analyzer is used to study detailed petrographic features and microstructures.	2016-17

	• Natural Gama Ray Spectroscopy (NGS System): Most advanced system measures elemental concentration of radioactive minerals Th, K and U of rock samples for volumetric analysis, identification of clay minerals, correlation of Uranium concentration for TOC estimation and in deciphering depositional environment. • Seismic Interpretation software package : • GEOTERIC: This techniques is helpful in data conditioning, advanced attribute analysis, seisfacies classification and advanced fault picking; useful for deliation of thin stratigraphic pays and identification of subtle faults/structural trends. • RockMod: Pre-stack geostatistical inversion for high-resolution reservoir characterisation and uncertainty analysis in terms of elastic properties leading to lithofluid discrimination and delineation of thin reservoirs. • RockSI: Rock Physics modelling to explore links between seismic and rock properties for quantitative interpretation, particularly in carbonate rocks in terms of elastic properties. • Tomo Plus & Geothrust from M/s Geotomo for sub-surface imaging in the foothills, thrust fold belts and desert regions. High resolution near surface velocity modelling benefits in making robust subsurface geological models thereby de-risking of the prospects. • Processing software module EarthStudy-360 (ES-360):Technology is helpful in full azimuth velocity analysis & tomography, depth imaging and in obtaining structural attributes, reservoir characterization etc. • OMEGA software add on modules namely MPFI for 5D interpolation and GSMP for De-multiple for robust interpolation and regularization of irregularly sampled data sets and for 3D implementation of surface related multiple elimination process respectively • Airborne Gravity Gradiometry (AGG) Survey Technology: Airborne Gravity Gradiometry method (an aerial method of collecting gravity data) was used by ONGC in Assam, Manipur & Mizoram for understanding the basin configuration of unexplored areas and in mapping lineaments, preparing play and prospects maps, gravity based reservoir limits associated with structural, stratigraphic and fluid based changes to guide exploration in logistically tough terrains. • Look ahead VSP: The technology was successfully used to predict top of Mesozoic in well GK-42-G. • Sonic scope as part of LWD was successfully used in 12 ¼" open hole section in well B-12C-2 (Parameswara): The technology was successfully used in 12 ¼" open hole section in well B-12C-2. Real time availability of data like DTCO, DT, shear, Vp/Vs, poisson's ratio, young's modulus etc which ultimately helped in Real time pore-pressure and fracture gradient determination and estimation of safe mud window for smooth drilling and overcome wellbore instability issue. During pulling out top of cement of 13 3/8" casing could be figured out. • Cyclic Steam Stimulation (CSS) followed by In-situ combustion (ISC) Process: Implementation of Cyclic Steam Stimulation (CSS) followed by In-situ combustion in combination with infill wells has been designed in Lanwa Field, Mehsana Asset. The study envisages total incremental oil about 0.2 MMm3 in 3 ½ years through CSS in 12 wells. Encouraging results were seen at lab scale and pilot simulation. Locations for the pilot project has also been recommended for drilling. • Polymer flooding in heavy oil reservoirs: Polymer flooding at pilot scale has been studied in Bechraji field aimed at recovery enhancement. The study indicates potential improvement in sweep efficiency and oil recovery by 7-8 % of targeted in-place. The process has been approved for implementation.	
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

F. Information on Foreign Exchange Earnings and Outgo

(₹ in million)

	2016-17	2015-16
Foreign Exchange Earnings	30,728.66	30, 332.06
Foreign Exchange Outgo	185,110.43	216, 988.50

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".

ONGC Lady Officers at work at Kakinada.

Annexure G

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF OIL AND NATURAL GAS CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of accounts of Oil and Natural Gas Corporation Limited for the year ended 31 March 2017 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 2017.

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 2017. This supplementary audit has been carried out independently without access to the working papers of statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor's report.

For and on behalf of the

Comptroller & Auditor General of India

Tanuja Mittal

Principal Director of Commercial Audit &

ex-officio Member Audit Board-II, Mumbai

Place: Mumbai

Date: 25th July 2017

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 2017

The preparation of consolidated financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2017 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 2017.

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 2017. We conducted a supplementary audit of the financial statements of (As per Annexure –I) but did not conduct supplementary audit of the financial statements of (As per Annexure- II) for the year ended on that date. Further, section 139(5) and 143 (6) (b) of the Act are not applicable to (As per Annexure-III) being private entities incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

For and on behalf of the

Comptroller & Auditor General of India

Tanuja Mittal

Principal Director of Commercial Audit &

ex-officio Member Audit Board-II, Mumbai

Place: Mumbai

Date: 25th July 2017

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 ONGC Petro Additions Limited

Annexure II

Associates

1 Pawan Hans Limited

Annexure III

Subsidiaries

1. ONGC Nile Ganga B.V.
2. ONGC Campos Limited
3. ONGC Nile Ganga (Cyprus) Ltd.
4. ONGC Nile Ganga (San Cristobal) B.V.
5. ONGC Caspian E & P B.V.
6. ONGC Narmada Limited
7. ONGC Amazon Alaknanda Limited
8. Imperial Energy Limited
9. Imperial Energy Tomsk Limited
10. Imperial Energy (Cyprus) Limited
11. Imperial Energy Nord Limited
12. Biancus Holdings Limited
13. Redcliff Holdings Limited
14. Imperial Frac Services (Cyprus) Limited
15. San Agio Investments Limited
16. LLC Sibinterneft
17. LLC Allianceneftegaz
18. LLC Nord Imperial
19. LLC Rus Imperial Group
20. LLC Imperial Frac Services

21. Carabobo One AB
22. Petro Carabobo Ganga B.V.
23. ONGC (BTC) Limited
24. Beas Rovuma Energy Mozambique Limited
25. ONGC Videsh Rovuma Limited
26. ONGC Videsh Atlantic Inc.
27 ONGC Videsh Singapore Pte. Ltd
28 ONGC Videsh Vankorneft Pte. Ltd

Joint Venture Entities

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

Associates

1 Tamba B.V.
2 Petro Carabobo S.A.
3 Carabobo Ingenieria v Construcciones S.A.
4 Petrolera Indovenezolana S.A.
5 South-East Asia Gas Pipeline Company Limited
6 JSC Vankorneft
7 Mozambique PNG1 Co Pte Ltd
8 SUDD Petroleum Operating Company
9 Petronet LNG Limited

View of ARMCO Rig at ONGC's Tripura Asset.

61.60 MMTOE

Oil & Gas production of ONGC Group, including PSC-JVs and from overseas Assets for FY'17 has been 61.60 MMtoe against 57.38 MMtoe during FY'16.

Management Discussion and Analysis Report

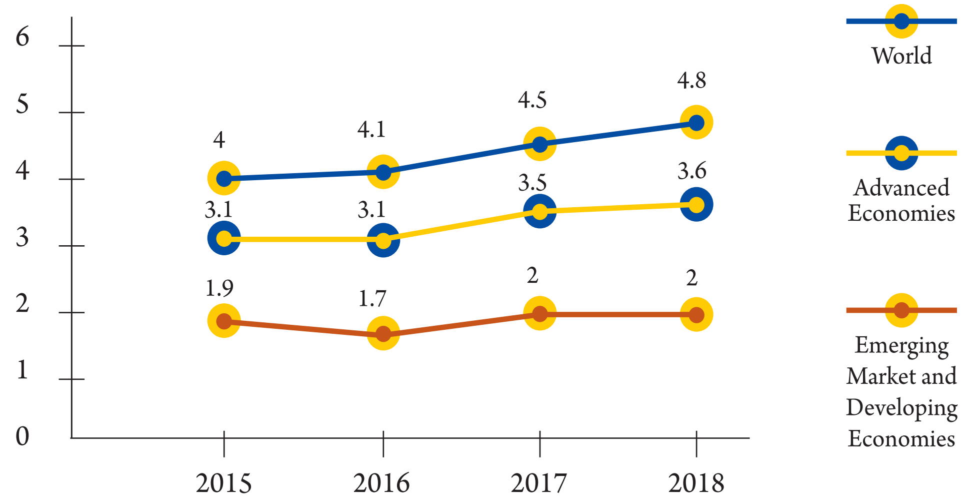
1. Global Economy

2016 could well turn out to be a pivotal year in terms of effecting significant transformation in the way the world functions – be it the manner in which sovereign governments administer, the priorities of policy formulation and market interventions, the dynamics of regional and international trade partnerships and movement of goods and services or the pace of economic recovery and consolidation in developed markets and the growth trajectory of emerging economies.

In terms of growth, there was a palpable shift in gears in the second-half of 2016 with buoyancy in financial markets and a cyclical recovery underway in manufacturing and trade which supported the global GDP growth rate at 3.1% (same as 2015). Further, as per the latest World Economic Outlook of IMF, growth is projected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018.

However, this improved outlook is more of a reflection of economic stabilization subsequent to consecutive years of stymied economic activity rather than a legitimate signal of a robust and sustained revival of global demand. Concerns on low productivity growth, increasing income inequality, persistent commodity market volatility, unflattering demand uptick and repercussions of China's transition to a domestic consumption led and service oriented economy from a capital intensive manufacturing hub, among others, will continue to pose interesting questions to sovereign

GDP Growth

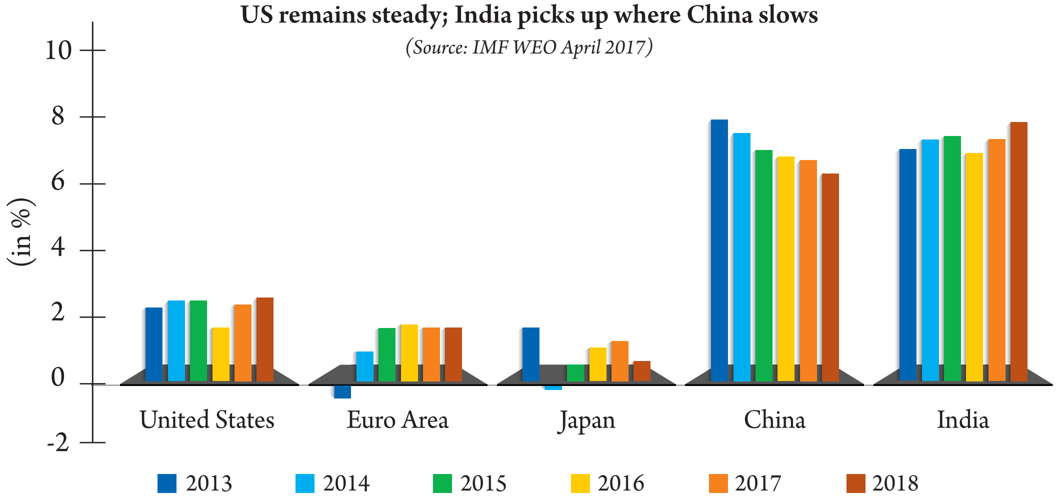


The recovery in crude oil prices from their historic lows of early 2016 in the latter half of the year was not readily accompanied by a more enthusiastic outlook on global trade and investment in the longer term as there is a vast amount of uncertainty surrounding the potential implications arising out of the host of developments, most notably UK's exit from the European Union ('Brexit') in June and the result of US elections in November 2016, both signifying a rise in protectionist and nationalistic tendencies around the world.

GDP Growth and Forecast:

US remains steady; India picks up where China slows

(Source: IMF WEO April 2017)



governments, leaders and international multilateral agencies in their attempt to explore the possibility of devising an economic roadmap of sustainable growth creation.

Coming to the performance of the world economy, in the second-half of 2016, the stronger global momentum in demand—investment in particular—resulted in marked improvements in manufacturing and trade, which were very weak in late 2015 and early 2016.

Production of both consumer durables and capital goods rebounded in the second-half of 2016. A number of factors contributed to these developments: a gradual global recovery in investment, supported by infrastructure and real estate investment in China, reduced drag from adjustment to lower commodity prices, and the end of an inventory cycle in the United States.

The World growth, estimated as in the October 2016 World Economic Outlook (WEO), at 3.1% in 2016, is projected to increase to 3.5% in 2017 and 3.6% in 2018. In line with the stronger-than-expected pickup in growth in advanced economies and weaker-than-expected activity in some emerging market economies in the latter half of 2016, the forecast for 2017–18 envisions a rebound in activity in advanced economies that is faster than previously expected, while growth in 2017 is forecast to be marginally weaker in emerging market and developing economies.

The broad story remains unchanged: over the near and medium-term, most of the projected pickup in global growth will stem from stronger activity in emerging market and developing economies.

> Economic activity in advanced economies as a group is now forecast to grow by 2.0% in 2017 and 2018. The stronger outlook in advanced economies reflects a projected cyclical recovery in global manufacturing, signs of which were already visible at the end of 2016, and an uptick in confidence, especially after the U.S. elections, which are expected to fuel the cyclical momentum.

The U.S. economy is projected to expand at a faster pace in 2017 and 2018, with growth forecast at 2.3% and 2.5%, respectively. The stronger near-term outlook reflects the momentum from the second-half of 2016, driven by a cyclical recovery in inventory accumulation, solid consumption growth, and the assumption of a looser fiscal policy stance.

The Euro Area recovery is expected to proceed at a broadly similar pace in 2017–18 as in 2016. While growth may be supported by a mildly expansionary fiscal stance and a weaker euro, uncertainty looms on the horizon in the form of electoral outcomes in key member states and the European Union's future relationship with the United Kingdom. Output in the Euro Area is expected to grow by 1.7% in 2017 and 1.6% in 2018.

Growth in the group of emerging market and developing economies is forecast to rise to 4.5% and 4.8% respectively in 2017 and 2018, from an estimated outturn of 4.1% in 2016.

Growth in China is projected to register a marginal dip from 6.7% in 2016 to 6.6% in 2017, slowing to 6.2% in 2018. It must be noted that China's growth has bettered earlier projections and the stronger-than-expected momentum in 2016 and the anticipation of continued policy support in the form of strong credit growth and reliance on public investment should continue to support the country in near-term.

In India, the growth forecast for 2017 is 7.2% as against a growth rate of 6.8% in 2016. As per analysts, the potential for a more accelerated pace of growth has been curtailed because of the temporary negative consumption shock induced by cash shortages and payment disruptions from the recent currency exchange initiative. However, medium-term growth prospects are favourable, with growth forecast to rise to about 8% over the medium-term due to the implementation of key reforms, loosening of supply-side bottlenecks, and appropriate fiscal and monetary policies.

India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, favourable terms of trade, and lower external vulnerabilities.

"Indian Economy Snapshot"

The Indian economy is quite uniquely positioned in the context of current global, political and economic realities. For three years running now the economy has been dubbed by leading global institutions such as the IMF and the World Bank as 'one of the few bright spots' internationally and rightly so – our GDP expansion record in recent years has put us right at the head of the pack of large economies in terms of growth as well as potential for future progress. Our capital markets, among the most developed and efficient in the world, are riding a strong wave of growth borne out by robust year-on-year increase in FDI inflows (expected to be 15% higher in FY'16-17 than FY'15-16), and our stock markets are at record high levels. In fact, FII investments ($8.84 bn) in the Indian capital market in March hit a record high in about 15 years. Low commodity prices in global markets have supported the easing of the Current Account deficit while restraining both retail and wholesale inflation within manageable limits of 5% to 6%. Despite a tepid international economy and a temporary demand shock in the domestic economy due to the ambitious rollout of 'demonetization', GDP growth rate for FY'2016-17, as per figures released by the Central Statistics Office, stood at 7.1%.

Notwithstanding the drop in growth relative to FY'2015-16, the economy's performance has exceeded the estimates put forth by analysts and is well stationed for a sustained period of strong economic output, driven by an investor-friendly environment, meaningful policy reforms such as the GST implementation among others, priority focus to the manufacturing sector, increasing digitalization and use of IT infrastructure and a healthy outlook on domestic demand and consumption.

In the Union Budget 2017-18, the Finance Minister, Mr. Arun Jaitley, verified that the major push of the budget proposals is on growth stimulation, providing relief to the middle-class, providing affordable housing, curbing black money, digitalisation of the economy, enhancing transparency in political funding and simplifying the tax administration in the country. National initiatives like Make in India, Digital India and Skill India, endorsed and championed by none other than the Hon'ble Prime Minister, can be expected to further reassert the Government's pro-growth stance while generating substantial employment opportunities for the youth of the country.

The country also benefits from its enviable reserve of soft capital – the vast pool of talented, ambitious and, above all, young workforce. Today, the percentage of youth in the country's population is among the highest in the world. While many Asian countries are aging (Japan most notably), approximately half of India's 1.2 billion people are under the age of 26, and by 2020, it is forecast to be the youngest country in the world, with a median age of 29. That is a fantastic advantage to have in today's era of competitiveness. The Government's Start-Up India campaign, targeted at fostering a vibrant ecosystem for entrepreneurial activity within the country, is predicated on the out-of-the-box thinking, risk-taking appetite and technology-savvy nature of the country's young population. In view of the program's potential for rejuvenating the domestic economy and its strong relation to the success of other initiatives like Make in India and Digital India, the Union Cabinet has approved ₹10,000 crore (US$ 1.53 billion) initial corpus for the Fund of Funds for Start-ups (FFS) established in June 2016.

The decision to withdraw high denomination currency notes of ₹1000 and ₹500, which constituted 85% of the total value of currency in circulation, in November 2016 is another testament of the Government's commitment to bold and disruptive moves for ensuring transparency and long-term durability of the Indian financial markets even if it entails short-term immediate constraints. Elimination of black money and the growing menace of fake Indian currency, aimed through the demonetization exercise, will go a long way in improving the economy's health and create avenues of growth. On the other hand, GST is expected to enhance production, and facilitate easier movement of goods and services across Indian states. The tax reform is expected to raise the country's medium-term growth to above 8%, as per IMF.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers (PwC). Our story inspires confidence and exemplifies resilience in a larger global market that continues to struggle to break free from the lethargic recovery post the global financial and Eurozone sovereign debt crises, compounded further in the wake of tumultuous events such as Brexit and shifting political narrative in advanced economies. However, our GDP growth, even with its impressive track record, is believed to be below our potential, and the economy, despite a sanguine domestic environment, cannot entirely insulate itself from the setbacks, especially the larger one, in the global setup. So, development of a holistic economic framework and continued policy reforms is the need of the hour.

As per the IMF, beyond the immediate challenge of replacing currency in circulation following the November 2016 currency exchange initiative, policy actions should focus on reducing labour and product market rigidities to ease firm entry and exit, expand the manufacturing base, and gainfully employ the abundant pool of labour. Policy actions should also consolidate the disinflation under way since the collapse in commodity prices through agricultural sector reforms and infrastructure enhancements to ease supply bottlenecks; boost financial stability through full recognition of nonperforming loans and raising public sector banks' capital buffers; and secure the public finances through continued reduction of poorly targeted subsidies and structural tax reforms, including implementation of the recently approved nationwide goods and services tax.

Elsewhere in emerging and developing Asia, growth is projected to remain robust, even if somewhat lower than anticipated.

> For emerging markets and developing economies as a group, the decline in growth between 2011 and 2016 was 2.2% points, with about two-thirds of this decline attributable to weaker growth in commodity exporters - the rest being accounted for by slower growth in China and in other emerging markets and developing economies. Although commodity price forecasts suggest some recovery in prices during 2017 and beyond, the forecast gains are expected to be much more modest than the losses already incurred. This suggests that for many of these countries, the period ahead will be one of protracted adjustment—particularly in those economies in which revenues from commodities account for an important fraction of government revenues.

Oil prices are expected to rise to an average of $55 a barrel in 2017–18, compared with an average of $43 a barrel in 2016. Nonfuel commodity prices, in particular for metals, are expected to strengthen in 2017 relative to their 2016 averages as a result of substantial infrastructure spending in China, expectations of fiscal easing in the United States, and a general pickup in global demand.

Global economic activity is picking up speed, but the potential for disappointments remains high, and momentum is unlikely to be sustained in the absence of efforts by policymakers to implement the right set of policies and avoid missteps.

One of the most significant results of the globalised economic world order, especially post World War II, has been a notable surge in growth in a number of emerging markets and developing economies. Richer countries have continued to grow as well, but with less impressive income gains over the past 10 years when compared with previous decades, and certainly when compared with the more successful emerging markets and developing economies. As this process coincided with deepening global economic integration, the economic model of free movement of goods and factors of production is being increasingly questioned as a politically viable mechanism for delivering broad-based growth and support for inward-looking protectionist measures and restrictions on the cross-border movement of people is gaining ground.

Heightened restrictions on trade and capital flows would impose broad economic costs, harming consumers and producers alike, with the potential to leave all countries worse off if protectionism begets retaliation. The challenge will be to preserve the gains from cross-border economic integration while ramping up domestic policy efforts to ensure that those gains are shared more broadly.

As such, for many economies, continued demand support and well-targeted structural reforms to lift supply potential and broaden economic opportunities across the skills spectrum remain key goals. The precise combination of priorities differs across individual economies, depending on their cyclical conditions, structural challenges, and needs for enhancing resilience.

In the longer term, adequate education, skill building and retraining, and policies to facilitate reallocation, such as housing and credit access, will be needed to attain inclusive and sustainable growth in a context of continued rapid technological progress and economic integration.

On the domestic front, policies should support demand and balance sheet repair where necessary and feasible; boost productivity through structural reforms, well-targeted infrastructure spending, and other supply-friendly fiscal policy measures; and support those displaced by structural transformations, such as technological change and globalization.

2. Global Energy Snapshot

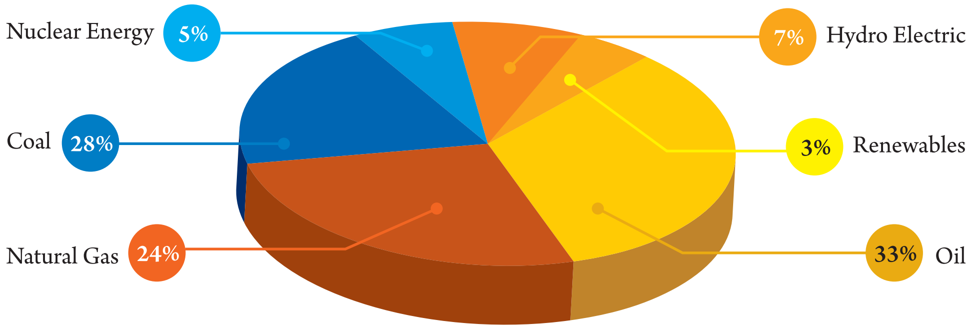
Global Energy Basket, Demand and Supply:

Global primary energy consumption increased by just 1% in 2016, following growth of 0.9% in 2015 and 1% in 2014. This compares with the 10-year average of 1.8% a year. As was the case in 2015, growth was below average in all regions except Europe & Eurasia. All fuels except oil and nuclear power grew at below-average rates. Growth in Non-OECD region once again outpaced that in the developed OECD regions (2.3% versus 1.2%). While China's energy demand growth (1.3%) was a pale shadow of its historical growth average of the past 10 years (5.3%), it still remained the largest energy growth market (volume wise) for the 16th consecutive year. India, spurred by a strong performance of the domestic economy, growth in incomes and improved consumer lifestyles, registered the biggest growth in energy demand among the major countries at 5.7%.

- Oil remained the world's leading fuel, accounting for a third of global energy consumption. Oil gained global market share for the second year in a row, following 15 years of decline from 1999 to 2014.
- World natural gas consumption grew by 63 billion cubic metres (bcm) or 1.5%, slower than the 10-year average of 2.3%.
- Global coal consumption fell by 53 million tonnes of oil equivalent (Mtoe), or 1.7%, the second successive annual decline. Coal's share of global primary energy consumption fell to 28.1%, the lowest share since 2004.

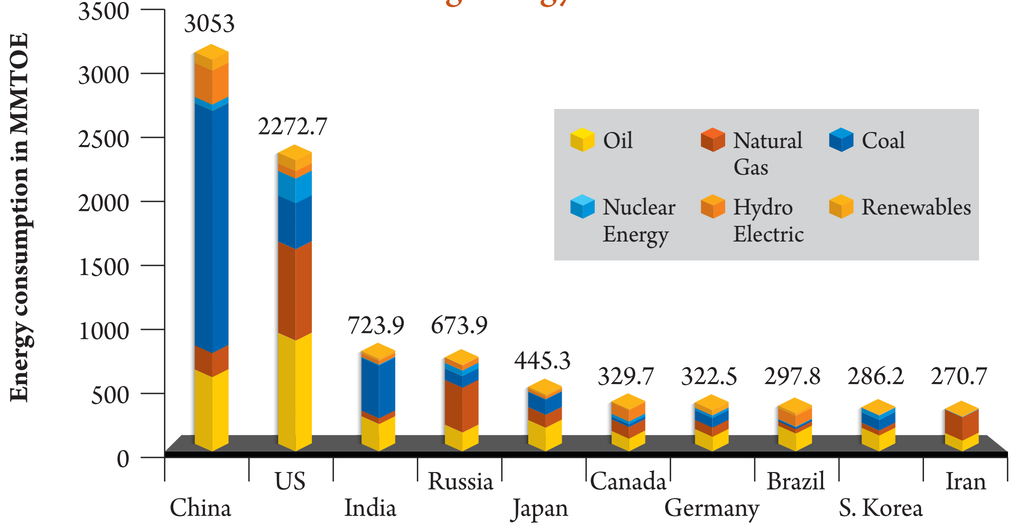
Global Primary Energy Basket in 2016

13276 MMTOE

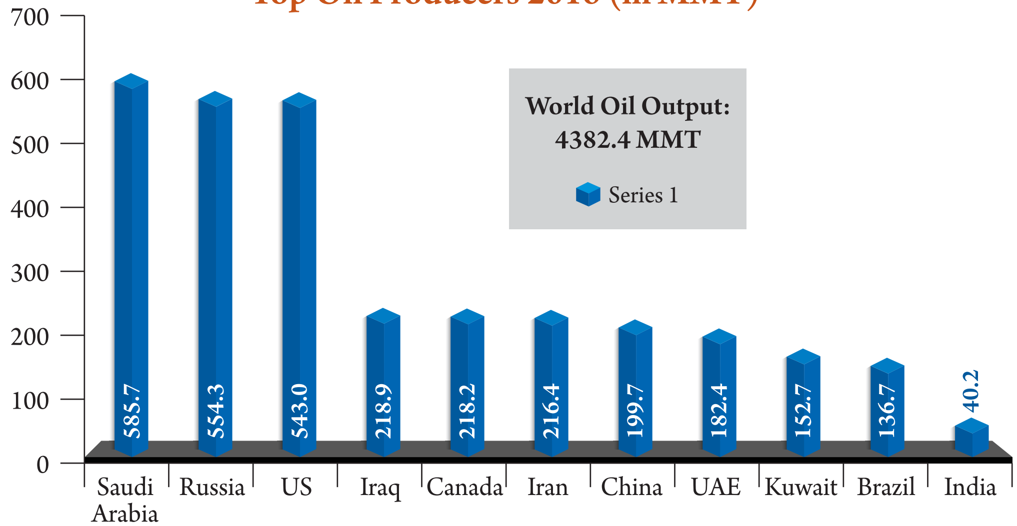


Consumption of Oil grew by 1.6% and that of gas by 1.5% while coal consumption declined by 1.7%. Renewables, as in 2014, grew the fastest at 14.1%

Leading Energy Consumers 2016



Top Oil Producers 2016 (in MMT)



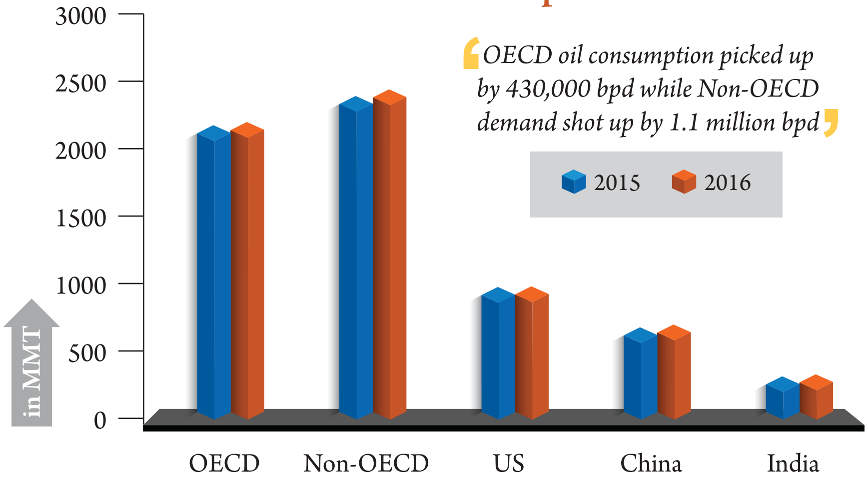
- Renewable power, excluding hydro, grew by 14.1% in 2016, below the 10-year average, but the largest increment on record (53 MMtoe). Wind provided more than half of renewables growth, while solar energy contributed almost a third.

Oil demand in 2016 increased robustly (1.6 mbpd) and production growth was by less than a quarter (0.4 mbpd) of that seen in 2015. As in 2015, this strength was almost entirely due to oil importers, with both India (0.3 mbpd) and Europe (0.3 mbpd) posting unusually strong increases. Although, growth in China (0.4 mbpd) and the US (0.1 mbpd) was more subdued. The strength in oil demand was most pronounced in consumer-led fuels, such as gasoline, buoyed by low prices. In contrast, diesel demand, which was more exposed to the industrial slowdown, including in the US and China, declined for the first time since 2009.

Production in the Middle East rose by 1.7 mbpd, driven by growth in Iran (700,000 bpd), Iraq (400,000 bpd) and Saudi Arabia (400,000 bpd). Production outside the Middle East fell by 1.3 mbpd, with the largest declines in the US (-400,000 bpd), China (-310,000 bpd) and Nigeria (-280,000 bpd).

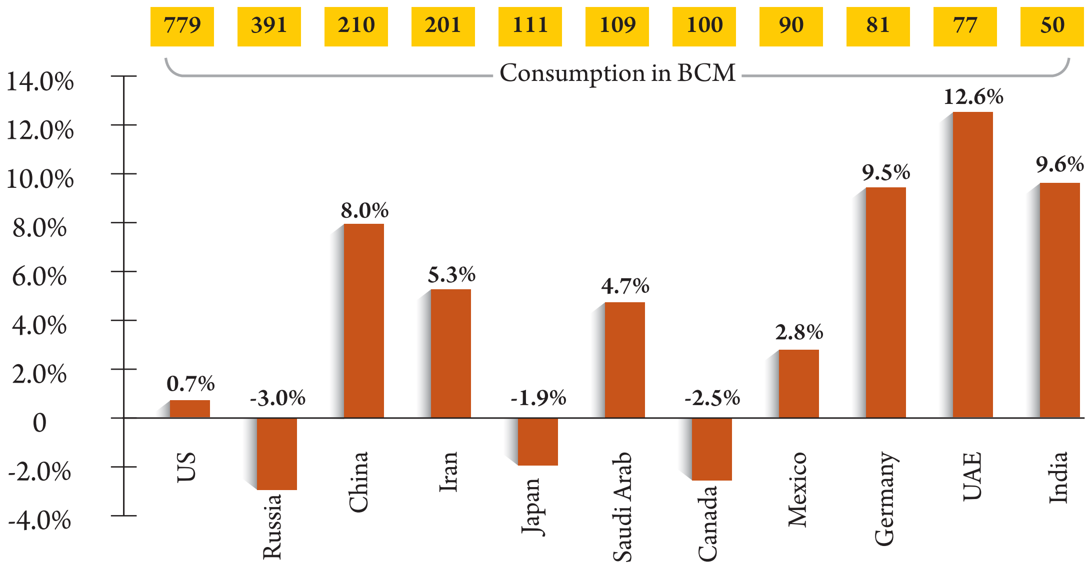
Most of the growth in global gas consumption was driven by a rise in EU gas consumption as it rose sharply by 30 bcm, or 7.1% – the fastest growth since 2010. Russia saw the largest drop in consumption of any country

Global Oil Consumption 2016 Vs 2015



Global Gas Consumption Trend: 2016 Vs 2015

Among the major consumers, China, India, Germany and UAE witnessed significant demand growth while demand declined in Russia, Japan and Canada



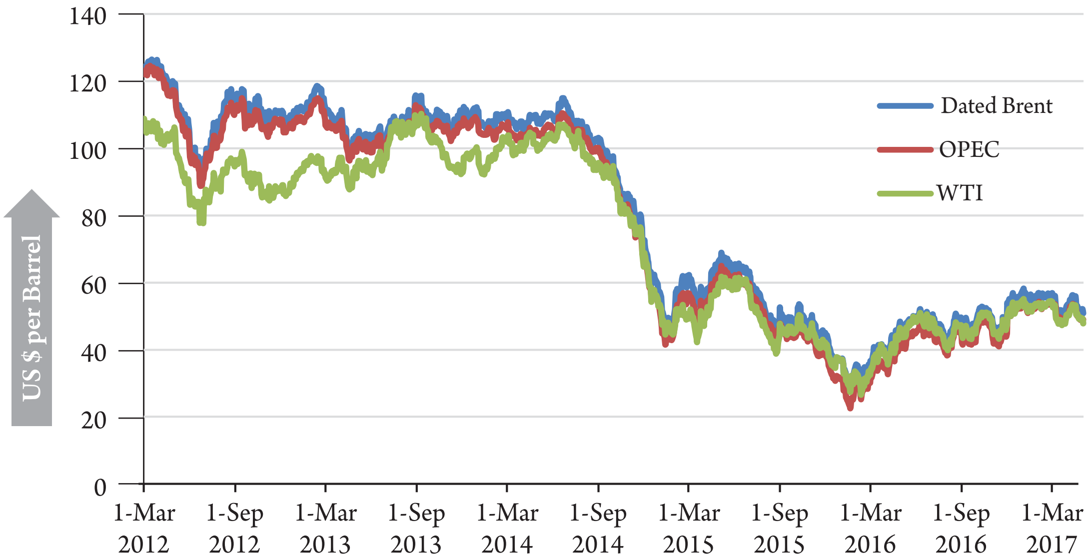
(-12 bcm). Global natural gas production increased by only 21 bcm, or 0.3%. Declining production in North America (-21 bcm) partially offset strong growth from Australia (19 bcm) and Iran (13 bcm).

(Source: BP Statistical Review of World Energy 2017)

Commodity (Energy) Prices:

2016 was a year of resurgence for global commodities market as prices staged a remarkable recovery after having endured a tough bearish period for most of 2015 and being in the doldrums in the early part of 2016. This was largely driven by a host of factors – production containment, buoyancy in market sentiment around investment and manufacturing that accompanied US election results and changes in China (policy shifts and increased sourcing), being among the most prominent influencers.

World Crude Prices – 5 Year Frame



Although demand for crude oil in 2016 continued at a pace that did not necessitate the drawdowns required to offset the significant inventory build-up globally, and in fact has slid from the impressive 1.8 million bpd growth registered in 2015 to 1.4 million bpd, the same is projected to rise to 1.7 million bpd in 2017 and 2018 (IHS Short Term Outlook) on the basis of a marked improvement in global investment and economic activity (IMF WEO, April 2017).

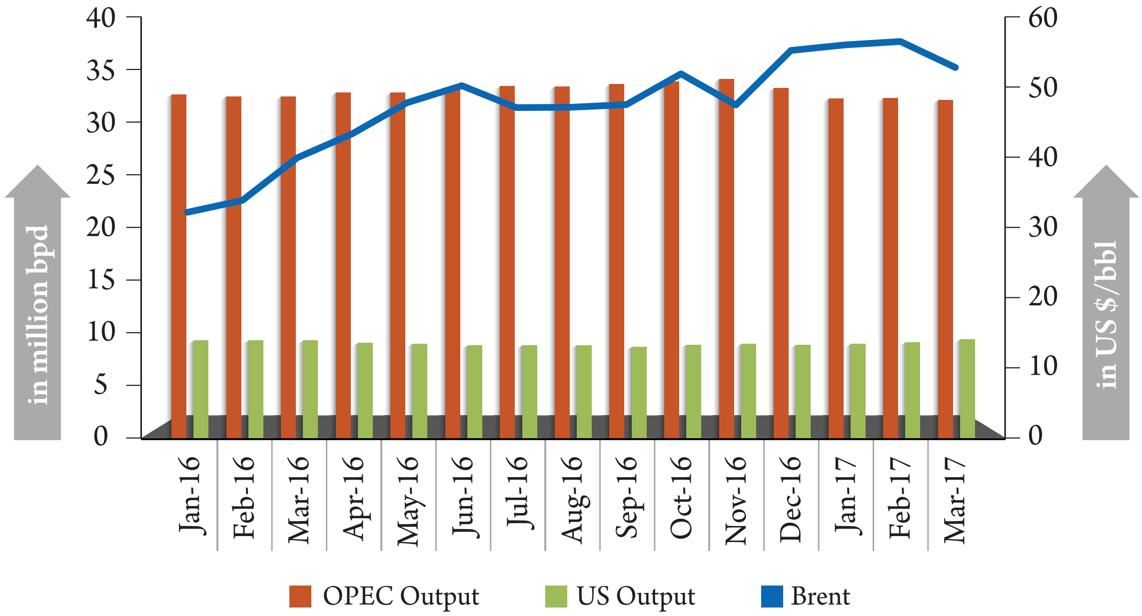
At that low ebb for crude prices in early 2016 when a barrel of oil sold for under $30, with speculation rife about the possibility of oil plummeting to even below $20 a barrel, increasing anxiety about the attractiveness of the sector to the global investor community over the long-term as well as the continued viability of existing operations in some of the most prolific and activity-rich areas such as the North Sea and the US shale gripped the boardrooms and management discussions of not just global majors, but NOCs and independents alike.

However, most of the gloomy projections of that period eventually did not play out and oil prices at the end of 2016 had almost doubled in value to settle above $50/bbl on the back of another switch in strategy from OPEC, a drop in US crude oil supplies, strengthening Chinese demand and supply outages in Nigeria and Libya. Despite the strong recovery, oil prices in Q1 2017 are still half of their pre-2015 levels and even with impressive compliance to planned production cuts that is being recorded among OPEC and non-OPEC signatories to the deal the possibility of crude prices breaking out of the $50-$55 a barrel range looks unlikely in the near-term, at least, in view of the pace of pickup in drilling activity in US unconventional sector in response to rising prices and uncertainty about the continuance of the agreed production control measures.

Natural Gas prices saw a sharp rise in prices through 2016 across regions. US Henry Hub price registered a 57% increase from $2.27/MMbtu in January 2016 to $3.57/MMbtu in December 2016 (IHS Markit) on the back of rising domestic consumption and increase in new export capacity. Prices in both UK NBP and Dutch TTF hubs registered an increase of around 18 to 19% during the year.

OPEC-non-OPEC agreement:

In its November 2016 group meeting, OPEC confounded many as it chose to provide price support through production cuts, thereby going back on its 2-year old tactic of uncontrolled production among its group members that targeted to price out the marginal producers. Just like its 2014 decision, this too was a remarkable development as non-OPEC producers, chiefly Russia, also joined in the proposed agreement, making it the first such global agreement since 2001, to



curtail world crude supplies to the tune of 1.8 million bpd in order to hasten the depletion of the huge inventory builds and bring the market into balance.

While the November 2014 decision to focus more on market share protection instead of ensuring price support through supply cuts was indicative of the increasing threat of surging US crude output to OPEC's dominance in international crude markets, the recent move was more in response to the lack of adequate drop in global crude supplies despite the bearish environment and the negative impact on the sovereign revenues and budgets of producer countries.

During the past two years, OPEC ramped up production from a level of 30 million bpd in 2014 to around 32.4 million bpd in 2016, reinforcing the group's enviable capacity to gush at will just as easily as it throttles output. Most of this growth was on the back of Saudi Arabia producing at full tilt, Iraq's remarkable growth from its legacy fields and then Iran joining in the party post the lifting of US-led Western sanctions that had put a cap on its export volumes. On the other side of the world, companies invested in the US tight oil sector, one that primarily boosted domestic supplies by 4 million bpd in between 2011 and 2015, endured a difficult period of operations as hundreds filed for bankruptcy in the face of mounting losses and serious levels of debt. Not surprisingly, the US production growth story stalled and output dropped from a high of around 9.6 million bpd in June 2015 to about 8.5 million bpd towards the end of 2016.

However, even as the US output dropped by more than a million barrels during the period, the protracted period of low prices also ended up severely damaging the finances and economic state of the OPEC member countries. Oil export revenues for the group in 2016 is estimated to have fallen below $350 bn in 2016, the lowest level in 10 years, from the $750 billion earned in 2014.

While the most recent decision to implement supply cuts have yielded positive results in the immediate aftermath, encouraged by a high level of compliance led by Saudi Arabia and Kuwait, with prices up by almost 30% in the first quarter of 2017 from the levels prior to the decision, it cannot be solely relied upon to steer prices towards a more stable high zone beyond the sticky narrow range of $50-$55 per barrel evidenced in the first-half of 2017. To continue to offer support to prices, OPEC and its 11 aligned non-OPEC countries on May 25, 2017 agreed to roll over and extend their production cutbacks to first quarter 2018. This is largely because of increasing non-OPEC production, again led by the efficient and nimble US tight oil industry, which has played a major role in OECD inventories not coming down to the five-year average—a key metric that OPEC has cited.

In fact, with continued growth in active rig counts in response to the firming up of prices around the $50/bbl mark, the US tight oil sector has already wiped out some of the 1.1 million bpd that it had lost in production in the past 2 years. It must be noted that prices have surprisingly weakened subsequent to the announcement and that reflects the extent of the global supply overhang.

That the decision to extend the cuts has been taken even as Iran and Iraq already have announced ambitious plans to achieve conspicuous growth in production in the current year is a tell-tale sign of the changing dynamics with the global crude markets.

With the increasing divergence of interests within the group and the role of 'swing' producer being assumed by the nimble and shot-cycle US unconventional sector, we could be entering a period in the global oil markets where OPEC's outsized influence on the trajectory of prices is rationalized even as its coordinated measures continue to act as a crucial lever to mitigating extremities in the upstream producers' community.

Global Investment and Activity in Upstream Oil and Gas:

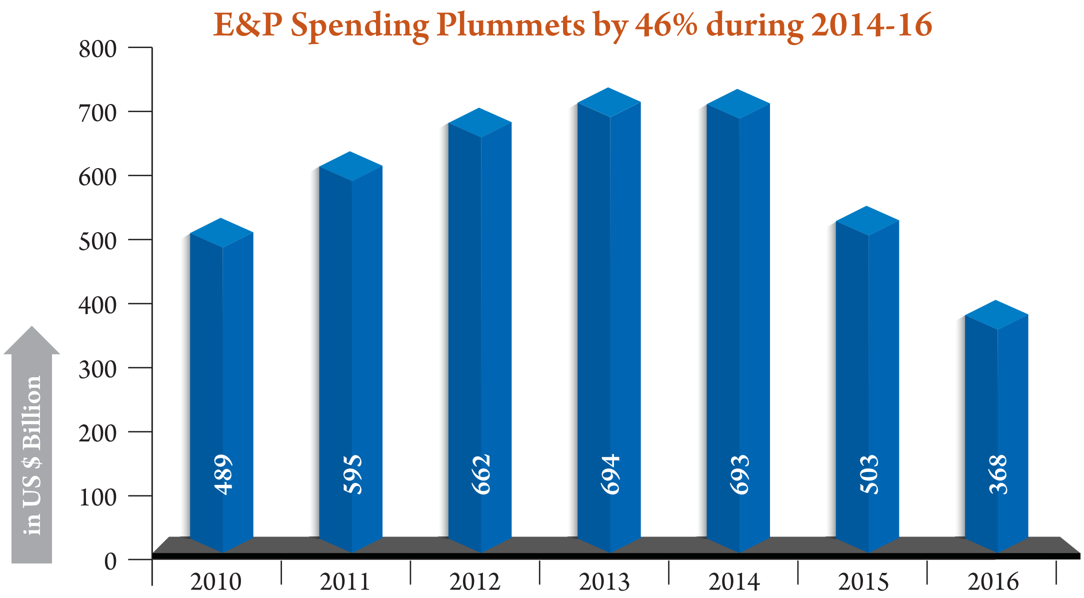
The extended slump in international crude prices has severely dented the cashflows and earnings of most oil and gas companies. This has induced companies to execute aggressive cutbacks on investments, especially capital commitments in complex and expensive greenfield projects and exploratory expenditures in frontier areas, and instead focus more on achieving cost savings through a higher level of capital discipline and generating greater operational efficiencies. Many in the sector have also targeted portfolio high-grading through strategic asset divestments with a view to leverage individual core competencies – such as ConocoPhillips' strong focus on the North American liquid unconventional plays while reducing exposure to the natural gas markets.

As per an IHS Markit report, during 2014-16, global E&P spending plummeted from $693 bn in 2014 to $368 bn by the end of 2016. Overall, global upstream capital spend from 2015 out to 2020 has been reduced by 22% or US$740 billion. When cuts to conventional exploration investment are included, the figure increases to just over US$1 trillion, according to Wood Mackenzie.

The impact of this pruning in investments was most severe in the US unconventional segment where more than half of the cuts have been concentrated. Russia also witnessed a significant drop-off in investment, to the tune of 40%, compounded further by its lack of access to western financial markets due to the imposition of sanctions. Conventional exploration investment for 2015-2020 is US $300 billion less than what would have been expected in 2014 while near-term spend on deepwater and ultra-deepwater projects has dropped US$67 billion (39%) with countries like Angola and Nigeria the most affected, as per Wood Mackenzie. The pressures of the downcycle have also been felt in the high break-even Canadian oil-sands sector and the greenfield-LNG sector as low prices complicate a situation that already is burdened with the worrying prospects of impending oversupply, huge capex requirements and securing long-term customers.

However, there are regions that have bucked the trend – especially the Middle East and countries in Asia-Pacific such as India where there is a high proportion of NOC-spend. Saudi Arabia and Kuwait are continuing high investment levels with 60% of the spend going toward drilling activity while Iran is ramping up its pace. While in India, a country that relies on imports for most of its energy requirements, the situation is ripe, factoring in the prevailing low costs, for making timely investments in the domestic upstream sector through ambitious exploratory programs to augment underlying hydrocarbon resource potential and implementation of promising greenfield projects with robust production profiles (such as ONGC's offshore KG-DWN-98/2 and Daman Development projects) to mitigate the extent of its reliance on imported oil.

One of the positive after-effects of the oil price slump is the drop in overall cost levels for a company's operations on account of the inevitable rate reductions offered by the service sector and internal productivity and efficiency gains. As per various estimates, the level of cost deflation in the sector in this low-priced market has been anywhere between 30%-50% with the most amount of gains manifest in the US unconventional



sector – not surprising, considering it has been the segment that has borne the brunt of this period's abrasions as well is the most entrepreneurial and innovative with ready access to technology as well as capital markets. The liquids break-even average has fallen by about 25% from $65/bbl in 2014 to $49/bbl in 2016. Even as cost re-inflation is underway with the strengthening of upstream activity and firming up of prices above $50 a barrel, there are areas in Permian and Eagle Ford that could still see well costs more than double and yet break-even at under $55.

There are signs of advances being made in the deepwater arena too as key project approvals in the area in late-2016 and early-2017 in US Gulf of Mexico (BP's Mad Dog Phase II) and the Mediterranean Sea (Noble Energy's Leviathan) show. Wood Mackenzie estimates global deepwater project costs have fallen more than 20% since 2014. Continued viability of deepwater projects is hugely critical for the sector – not only in view of its future resource potential but also as offshore oil still accounts for about 30% of global oil output.

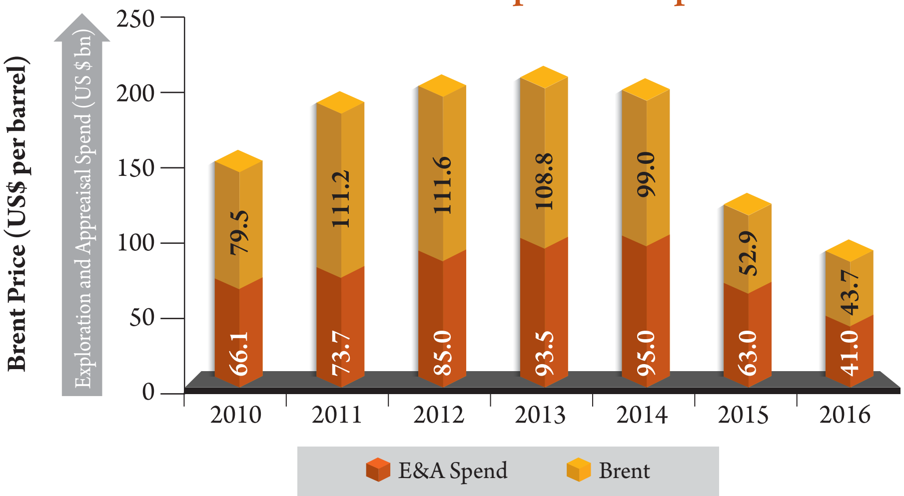
Although it is still not clear how much of the internal cost savings are structural in nature, companies have taken to adapting to the situation with an aim to becoming more resilient through structural changes and ready for expansion when the cycle turns on the basis of a more sustainable and reasonable cost approach.

Now, after 2 consecutive years of dampened E&P activity, upstream sentiment around the sector's growth prospects in 2017 appears more upbeat, spurred by the meaningful recovery in oil and gas prices, although downside risks still persists, anticipated pickup in global demand and newly discovered cost and operational efficiencies.

As per Wood Mackenzie, cumulative capital budgets for companies are15% more in 2017 relative to 2016 with a 5% projected rise in global production. IHS Markit notes North America will lead gains in 2017, but spending will remain well below half of what it was prior to the collapse in 2015-16.

Exploration which dropped by over 60% from 2014 to $40 bn in 2016 is unlikely to register any rise in its outlay and, at best, may match 2016's spend. On the bright side, lower costs mean well counts may hold up close to 2016 numbers. With exploration budgets stretched, the mantra is now to drill simpler wells. Hard-to-reach reservoirs, difficult logistics and nice-to-have data gathering are out. Exploration is the bread and butter of the upstream segment and the strength of exploration activity is a reliable marker of the sector's long-term health and attractiveness. A robust recovery in exploration spend in the next few years is imperative for securing the pipeline of future supplies in a sector that has already given up on close to 4 MMboed of new supplies by 2021 owing to project cancellations and capex cutbacks.

Conventional Exploration Spend



US Shale:

The current era of global oil and gas business may well have already been defined by the amazing dynamics of the US unconventional sector – be it tight oil or shale gas. The sector that was instrumental in bolstering US crude production from around 5.5 million bpd in 2011 to over 9.5 million bpd by the middle of 2015 and transformed the country into a net gas exporter is a story very few would have dreamt of let alone predicted a decade back when discussions around 'peak oil' was nearing fever-pitch.

Even as the sector endured an extended period of low oil prices compounded further by the free-wheeling supplies from OPEC, it continued to discover newer ways to generate cost savings and improve operating efficiencies with the resultant positive impact on overall productivity and commercial viability of the fields already in production reflected in the declining break-even costs across the board.

From less than 1 million bpd in 2010, tight oil production increased to around 5 million bpd in 2016. While more than 100 shale-focused companies in the US have gone bankrupt since the start of 2015, the companies that survived have reshaped themselves into fitter, leaner and faster versions that can thrive with oil at $50 a barrel. US tight oil production, aided by lower costs per well made possible through drop in service costs as well as focused and innovative application of technology, and continued rise in active rig count in the vastly improved current price environment relative to the sub-$30/bbl depths of early 2016, was already up by 500,000-550,000 bpd in April 2017. As per a report from BofA, US shale oil growth is projected at 240,000 bpd through the period 2017-22 at benchmark WTI crude at $50/bbl.

As per Wood Mackenzie Research, tight oil plays with average break-evens of US$47/bbl dominate new sources of supply, contributing 7 million bpd of the 13 million bpd needed to meet global oil demand by 2025. Another 2 million bpd become commercial $60 oil. On the other hand, conventional pre-FID projects contribute another 4 million bpd but are much higher on the cost curve with break-evens averaging US$60-65/bbl.

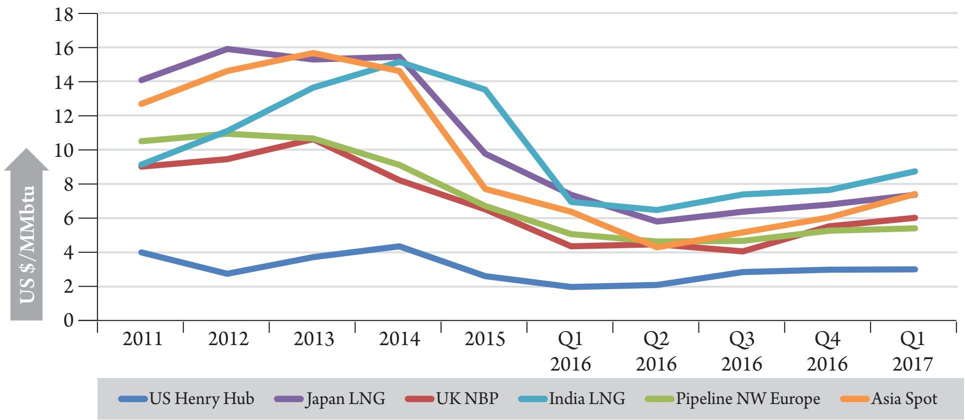
This has essentially transformed the US onland unconventional space into a hotbed of M&A and investment activity. IHS Markit Research estimates Permian Basin spending alone is set to increase from $8bn in 2016 to over $41bn in 2021, a 38% CAGR; the total Lower 48 (L48) onshore will grow at a 27% CAGR. More importantly, the US unconventional space which was populated and driven by activity of the independents and midsize players has begun to attract substantial interest from 'Big Oil' with the likes of ExxonMobil, Shell and Chevron consolidating their presence in the area with big-ticket purchases. Considering the financial heft that insulates the large companies from opex constraints during a downturn, particularly pertaining to sustaining performance in more promising areas, and operational depth of these players that facilitates faster application of innovative techniques and technologies across a wider portfolio, further cost reductions and growth in output can be expected from the shale business.

Global Gas and LNG:

Last year marked a period of transition for the global gas market, as players continued to navigate between the tightness of the post-Fukushima years and an emerging period of oversupply. The long-awaited LNG supply buildup started in earnest—net imports in 2016 increased by 7% year-on-year, reaching an annual figure of about 265 Mmtpa. This marked the return to a robust pace experienced before 2011, as per the Annual Report of International Group of Liquefied Natural Gas Importers.

> Most of the supply was absorbed by increased demand in China, India and the Middle East. In contrast, demand in mature importing markets such as Japan, South Korea and Europe remained sluggish.

Primarily driven by new Australian volumes, additional supply was not as abundant as expected due to production delays, slower ramp-ups and lower exports from historical suppliers. Spot LNG prices in 2016 dropped significantly in summer, only to experience a spike later, especially in Asian markets, due to a combination of factors—including unscheduled liquefaction outages, cold weather in East Asia and



Europe, and reduced French nuclear availability. However, looking forward, with Australian projects ramping-up and new trains from the US progressively coming online, the global LNG market could become oversupplied until the mid-2020s.

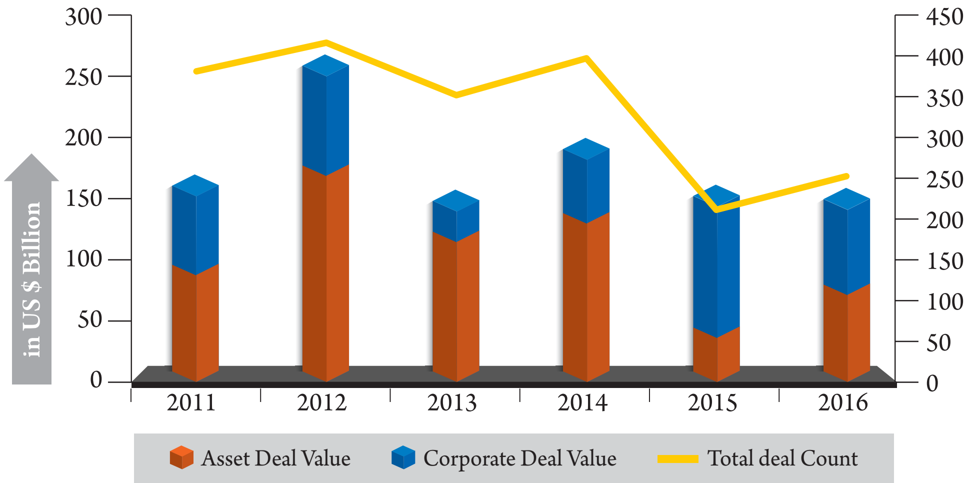
At the end of 2016, as per the Annual Report of GIIGNL, there were a total of 39 importing countries, with 73% demand concentrated in Asia, and 19 exporting countries, with 30% of the volumes sourced from Qatar. The rise in spot trades (estimated at around 47 MMT last year, up from a share of 15% or 37 MMT in 2015) and demand for greater flexibility in contracts with no destination clauses are key trends that emerged during the year.

Global M&A:

The global upstream Mergers and Acquisitions (M&A) activity rebounded in 2016, after a lacklustre 2015. Asset deal value nearly doubled, to over $70 billion, and total worldwide transaction value topped $140 billion. Corporate deal flow remained generally subdued (IHS Markit) and languished near a 20-year low, reflecting more expensive valuations of oil stocks relative to the price of crude.

While deal activity climbed towards recent historical average, headwinds do remain in the sector. Uncertainty over the stability of high prices in the longer term and the quality of the assets up for sale in the market (more than half the opportunities under $1 billion have been on the market more than a year) are questions that every buyer

Asset Deals Rebound, while Corporate Deals Lag
2015 Corporate Deal Value was Boosted by Shell-BG



will have to contend with before progressing on a deal.

Over 80% of the deals (on value) were concentrated in North America and Russia, with the US onshore unconventional sector attracting the most activity where Permian was the hottest play. While Chinese NOCs, a prominent presence on the scene prior to 2014, continued to avoid overseas acquisitions, Indian companies ramped up deal-making activity, particularly in Russia.

Fiscal Rules:

In an environment beset with low oil and gas prices and a restricted appetite for aggressive plans and investments, the role of governments and their approach to policymaking has become increasingly critical determinants of the sector's ability to excite investors as well inspiring confidence about its future. We are well past the days when coal, oil and gas were synonymous with energy markets. Today, oil and gas has to vie for investor money not just with old king coal but also with the emerging growth areas of renewable and alternative energy as well as innovative interventions in the power sector. Uncompetitive regimes will have to make way for more attractive models to attract participation from a wider set of players.

Wood Mackenzie notes that clear-cut candidates for fiscal adjustments are countries where investment have stalled because of high break-evens, especially those in deepwater such as Angola. Getting the risk-reward balance right will be a critical factor in attracting scarce investment capture in 2017, even for resource-rich hotspots such as Iran and Mexico. While low-risk, low-cost, high-discovered resource opportunities like Iran may benefit from companies willing to bid high government-shares, elsewhere, fiscal incentives will be needed to attract scarce investment capital.

Renewables and Alternatives:

The oil and gas sector is moving towards a future that is arguably more intriguing and unpredictable than ever. One of the primary sources of this heightened uncertainty and insecurity on the future of E&P business, in terms of its scope and size, stems from the monumental growth of renewable energy forms, one that could force fundamental and structural changes within the energy ecosystem.

Unthreatening murmurs of the world warming up to the idea of a renewable energy motored universe in a distant future from just a decade ago has now been

The incredible pace of growth registered by the renewable energy sector in the past 5 years was characterised by robust ramp-up in investments and speed of technological innovation.

swiftly replaced with almost routine and deliberate discussions in the boardrooms of conventional oil and gas companies on ways to remain relevant to the world's energy requirements through possible integration and expansion of renewable or alternative energy investments in companies' portfolios.

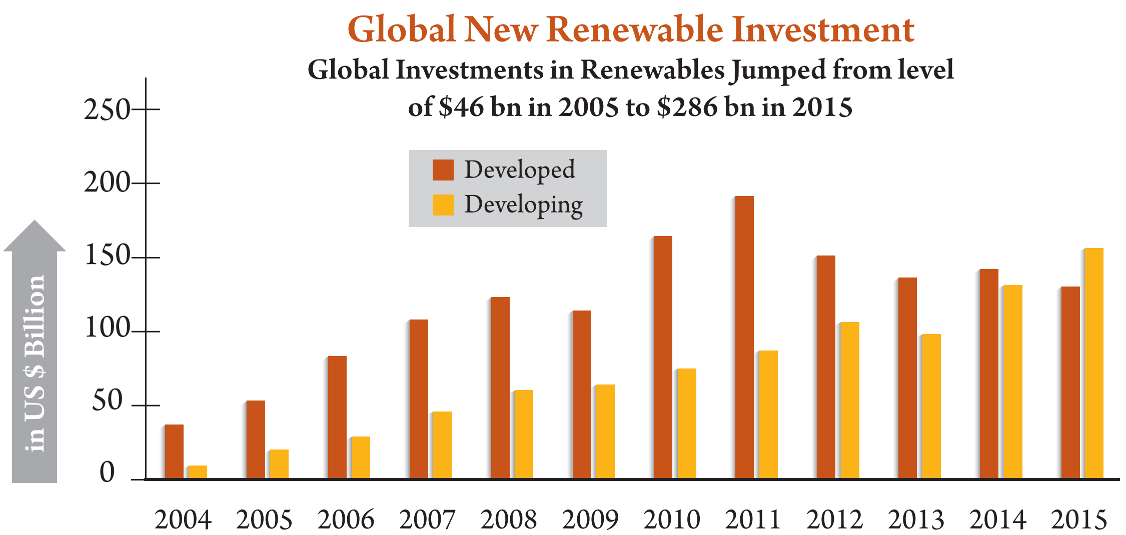
The incredible pace of growth registered by the renewable energy sector in the past 5 years characterised by robust ramp-up in investments, speed of technological innovation, a faster than expected rate of adoption of new energy solutions by consumers and support extended to the sector by host governments have essentially facilitated this critical shift within the energy domain. The shift in momentum has gathered further pace subsequent to the historic COP 21 agreement in Paris in late 2015 that targets to reduce global temperature rise to well below a 2 degree rise from pre-industrial levels based on nationally determined climate change goals. The UNFCCC brokered COP 21 agreement came into force on November 4, 2016.

As per a report from UNEP-BNEF in 2015, renewable energy set new records for investment and new capacity added. Investments reached nearly $286 billion, more than six times than in 2004, and for the first time, more than half of all added power generation capacity came from renewables. That the sector's growth in investments has taken place even through a period of low oil and gas prices, one that has historically protected the competitive position of fossil fuel generation, is truly significant. Global investment in renewable power capacity (excluding hydro), at $265.8 billion, was more than double dollar allocations to new coal and gas generation, which was an estimated $130 billion in 2015. Overall, renewables excluding large hydro made up 53.6% of the gigawatt capacity of all technologies installed in 2015, the first time it has represented a majority.

In another boost to its credentials, investment in the sector was higher in the developing economies ($156 bn) than that in the advanced economies ($130 bn). Solar PV costs – now half of what they were in 2010 – could fall by another 60% over the next decade. Utility-scale projects are economically competitive with new fossil fuel generation, and solar PV is competing without financial support even in regions with abundant fossil fuel resources (IRENA, 2016).

Developments in storage technology and disruption in the mobility segment through rapid growth of electric vehicles are other key emerging trends that could radically alter the energy landscape of the future with serious implications for the nature of business in the oil and gas sector.

Despite the impressive trend of growth, the sector is not without its set of challenges. Questions surrounding intermittency of renewable-energy based supply still persists. Another crucial question that will have to be answered by policymakers worldwide is the resultant



impact on investments once the incentives that are currently in place to support the growth of the sector are withdrawn.

Geopolitics:

Although the overriding influence of geopolitics on the trajectory of global crude prices has waned perceptibly in recent times, apart from providing an occasional spike in a largely bearish market, ramification of any unwelcome change or disruption in the international geopolitical landscape always is a reason for concern for the global oil and gas leaders.

Most notably, the election of Donald Trump as the country's President has made US, not otherwise reckoned as a source of geopolitical unpredictability, has added a whole new level of brand-new approach to policymaking and trade partnerships which signifies a clear break from the past.

The US President's views on climate change are in complete contrast to that of his predecessor Barack Obama who was widely viewed as one of the leading global voices in the fight against climate change and among the principal motive forces behind the success of the COP 21 agreement in 2015. President Trump's announcement in June this year signalling the US administration's firm commitment to withdraw US participation from the Paris Agreement further reinforces his conservative stance on climate change, which stands in stark contrast to not just his predecessor but most global leaders. The move can be deemed hugely significant in terms of its potential impact on the momentum, direction as well as ensuring compliance levels among countries, eventually determinant of the Pact's success in implementation of its goals. Besides climate change, Trump's protectionist stance on economic matters and openly unfavourable views on the US-engineered nuclear deal with Iran are other issues with potentially significant geopolitical consequences.

Among other geopolitically consequential stress-points the denouement of which can critically impact the oil and gas markets are - the internal tensions among OPEC members, particularly Saudi Arabia and Iran, in a low-price market; Europe's strategy in response to the continent's growing dependence on Russian oil and gas imports in a period when Russian ambitions are on the ascendancy; Turkey's role in the transit of Mediterranean gas and security situation in places like Nigeria, Libya and Syria.

3. India Energy Snapshot

Today, India is a bastion of strong economic growth. Our story is one of the few rare ones, in an otherwise subdued surroundings, that has escaped uncertainty during a period of increased volatility in global energy markets and has so far, successfully evaded the contagion of continuing sluggishness in the international economic landscape. Right now, we are the fastest growing major economy and are set to remain so for the next few years.

Energy is a fundamental input to any country's economic goals - periods of healthy economic growth naturally tend to translate to an impressive uptick in domestic energy requirements as well. During the period 2000-15, India's primary energy consumption grew at a rate of 5.45% CAGR versus a world growth rate of 2.27% CAGR. Only Asian giant China surpasses this pace of demand expansion. However, the growth in China has visibly slowed down in recent times as it recalibrates its growth priorities and undertakes fundamental changes, with implications for its energy demand, as it embraces a more services-oriented and domestic consumption-led economy instead of the manufacturing-intensive and export-driven economy that it has been so far.

On the contrary, India's outlook for energy demand growth is decidedly bullish and the economy, as mentioned already, on the basis of strong fundamentals and substantial underlying demand potential, is not expected to experience any such slowdown. IEA posits the country is well positioned to be the global hub of energy demand creation for the next two decades. In this context, factoring in the country's per capita energy consumption and its level of industrialisation and urbanization, energy, its production as well as availability, will be a key determinant in how India manages to pursue its development goals as our demand trajectory, especially in recent times, already exhibits a trend of robust growth and can be said to have even exceeded projections.

Moreover, the Government of India, in the past 3 years, has taken a special interest in expanding the domestic manufacturing and industrial setup. Economists agree that economic growth on the back of manufacturing-led activity in any country, particularly in India with its significant demand potential and huge opportunities for employment generation, has a cascading impact on the country's energy requirements. Programs like the ambitious 'Make in India' and 'Smart Cities' is a step in that direction.

India's energy basket largely remains conventional fossil fuel based. Coal continues to be the dominant resource in the country's energy basket with a share of close to 57%. During FY'17, our liquids consumption grew by 5.17% over the previous year (FY'16). Although the uptick represents a marked deceleration from the growth registered in FY'16, which was over 10%, in the aftermath of steep fall in crude prices, it still is impressive with no projection of curtailment in consumption even if prices firm up at higher levels. In fact, IEA predicts a robust rise in our oil consumption – touching the 10 million bpd by 2040 from current levels of 4 million bpd, an increase of 6 million bpd and the largest projected for any country.

Natural Gas which today accounts for just about 7% of the country's energy basket is expected to play an increasingly significant role in catering to the domestic energy requirements, especially in the aftermath of COP 21 agreement. Not only it is the cleanest of the conventional fossil fuels, its resource base is also substantial as our promising deepwater gas finds in off the country's east coast prove. The objective to increase gas' share to 15% in the next few years is an important goal in the national context – it will foster infrastructure development such as pipeline networks and LNG regas facilities as well as motivate domestic oil and gas operators to step-up exploratory and development activity.

BP's most recent energy outlook to 2035 corroborates this robust outlook of energy demand growth for the country. It estimates total energy requirement in the country to shoot to over 1600 MMtoe in 2035 from around 700 MMtoe in 2015 at a CAGR of close to 4.2%.India's demand growth (+129%), is more than double the non-OECD average of 52% and also outpaces each of the BRIC countries as China (+47%), Brazil (+41%), and Russia (+2%), all expand slower. However, evolution of the fuel mix still remains a gradual affair, with fossil fuels continuing to account for more than 85% (from over 90% currently) of the energy basket.

While three 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, a global price recovery has the capacity to quickly nullify the gains made in the interim. Moreover, a lack of long-term clarity around subsidy-sharing mechanism further complicates the situation for upstream NOCs like ONGC. Our dependence on crude imports, currently at around 80% of our domestic requirements, is projected to touch 90% in the absence of any meaningful interventions, as per IEA.

In view of the disturbing implications of such a scenario, the Hon'ble Prime Minister has set a target to achieve 10% reduction in our hydrocarbon imports by 2022. The declaration, effectively, serves and will continue to act as a strong motivating agent in the plans and actions of the country's energy firms, particularly its oil and gas companies. As per the inaugural report of the committee steering a 5-pronged strategy was spelled out - (i) Increasing domestic production (ii) Enhancing energy efficiency and conservation (iii) Demand substitution (iv) Promoting alternate fuels/ renewables and (v) Refinery process improvement.

The need for augmentation in production of domestic oil and gas then is greater than ever. In this scenario, ONGC's role will be one of critical importance. As the country's flagship energy explorer and leading oil and gas producer, accounting for over 70% of domestic oil and gas supplies, the Company, despite the persistent market uncertainty and price fluctuations, remains firmly committed to pursuing the opportunities in the domestic oil and gas landscape. Not only is the country the world's largest demand hub for the foreseeable future, prospects of E&P activity in our sedimentary basins also appear quite promising.

Notwithstanding the limited proven potential of our resource base, the basins are still relatively under-explored and therein lies the possibility of major surprises as exploratory activity is stepped up. Of the 26 sedimentary basins in the country covering an area of 3.14 million sq. km, 48% area is yet to be explored. These sedimentary basins have prognosticated resources of 28,000 MMT (million metric tonnes). Out of this only 39% have been converted to inplace reserves through intensive exploration and development. In this context, ONGC is already leading programs to reassess the country's hydrocarbon potential as well as bring more and more areas under exploratory coverage.

While the country's soaring energy requirements is a firm indicator of the economy's state of health and provides a reason for cheer in international energy markets, stagnant domestic supplies, particularly hydrocarbon production, has resulted in an ever-widening supply deficit for the country thereby making reliance on imports a necessary underlying feature of the Indian growth story. In the past 10 years, our forex outgo on account of those imports totalled a staggering $976 bn.

What further allows for a positive outlook on the sector is the positive role of the Government in facilitating a conducive business and operating environment. A progressive policy framework has been put in place – striking a right balance between regulatory requirements and fiscal incentives, one that is geared to foster an enhanced level of activity and long-term capital commitment.

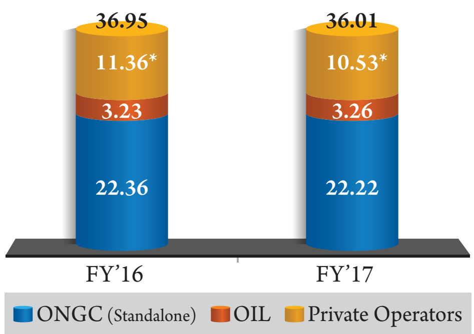
Recent initiatives by the government to revive the sector

- Marketing and pricing freedom for undeveloped deepwater, ultra-deepwater and high pressure / high temperature fields which are not onstream as of 1 January 2016. The pricing freedom is subject to a ceiling indexed to the landed cost of imported alternate fuels.
- Starting 2017, blocks to be awarded under Hydrocarbon exploration and licensing policy (HELP) under revenue sharing terms with full marketing and pricing freedom for oil and natural gas. Blocks will be awarded via an open acreage licensing policy (OALP), and licenses will allow exploitation of conventionals and unconventionals within the same acreage.
- A contract extension policy for 28 fields awarded under the discovered fields bid rounds which will raise the royalty and cess rates during the extension period and also the government's share of profit petroleum.
- Marketing and pricing freedom for CBM producers

All these can be construed as a statement of the Government's intent and a testament to its accommodative and enabling approach, particularly in respect of monetizing the domestic gas reserves. Institutionalization of a stable, predictable and remunerative policy and fiscal regime has provided much needed support to the operators to achieve the desired level of activity. The supportive policy framework will also hasten achievement of the Prime Minister's target of reducing 10% import dependence in the sector by 2022. It may also be noted that the oil & gas industry is ranked amongst India's six core industries and contributes about 15% to the country's GDP.

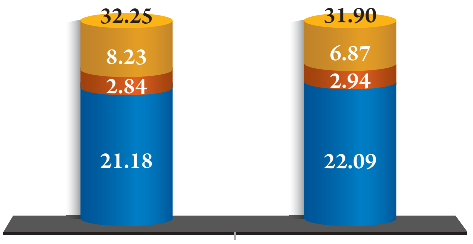
Finally, it is ONGC's strong project pipeline which also makes the future domestic E&P an exciting area. In the past three years, including FY'17, ONGC's Board has approved projects worth over ₹820,000 million which is remarkable. These will translate to additional oil and gas production of close to 190 MMtoe. This has come at a time when global energy operators were deferring projects and imposing significant cutbacks on investment.

Crude Oil Production (in MMT)



* inclusive of 0.01 MMT (FY'16) and 0.03 MMT (FY'17) ONGC NELP Production

Natural Gas Production (in BCM)



Crude Oil & Natural Gas Production

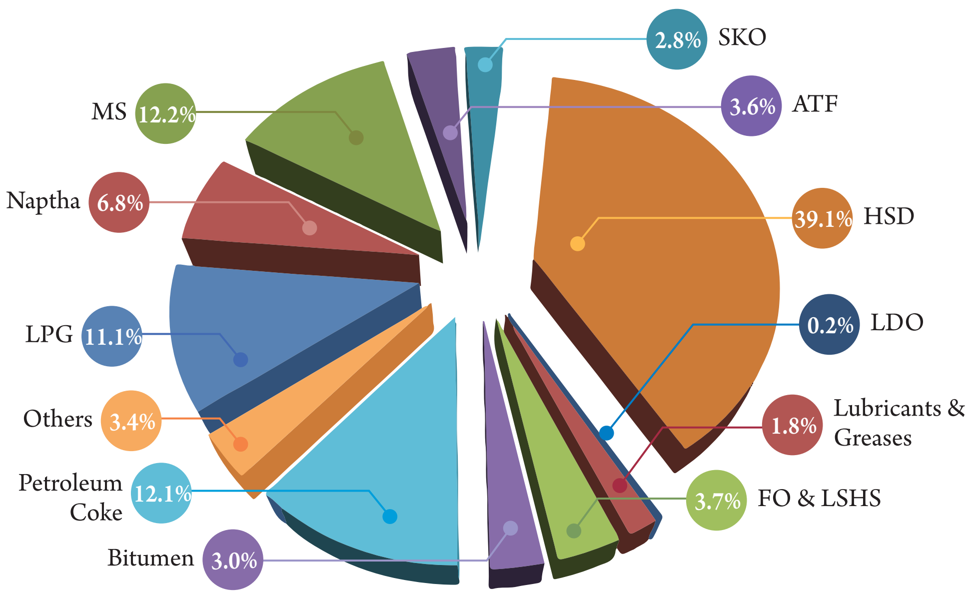
Crude oil production in FY'2016-17 was less than the previous year at 36.01 million metric tonnes (MMT) compared to 36.95 MMT of the previous financial year. ONGC's production nomination was 22.22 MMT vs 22.36 MMT in FY'16. Production from Oil India Ltd and PSC/JVs was 3.26 MMT and 10.53 MMT respectively.

Natural Gas output also declined from 32.25 billion cubic metres (BCM) in FY'2015-16 to 31.90 BCM in FY'2016-17. Gas production of ONGC and Oil India increased by 4.3% and 3.5% respectively, compared to the previous fiscal, whereas that of PSC/JVs decreased by 16.5%.

Consumption of Petroleum Products

Consumption of domestic petroleum products registered a growth of over 5% during FY 2016-17 (194 MMT). Although the pace of growth did not match the remarkable expansion in demand (over 10%) experienced in FY'2015-16, it still represents a robust trend of consumption given the dampening of demand in Q3 and Q4 of the fiscal on account of demonetization exercise. Consumption of diesel (HSD), fuel with the most dominant share in the mix, grew by 1.8%, the slowest in the past 3 years while its overall share dropped to under 40%. Despite a slowdown in growth, the demand outlook for the commercial segment remains strong on the basis of improvement in medium and heavy vehicle sales, improved road conditions, economic viability of public transport and carrier vehicles due to cheaper fuel commercial vehicle sales and improvement in road infrastructure has led to this spurt. Demand for petrol/MS (+8.8%), LPG (+9.8%) and Petroleum Coke (+22.2%) grew at a healthy clip. Rising demand for petrol reflects the steady growth of the Indian automobile market (+6.8%), especially the passenger car segment (+8.2%). On the other hand, LPG's strong growth can be accounted by the large movement of consumption away from kerosene, driven by the Ujjwala scheme.

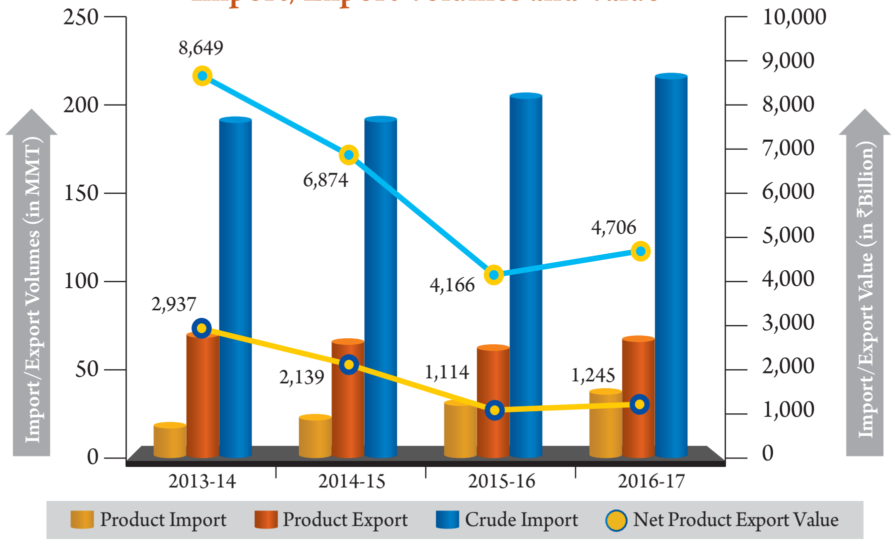
Consumption of Petroleum Products



Import and Export

Crude oil imports grew by 5.4% from 203 MMT in FY'2015-16 to 213 MMT in FY'2016-17, as domestic demand continued to benefit from prevailing low global crude oil prices, although prices are at a higher level relative to FY'2015-16. Petroleum products imports (36 MMT) sustained their trend of robust growth with 24.1% increase over FY'16 volumes, mainly on account of increase in import of LPG and HSD. After two years of decline, Petroleum products export increased in FY'2016-17 by 8.2%, aided by slight pick-up in global demand as well as higher domestic refining capacity.

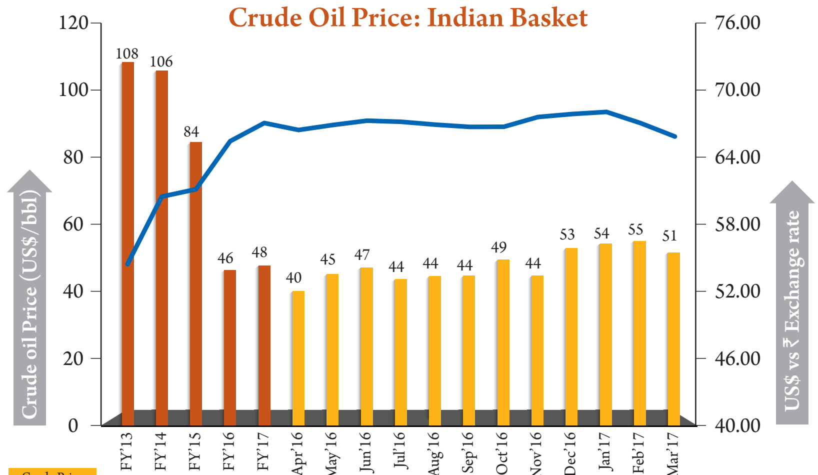
Import/Export Volumes and Value



Crude oil import bill for FY 2016-17 was ₹4,705.89 billion (US$ 70.22 billion) against ₹4,165.79 billion (US$ 63.97 billion) during FY 2015-16. Although import payments are down by over 50% from the peak of FY'2012-13 ($144.29 bn), they are higher than the forex outgo during FY'2015-16 owing to the slight recovery in global crude prices.

Crude Oil Price: Indian Basket

Crude oil price of the Indian basket averaged US$ 47.56 per barrel (₹3,191 per barrel) during FY 2016-17 compared to US$ 46.17 per barrel (₹3,022 per barrel) in the previous fiscal (FY 2015-16), an increase of 3% in dollar terms (5.6% in rupee terms). Slide in oil



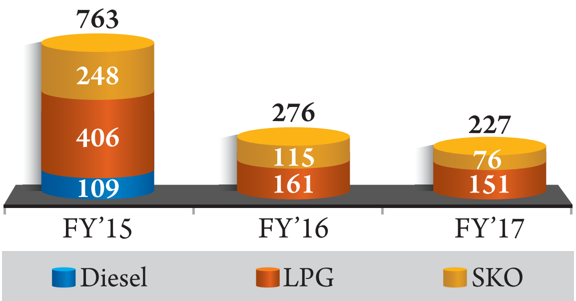
	FY'13	FY'14	FY'15	FY'16	FY'17	Apr'16	May'16	Jun'16	Jul'16	Aug'16	Sep'16	Oct'16	Nov'16	Dec'16	Jan'17	Feb'17	Mar'17
Crude Price US$/bbl	107.97	105.52	84.1	46.17	47.56	39.88	45.01	46.96	43.52	44.39	44.48	49.25	44.46	52.74	54.08	54.86	51.47
Exchange Rate US$ vs ₹	54.45	60.50	61.15	65.46	67.09	66.47	66.91	67.30	67.20	66.94	66.74	66.75	67.63	67.90	68.08	67.08	65.88

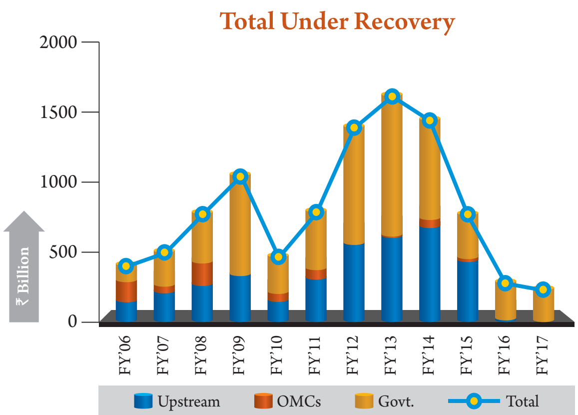
prices started from August 2014 and recorded a 12-year low in January 2016 when it dropped to below $30 a barrel. However, post the decision of OPEC and non-OPEC countries to exercise production cuts as well as slowdown in US production, prices have recovered in the first part of 2017. The Indian crude basket averaged $53.47 in Q4 FY'2016-17.

Under-recoveries on Sensitive Products

Under-recovery (including DBTL/PMUY/DBTK subsidy) on sensitive fuels (SKO & LPG) for the fiscal FY'2016-17 was ₹227.38 billion; 17.5% lower than the fiscal FY'2015-16 (₹275.71 billion). This was the fourth consecutive year of decline in under-recoveries for OMCs. From the peak of FY' 2012-13, when under-recoveries totalled a mammoth ₹1,610 billion, it represents an overall fall of almost 86%). Reforms initiated by the Government in the past three years such as decontrol of diesel prices, introduction of PAHAL scheme and targeted subsidy payouts in combination with the prolonged period of subdued crude oil prices in the international markets were the major contributing factors to this substantial reduction in under-recoveries.

Product-wise under Recoveries (₹ in billion)





Out of the total under-recovery of ₹227.38 billion in FY'2016-17, the upstream companies shared ₹NIL compared to ₹12.51 billion (4.5%) during FY'2015-16. The Government's contribution has been ₹227.38 billion (100%) against ₹263.02 billion (95.4%) during FY'2015-16; while Oil Marketing Companies (OMCs) contribution was ₹NIL compared to 0.18 billion (0.1% of the total in FY'2015-16).

Domestic Gas Prices

The revision of domestic gas prices was implemented by the Government w.e.f. November 01, 2014. With the continuous decline of global crude prices 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 w.e.f. April 01, 2017, pegged domestic gas prices at $2.48 per mmBtu on a Gross Calorific Value (GCV) basis for the period April-September 2017.

Gas Prices before Revision	$4.2/mmBtu (on NCV Basis)
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
1st Oct 16 – 31st Mar 17	$2.50/mmBtu
1st Apr 17 – 30th Sep 17	$2.48/mmBtu

Premium Prices for Gas Produced from difficult areas

With a view to incentivize monetization of domestic gas resources in difficult areas, the Government also implemented the decision to allow marketing and pricing freedom for gas produced from High Pressure High Temperature, Deepwater and Ultra Deepwater areas, with 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 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.

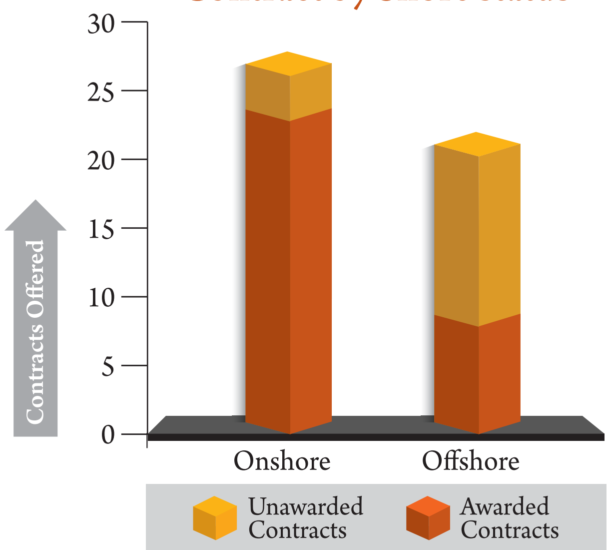
Ceiling Prices for Gas from HP-HT/Deep/ Ultradeepwater (GCV basis)	
1st Apr'16 – 30th Sep'16	$6.61/mmBtu
1st Oct'16 – 31st Mar'17	$5.30/mmBtu
1st Apr'17 – 30th Sep'17	$5.56/mmBtu

Marginal Field Policy and DSF Bid Round:

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.

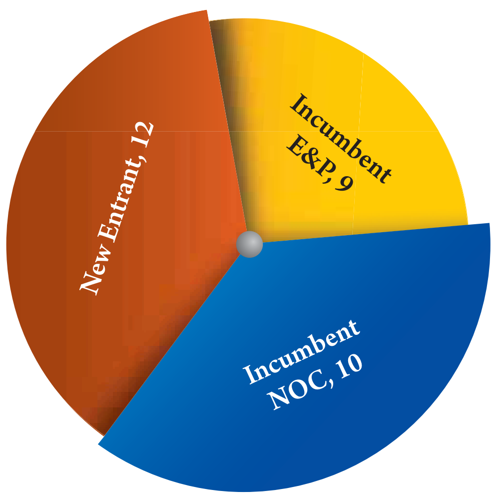
The first round of auctions based on the policy was launched by the Government on May 25, 2016. A total of 46 contract areas comprising of 67 oil and gas fields distributed across nine sedimentary basins were offered to prospective bidders. Results of the bid round were announced by the upstream regulator Directorate General of Hydrocarbon (DGH) on February 15, 2017. Out of a total of 134 bids received for 34 contract areas, 31 contracts were awarded to four public sector companies, 17 private firms and a foreign player. These contracts consist of 44 fields with estimated in place volumes of 424 MMBOE. Peak cumulative production from the awarded areas is projected at 15,000 bpd of oil and 2 MMSCMD of gas. The revenue sharing model (RSM), introduced through the HELP regime, is now active, removing cost recovery but allowing full marketing and pricing freedom.

Contract by Shore status



Source: Wood Mackenzie

Contract Awards by Operator type



Source: Wood Mackenzie *15/16 operators are Indian companies*

Bidders were willing to take on the risk of the Revenue Sharing Model (RSM) for the proven potential of Mumbai offshore basin, with its existing infrastructure and material discovery sizes. However, only one offshore block in the Krishna-Godavari basin was bid upon, reflecting the basin's additional geological risk and smaller discovered volumes. The onshore Cambay and Assam blocks were heavily contested due to the proven commercial potential of these areas and presence of some infrastructure, despite immaterial volumes in many cases.

Impact of GST on Upstream Oil and Gas:

The implementation of the single system taxation framework through Goods and Services Tax (GST), while being hailed as a landmark reform for the domestic markets with its potential to generate substantial cost savings, boost productivity and spur investments, is a mixed bag for the oil and gas industry. Upstream business, in particular, is situated unfavourably in terms of tax liabilities on account of non-uniform treatment under the GST regime. Tax-related under-recoveries could seriously affect its profitability.

While products like kerosene, naphtha and LPG will be under GST regime, the GST law would not apply for the time-being on five specified petroleum products viz. Crude Oil, Natural Gas, High Speed Diesel (HSD), Motor Spirit (Petrol), and ATF.

Consequently, the main products of E&P sector viz Crude Oil & Natural Gas, will continue to attract the existing levies i.e. Royalty, OID Cess, NCCD, VAT/ Sales Tax etc. However, purchase of goods and services required for exploration and production of Crude Oil and Natural Gas would attract GST. Further, exemption on procurement of select goods through ICB Tender have been amended to include 5% GST and also increase in tax on services could lead to substantial additional tax implication on upstream companies.

Unlike other industries which can take credit for any taxes paid towards furtherance of business, no credit on input GST will be available to the oil and gas industry for the time-being leading to additional tax burden as a result of stranding of taxes.

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 effective from March 01, 2016 changed the cess on crude oil to Ad valorem 20% as compared to ₹4,500 per ton. Since, historically OID Cess has been levied in the range of 8-10% of crude price and cess incurred by producers is not recoverable from refineries, representation has been made for review and revision of OID Cess rate to 8% to 10% of realized crude oil price.

Operational Performance

Oil & Gas production of ONGC Group, including PSC-JVs and from overseas assets for FY'17 has been 61.60 MMtoe (against 57.38 MMtoe during FY'16). There were meaningful increments in onland operations and overseas equity oil and gas output.

Out of the total crude oil production of 33.96 MMT, 65.5% production came from the ONGC operated domestic fields, 24.8% from the overseas assets and balance 9.7% from domestic joint ventures. As far as natural gas production is concerned majority of production (79.9%) came from ONGC operated domestic fields and of the remaining 15.8% came from overseas assets and 4.3% 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'17	FY'16	FY'15	FY'14	FY'13
Crude Oil Production (MMT)	**33.96**	**31.44**	**31.47**	**31.49**	**30.47**
ONGC	22.25	22.37	22.26	22.25	22.56
ONGC's share in JV	3.28	3.56	3.68	3.75	3.57
ONGC Videsh	8.43	5.51	5.53	5.49	4.34
Natural Gas Production (BCM)	**27.64**	**25.94**	**26.86**	**27.72**	**28.25**
ONGC	22.09	21.18	22.02	23.29	23.55
ONGC's share in JV	1.18	1.35	1.50	1.56	1.78
ONGC Videsh	4.37	3.41	3.34	2.87	2.92

Proved reserves

During the year 2016-17, ONGC has made 23 oil and gas discoveries in domestic acreages (operated by ONGC). Out of the 23, 13 discoveries are in onshore and 10 in offshore; 12 discoveries were made in the new prospects whereas 11 were new pool discoveries. 4 discoveries were made in NELP blocks and 19 in nomination blocks. Out of the discoveries made this year, 12 discoveries are oil and gas bearing, 8 are gas bearing and 3 are oil bearing. Position of proved reserves of your Company is as below:

Proved Reserves (MMTOE)	FY'17	FY'16	FY'15	FY'14	FY'13
Estimated Net Proved O+OEG Reserves	**982.16**	**909.34**	**936.44**	**961.91**	**968.81**
ONGC	696.47	691.28	711.24	724.13	741.00
JV Share	14.46	18.59	22.56	30.65	31.39
ONGC Videsh	271.23	199.47	202.64	207.13	196.42

Financial performance: ONGC (Standalone) (₹ in million)

Particulars	FY'17	FY'16	% Increase/Decrease
Revenue:			
Crude Oil	548,036	511,316	7.18
Natural Gas	139,398	182,239	(23.51)
Value Added Products	87,461	78,097	11.99
Other Operating Revenue	4,183	5,765	(27.44)
Total Revenue from Operations:	**7,79,078**	**7,77,417**	0.21
Other Income	75,481	70,094	7.69
EBIDTA	386,266	392,495	(1.59)
PBT	252,155	235,988	6.85
PAT	**179,000**	**161,399**	10.91
EPS	13.95	12.58	10.89
Dividend Per Share	9.075 (adjusted pre bonus)	8.50	6.76
Net Worth *	1,855,384	1,657,747	11.92
% Return on Net Worth	9.65	9.74	(0.92)
Capital Employed	1,185,309	1,112,137	6.58
% Return on Capital Employed	32.59	35.29	(7.65)
Capital Expenditure	280,064	301,104	(6.99)

**Includes reserve for equity instruments through other comprehensive income.*

ONGC Group (₹ in million)

Particulars	FY'17	FY'16	% Increase/Decrease
Revenue:			
Crude Oil	574,448	561,145	2.37
Natural Gas	158,303	202,586	(21.86)
Value Added Products	681,959	584,431	16.69
Other Operating Revenue	6,780	8,480	(20.05)
Total Revenue from Operations:	**1,421,490**	**1,356,642**	**4.78**
Other Income	79,152	81,448	(2.82)
EBIDTA	497,678	472,794	5.26

Particulars	FY'17	FY'16	% Increase/Decrease
PBT	310,401	200,523	54.80
PAT	**204,979**	**128,752**	**59.20**
EPS	15.97	10.03	59.22
Net Worth *	2,211,895	1,978,137	11.82
% Return on Net Worth	9.27%	6.51%	42.40
Capital Employed	1,808,839	1,756,994	2.95
% Return on Capital Employed	27.51	26.91	2.23

**Includes reserve for equity instruments through other comprehensive income.*

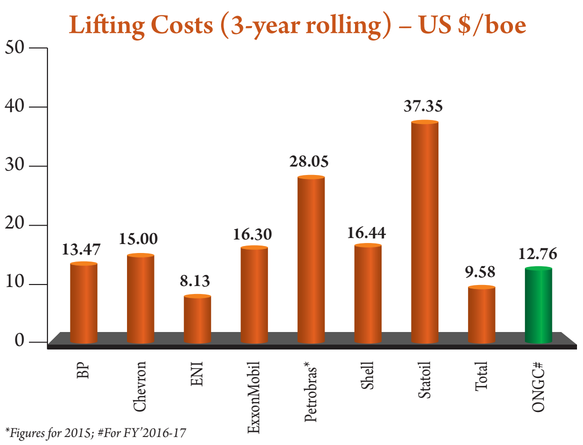
A. Peer Review

In FY'17 also your Company has been the largest producer of oil and gas in the country (from its domestic operations) contributing 70% of oil and 70% of natural gas production.

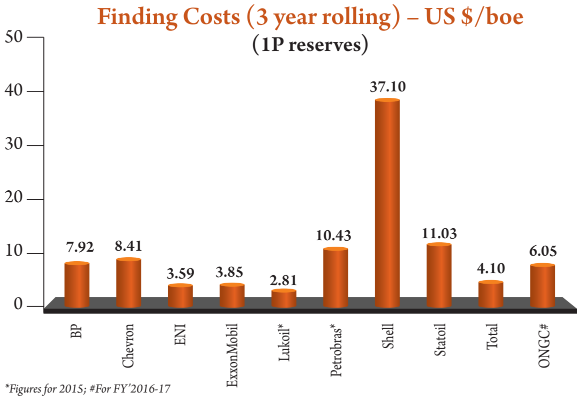
Your Company's financial performance compared to performance of Oil India Limited (OIL) in FY'17 is as below:

(₹ in million)	ONGC	OIL
Revenue	779,078	95,104
Profit After Tax (PAT)	179,000	15,487
Net Worth	1,855,384	290,905

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



**Figures for 2015; #For FY'2016-17*



**Figures for 2015; #For FY'2016-17*

Rolling average of Finding cost ($/boe) for 3 years in respect of ONGC has been US$6.05/bbl well comparable with the other oil majors.

Rolling average of Lifting cost ($/boe) for 3 years in respect of ONGC has been US$12.76/bbl which is better than most international upstream companies.

4. Opportunities & Threats

"The Stone Age did not end for lack of stone, and the Oil-Age will end long before the world runs out of oil." So said Sheikh Ahmed Zaki Yamani, former Saudi Arabian oil minister, in an interview in 2000.

The last 3 years and more in the oil and gas industry has made many industry veterans and enthusiasts uncomfortable as they look toward a future of world energy landscape where the position of oil and gas may not necessarily be as secure and dominant as it has been historically.

The future is not just yet as bleak as the Saudi Minister's statement would lead us to assume, as most respected industry outlooks still paint a future scenario where conventional fossil fuels such as oil and gas continue to easily account for more than two-thirds of the global energy mix. But the future is definitely going to be more complex, challenging and competitive. Saying this for an industry where change and uncertainty is almost second nature amply reflects the shifts that are already underway, some of which will inevitably be fundamental and irreversible. However, given the criticality of the industry to the growth of economies and even success of sovereign governments, there is sufficient reasonable basis for oil and gas operators to remain optimistic and explore promising opportunities with the potential to yield sustainable long-term growth.

While low oil prices has savaged the balance-sheets and growth plans of many oil and gas companies and imperilled the budgets of producer nations that are predominantly depended on petro-dollars, the more than halving of world oil prices since a $114 peak in June 2014 has not proven the boon to the global economy that many economists had predicted. This latest episode of fall in crude oil prices has been in the making for quite some time prior to the tipping point and is more systemic in nature. Essentially, it is still driven by demand-supply dynamic – but while oversupply was the catalyst of the fall, demand is now the more reliable determinant of the price trajectory. The European Central Bank, in one of its notes, states – "Assuming that for example, 60% of the oil price decline since mid-2014 has been supply driven and the remainder demand driven, the models suggest that the combined impact of these two shocks on world activity would be close to zero (or even slightly negative)".

Although demand continues to be robust, particularly among consumers in the emerging world, such as India the overall situation has been complicated by a shift towards lower intensity fossil fuel consumption, which make this episode different from previous crashes in the 80s and 90s.

The biggest threat arising out of this price crash is the possibility of supply deficit in 4-5 years' time as companies scrimp on budgets and curtail exploration programs. The IEA in one of its reports said that demand and supply trends point to a tight global oil market and in 2022, spare production capacity may fall to 14-year low in view of record two-year investment slump of 2015 and 2016.

However, despite restricted budgets, companies are showcasing a remarkable capacity to do more with less. As per Wood Mackenzie's production guidance for the year 2017, companies are focused on returning to growth. For companies that had announced production guidance for 2017, they expect to produce 942,000 boe/d (5%) more than they did in 2016. This shows the opportunity to be had in terms of sustaining base production profiles through higher productivity and operational efficiency, better utilisation of technology and taking advantage of cost deflation in the service sector. Cost deflation has been particularly useful in the current context. Cost deflation in the sector has been anywhere between 10% to 30%, with areas like deepwater benefitting the most. This is reflected in the trend of project break-even costs.

Even, deepwater has shown strong signs of recovery from the downturn with three major projects sanctioned in recent times - BP's Mad Dog Phase 2 and Shell US's Kaikias, both in the US Gulf of Mexico, and Noble Energy's Leviathan project offshore Israel in the Mediterranean Sea. Wood Mackenzie estimates global deepwater project costs have fallen more than 20% since 2014. The research and consultancy firm also said 5 billion bbl of pre-sanction deepwater reserves now break-even at $50/boe assuming a hurdle of 15% internal rate of return. WoodMac estimates that a further 20% cut in current deepwater costs would bring 15 billion bbl of pre-FID reserves into contention, which is in line with tight oil.

In addition to the sectoral cost deflation there is room to further consolidate a project's cost profile by way of project optimisation through redesign, efficiency gains in operations and a more integrated project management approach. For example, BP's Mad Dog Phase 2 project achieved a 50% reduction in costs through a repeated solution instead of bespoke and simplified project specs. These opportunities are internal in nature and companies that successfully manage these changes will benefit from a leaner and more sustainable cost-structure, one that can be expected to persist beyond market cycles. Overall, global break-even costs have fallen by US$19/bbl to the current weighted average of US$51/bbl since the peak in 2014.

While it is true the significantly shrunk upstream capex layouts has affected frontier exploration and quite a few greenfield projects, it has enabled more focus and resource allocation on existing operations as capital is moved towards previously discovered fields. As per a Wood Mackenzie report, these incremental (IOR/EOR) projects will account for close to US$450 billion of investment in total and 5.3 million boepd of peak production. It estimates almost 20% of new production will come from incremental projects between 2017 and 2025.

During this period, however, the performance of the US unconventional sector will be a source of threat to oil price recovery. US tight oil production is projected to grow by nearly 300,000 bpd over 2017, spearheaded by the Permian Basin, to an extent offsetting the effective level of cuts implemented by the OPEC.

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% 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'17, one-third of our production was realized via the incremental supplies of IOR/EOR projects. While continuing these projects remains an operational priority for the Company, the cost intensive nature of such interventions, especially in a low oil price regime, is a source of future threat to sustaining production levels.

The substantial increase in overall energy requirements projected by various industry estimates translates to significantly high demands for oil and natural gas as well. Such a steep rise in energy demand as well as our country's increasing reliance on energy imports has injected a greater sense of urgency in the way the Company approaches new and ongoing projects.

Over the past three financial years (FY'2014-15, FY'2015-16 and FY'2016-17), ONGC's Board has approved projects worth over ₹820,000 million which is remarkable. These will translate to additional oil and gas production of close to 190 MMtoe. Our Eastern offshore deepwater project – Cluster-2 development in KG-DWN-98/2 block – has attracted global attention. 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 like – decrease in service and hiring costs in the sector, better understanding of the sub-surface geology, the 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.

We are also committed to the Hon'ble Prime Minister's target of achieving a 10% reduction in hydrocarbon imports by the year 2022. Towards that end, a strategy document, derived out of an exhaustive review of all current operations and future plans for ONGC owned and operated fields in keeping with the present production scenario and as per the predicted/envisaged profile, has been prepared.

Technology is another strong opportunity area for oil and gas operators. Over the past few years, 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. Even in the present low oil price regime, 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.

Demand for digital oil-field applications is also anticipated to grow manifold in the coming years. Technology will be a significant enabler in this space. Opportunities to link multiple platforms operated remotely from a single onshore center or to deploy remote monitoring for onshore and offshore operations can obviate the need for physical on-site inspections. Not just to tap the next barrel of oil or discover new hydrocarbon prospects, in a post COP-21 energy universe, oil and gas companies will also have to rely hugely on technology to make their operations safer, more energy-efficient and sustainable.

ONGCians at offshore: Committed to India's Energy Security 24x7.

Risk-avoidance through restricting commitment in low-impact, low-productivity plays is a viable strategy in the current price environment as borne out by the US unconventional oil and gas setup. As such, E&P companies are likely to explore opportunities in basins with running room where geology is better understood and infrastructure is in place, which both reduce cycle times. As per IHS Market report from May 2016, operators cut back aggressively on low-productivity wells while focusing more on its richer tiers or plays. This adequately explains why the drop in US production while significant (11%-13%) was less than would be expected from a mere look at the drop in rig counts (down by almost 70%-75% at its lowest).

This relatively lean period of exploration also offers the opportunity for geoscientists and geologists to perform more rigorous analysis of data and thereby improve the quality of the prospect pipeline. The 2010/2011 drilling moratorium in the 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 2015, 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.

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 Market, smaller fields do not necessarily mean non-starters – in fact, close to 20% of fields in the size range of 20 to 500 Mmboe have been producing for over 50 years. 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. The Government's DSF bid round is a step in that direction.

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. Break-even 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. 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. So, the threat of dispute with host governments will remain so long as we are operating in a period where prices are uncomfortably low.

The current market situation also provides a fantastic opportunity for companies to review the business strategy to refocus on what a company can do best and where it can best outpace competitors. Instead of broadening the business to pursue every opportunity, it may be more prudent to develop a more targeted approach to strategy. For example, Apache is emphasizing developing an expertise in managing late-life assets abandoned by the majors; for example, it has acquired the 50-year-old Forties drilling site in the North Sea and intends to extend its productive life by 20 years.

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. It is because of the resource base' sizeable potential, shorter cycles, healthy payback, especially in liquid rich plays, and operational resilience that makes 'unconventional' hydrocarbons a strong opportunity avenue to explore for oil and gas operators.

As mentioned earlier, 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 has increased manifold post the COP-21 agreement in Paris in 2015 and its subsequent ratification and coming into effect in 2016. Global investment in renewable energy already touched record levels in 2015 ($286 bn) and the pace is set to further pick up in the coming years as countries take steps to reduce the energy intensity of their economic activities as well as invest in expanding the share of renewable energy capacities in the energy mix. Although US President Donald Trump's announcement indicating US withdrawal from the Paris Agreement is a big setback to the global goal of mitigating the impact of climate change and growth of renewable energy, there already is massive global consensus on the need for immediate action to address the issue of climate change among most international leaders and that eventually temper the ultimate effect of Trump's decision on the success of the Paris treaty.

The rapid reduction in renewable energy costs especially solar power has also played an influential role in hastening the adoption of renewables. Average Global LCOE for solar PV has dropped from $315/MWh (2009) to $122/MWh (2015). In Madhya Pradesh, bids for the 750 MW Rewa Solar Park saw offers for as low as ₹2.97/KWh (4-5 cents per KWh) – compare that with the average of ₹3.5 to ₹4 per KWh for conventional coal based power. As per BP Energy Outlook 2035, renewable energy forms are projected to grow rapidly (6.6% per annum), causing their share in primary energy to rise from around 3% today to 9% in 2035.

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. 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.

Possibility of disruption in the mobility space also is a source of major threat to the future demand of oil and gas. The number of electric vehicles (both plug-in and hybrid) are set to touch 100 mn in 2035 from the current level of around 1.2 million. Furthermore, India lends itself well to such a radical transformation given its much-publicized struggle with soaring air pollution levels in recent times and the Government has already set the tone for overhauling domestic road transport - it has set a sales target of six million electric vehicles by 2020 with an even more ambitious goal of having sales of new oil-driven vehicles ceasing by 2030.

In such a scenario, oil and gas companies must link their investment programs to options that are suitable for a more carbon-constrained operating environment. This does not imply radically transforming the business portfolio through hasty divestments of legacy assets that are still producing and profitable and near-complete moving away from investing in prospective hydrocarbon properties in exchange in combination with rapid greening of the business by going heavy on wind or solar energy.

The need of the hour for every O&G Company will be to figure out how to produce oil competitively while reducing its carbon footprint as much as possible. Part of the solution is demonstrating a greater focus on energy efficiency. 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.

In view of the changing scenarios globally as well as regionally, it is also an appropriate time for upstream companies to explore the possibility of incremental diversification without compromising the business' commercial interests and financial fundamentals or throttling the net contributions accounted for by the company to the country's energy system, as is the case for an NOC like ONGC.

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. 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. Also, in comparison to the global averages, we also have substantial room in terms of maximizing recovery from our existing operations. Our extensive IOR/EOR programs address that issue while the 10% import reduction document, prepared by your Company in line with the Hon'ble PM's target, places a strong emphasis on speedy monetization of the discoveries. ONGC remains firmly committed to the continued growth and development of the upstream arena with the objective to bolster the country's energy security.

In short, in this fourth year of low prices, every company in the O&G industry will be challenged in a different way. Each will have to rise to the occasion, repositioning itself based on what it does well today as well as on the opportunities that it sees going forward for although the industry will hardly disappear, it will certainly look very different 10 years from now.

Your Company's performance during this period beset with heightened market volatility and an increasing uncertainty about the future of oil and gas is a source of reassurance and confidence. Our profits remain strong and our dividend payouts have been healthy. Compared with the widespread deep cuts in investment across most oil and gas companies, we have maintained our capex levels at largely the same levels in the past 3 years. Most importantly, our project portfolio looks promising than ever - envisaged standalone oil and gas output for the Company is around 70 Mmtoe by FY'22. Our diversification efforts have also proved productive with impressive performance from our downstream ventures MRPL, OPAL, OMPL as well as OTPC. While our exposure to renewable energy is limited, we are committed to playing a leading role in helping the Government meet its COP 21 targets through greater investments in this sector as well as meaningful in-house energy efficiency and sustainability measures.

5. Risks and Concerns

Much of the oil and gas industry has survived an especially tough past few years with weak demand and low prices. It has been difficult to make strategic decisions and plan for the future. But prices today are more than 50% higher than the record lows registered in early 2016. Despite the improvement in the general outlook that stems from the uptick in prices as well as the capital investment plans of major companies, a degree of caution still persists in an industry where the element of risk never quite is eliminated from the management radar of most oil and gas companies.

The most conspicuous source of risk for companies is the trajectory of global crude prices. Although prices appear to be recovering — Brent crude is up by over 70% from early 2016 to the first few months of 2017, to just over US$50 per barrel — they are still well below the $115 per barrel, the post-recession high-water mark reached in March 2011. Continuing price improvements will probably be slow, and supply may be constrained by the cutbacks in reserve development projects over the last few years. Further, the reaction to the agreement between OPEC and non-OPEC countries (esp. Russia) on production cutbacks has been less buoyant than anticipated as swift ramp up in the US unconventional production in an improved price environment as well as growth in places like Brazil offsets some of the supply deficit due to the OPEC decision.

As per US EIA's May Outlook, OPEC crude production dropped from 33.08 million bpd in Q4 2016 to 31.92 million bpd in Q1 2017, non-OPEC liquid supplies which averaged 58.17 million bpd in 2016 is expected to reach above 59 million bpd in 2017. Even as OPEC chose to extend the oil production cuts till March 2018, which will take out 1.8 million bpd of oil from the markets in a 100% compliant scenario, it still does not offer rock-solid support to a bullish outlook on crude prices. The level of compliance, over the period, will invariably vary among the 21 countries that are party to the cuts especially among the non-OPEC countries. Moreover, the exemption of Iran and Nigeria from the deal makes their production performance over the deal term a 'wildcard', with a greater likelihood of higher production. This seriously limits the upside potential of prices even with the production cuts in place.

Global inventory levels are also weighing down on crude prices. As per IHS Markit outlook, production cuts have yet to materially bring down US crude and OECD total oil stock levels—a key aim of output restraint. Through the six-month period of OPEC and non-OPEC producer agreements, US commercial crude stocks remain near record levels—and still, of course, well above their five-year average.

A few years ago, high energy prices were sustained by a belief that the supply of oil was reaching a peak, but demand — driven by fast-growing economies like China and India — would keep rising. The trends are shifting, and fast. Not only does there seem to be a major new source of oil from shale, but growth in demand is slowing with the global pickup in energy efficiency, stagnating demand from advanced economies and steady growth in electric (or other alternative fuel) vehicles.

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 2017 Oil Market Report projected a slowdown in demand growth from 1.6 mbpd in 2016 to 1.3 mbpd in 2017, remaining on a decelerating trend compared to 2016 and 2015.

- EIA forecasts Brent prices to average $54/b in 2017 and $57/b in 2018. West Texas Intermediate (WTI) crude oil prices are forecast to average $2/b less than Brent prices in both 2017 and 2018.

- IHS Energy has presented an outlook for Brent at an average of US$ 55/bbl in 2017 and US$ 54/bbl in 2018. The firm expects global oil demand growth of 1.6 mbpd in 2017 and 1.8 mbpd in 2018.

While the market may not witness any substantial pickup, the recent oil price gains are likely to persist, primarily on the back of OPEC's strong focus on limiting price dips evidenced by its decision to extend the cuts upto the first quarter of 2018. It is also aided by a projected rise in oil and gas capital expenditures in 2017 and 2018 as well as the rising global rig counts in select regions.

While for an import dependent country like ours, low prices augur well for the country's finances, a protracted period of low prices, however, will tend to disincentivize investment in the sector which is necessary for improving the country's self-sufficiency in terms of domestically produced hydrocarbon supplies. Furthermore, maturity of our basins means that sustaining the base production itself is a highly capital intensive activity. Monetization of most of our more promising finds in the past few years already face challenges on account of geological complexity or remote and unhospitable location.

> 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.

While fears of 'peak oil' were overblown, that the world is nearing exhaustion of its 'easy oil' volumes is an impending situation on which there is a wider acceptance within the industry. Globally, wildcat exploration is moving into more difficult terrain. With the steady decline in the number of onshore discoveries globally, more and more exploratory endeavours are focused on the offshore arena. Although, in the wake of the price downturn, deepwater activity has significantly suffered, deepwater or frontier exploration cannot entirely be avoided if the industry expects to register a substantial jump in its reserve position in keeping with the projected demand scenario going forward.

In India, a lot hinges on how we manage to capitalize on our deepwater discoveries in the KG offshore area. Here, the Government's allowance of a special pricing structure for gas developed from such arena (along with ultradeepwater and HP-HT) has majorly improved the commerciality of such finds. Offshore oil and gas has always been the forte of the domestic hydrocarbon landscape and the promise of additional growth through deepwater projects is fantastic news for the segment.

Exploratory risk in our domestic basins, especially for ONGC, stems from diminishing acreage area at our disposal which hugely constrains our capacity to undertake aggressive exploratory campaigns in a difficult market. Our acreage position has come down from around 4.9 lakh sq. km in 2012 to 1.5 lakh sq. km in 2016. While our overall performance continues to be impressive, as supported by our annual reserve position, RRR and discovery count, the limited size of available acreage has had a negative impact on the end potential of our finds as a majority of the finds continue to be small in size which adversely affects any future plans for commercialization. In this context, the Government's intent to fast-tract the process of the OALP bid round launch is very encouraging. The last NELP acreage was awarded in 2010.

As operational complexity rises, safety becomes 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. Nonetheless, 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.

Another source of risk is the possibility of regulatory change and scrutiny. While some of the changes may refer to the tendency of host governments in resource rich countries to maximize revenue in a depressed price environment, others may be about regulatory actions to restrict hydraulic fracturing, expand health and safety requirements, and increase environmental enforcement. With the break-even of many pre-FID conventional projects at $60/bbl, monetization of reserves is already a huge concern area. Although production systems have, to an extent, recalibrated to a lower oil price environment, a big question-marks hangs over the ultimate impact of much lower upstream spending levels during 2015–19. In a situation that is already rendered difficult owing to market volatility, policy flip-flopping could make matters much worse for E&P players. Actions taken on the regulatory front related to other domains of the energy ecosystem, most notably in renewables and alternative, will also have a tangible bearing on the risk profile of the sector.

While headlines of the past few years in the sector have mostly focused on the US unconventional story or the low crude oil prices, geopolitics continues to be a source of risk to oil and gas operations globally as major shifts and shocks in the world around the industry do have ramifications on the dynamics within. Continuing supply disruptions in places like Nigeria and Libya, the menace of IS in some of the most vital oil and gas hotspots and the impact of growing strain of nationalism and trade protectionism in the international stage are some of the leading issues that are of interest to oil and gas companies around the world in terms of their impact on the industry.

The current period of low prices has certainly posed challenges to the operations of your Company, particularly in respect of complex greenfield as well as capital intensive IOR/EOR projects in mature areas and lower realizations from gas sale. Greater clarity is also warranted on issues such as the subsidy sharing mechanism as further erosion of our profit margins could significantly compromise future exploratory and development pursuits. 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.

With increasing digitalization of physical systems and processes, energy companies also need to be aware of the emerging cyber-risk quotient in the environment. To that end, it is vital for companies to identify their "crown jewels" - the assets they cannot afford to lose. In addition, it is important for oil and gas companies to recognize that cyber security risks do not apply only to corporate administrative systems, but also industrial control systems (ICS) such as SCADA networks. To mitigate the attendant risks of increasing level of connectedness of physical assets to the digital world, your Company has taken the necessary steps for ensuring the highest standards of data security as well as privacy. We also place a strong emphasis on strict monitoring of Firewalls and IPs as well as a strong password policy.

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 limited further compounds the situation. As a company, ONGC too has to surmount this challenge. Though it is very difficult to replace the huge pool of experience that the organization loses at the time of large-scale retirements, 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.

6. Outlook

A. Exploration Acreage & Mining Lease

Your Company holds the largest exploration acreage in India as an operator. As on 01.04.2017, ONGC is holding a total of 335 Nomination PMLs with total area of 56,675 Km^2. ONGC has 9 nomination PELs with an area of 37,764 Km^2. ONGC has 32 active NELP Blocks. Four NELP blocks in Gujarat have been converted, wholly or partly, into PML. The NELP operating acreage area of ONGC as operator is 48,643 Km^2. Besides, ONGC as a consortium partner is operating in 6 NELP blocks with an area of 24,799 Km^2.

During the year, In-Place Hydrocarbons accretion (3P), by ONGC in its operated fields in India, has been 203.24 million metric tonnes (MMT) of Oil and Oil equivalent Gas (O+OEG), out of which about 87% accretion has been due to exploratory efforts. As on 01.04.2017, total In-Place Hydrocarbon Volume of ONGC group stands at 9,655.36 MMtoe against 9,444.74 MMtoe as on 01.04.2016. The Ultimate Reserves (3P) have been estimated at 3,132.35 MMtoe against 3,075.51 during FY'16.

B. Exploration

During the year 2016-17, ONGC has made 23 oil and gas discoveries in domestic fields (operated by ONGC). Out of the 23, 13 discoveries are in onshore areas & 10 in offshore areas. 12 discoveries were made in the new prospects whereas 11 were new pool discoveries. Of the above 23 discoveries, 4 discoveries have been made in NELP blocks. 9 of these discoveries have already been put to production. The Company also drilled 100 exploratory wells with good Hydrocarbon exploration success. Notably, with Jabera discovery, ONGC has brought Vindhayan Basin in to the oil & gas reserve map of India.

C. NELP Blocks

Since inception, a total of 111 NELP blocks were awarded to 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. ONGC is currently operating in 32 active NELP blocks. Exploration/appraisal programme is under way in all the active blocks. The details of the four discoveries in NELP acreages which were put on production are tabulated below:

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	Karan Nagar-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 01.04.2017, ONGC has made a total of 64 discoveries, out of these, 58 discoveries (18 in deep-water, 21 in shallow water and 19 in onland areas) are in 25 NELP blocks and the remaining 6 discoveries (4 deep-water, 2 onland) are falling in two blocks acquired from other operator. ONGC has monetized 4 NELP onland discoveries in Cambay Basin. Status of NELP discoveries as on **01.04.2017** is given below.

Status	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)
PML Obtained from GoI	5	CB-ONN-2004/2 (VADTAL-3&5), CY-ONN-2002/2 (Madnam-3, Thirunagari-1 & Madanam-6),
PML grant awaited	5+3*	KG-DWN-98/2 (A-1, U-1, M-3, M-4 & A-2, Kanakdurga*, Padmavati*, Annapurna*),
FDP approved	4	CB-OSN-2003/1(Aliabet-2,3 &4), CB-ONN-2004/3 (Uber-2),
FDP submitted	6+2*	KG-ONN-2003/1 (Nagyalanka & Nagyalanka-SE)*, CY-ONN-2004/2(PN-8), KG-OSN-2004/1 (CS-1, AL-1, SA-1,NL-2, MALHAR-1),
DOC reviewed by MC	4	KG-DWN-98/2 (D-1, E-1, F-1, KT-1),
DOC submitted	11	KG-DWN-98/2 (UD-1), AA-ONN-2001/1 (KHUBAL-4 & 7), MN-DWN-98/3 (MDW-4&5) &,MN-OSN-2000/2 (MDW-2 & 10), GS-OSN-2004/1(NAA-1, NBA-2), MB-OSN-2005/1(NAA-1, NBA-1),

Status	Discoveries	Blocks Name
Appraisal Programme	9	MB-OSN-2005/1(NAA-2), KG-OSN-2004/1 (NL-1), MB-OSN-2005/3 (NAA-1), GK-OSN-2009/1 (NDA-1), GK-OSN-2009/2 (NAA-1),& GKOSN-2010/1 (NAA-1), KG-OSN-2009/2 (NA-SRI-1), CB-ONN-2004/2 (Vadtal-10, Non- Commercial), AA-ONN-2001/2 (Hartoki-1)
Discovery notified	6+1*	CB-ONN-2004/2 (VADTAL-11, Non-Commercial potential), KG-OSN-2004/1 (Sarangi-1), CY-ONN-2004/2 (PN-7), KG-DWN-98/2 (N1*, W-1), CB-ONN-2001/1 (Nadiad-4), GKOSN-2010/1 (NCA-1).
Discovery Sub commercial	4	KG-DWN-2005/1 (KGD051NAA-1), AN-DWN-2002/1 (ANDW-III), NEC-DWN-2002/2 (MDW-III), CB-ONN-2005/4 (RUPAL-2),
Total Discoveries	58+6*	

D. Unconventional Sources of Energy

ONGC plans to continue its endeavor for exploration and development of unconventional and 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;

i. Shale Gas

Exploration for assessing the shale gas/oil prospectivity has been initiated in 4 basins of the country viz., Cambay, KG, Cauvery and A&AA Basins as per the policy guidelines notified by Government of India (GoI) for exploration and exploitation of shale gas and oil by National Oil Companies (NOCs). ONGC has identified 50 nomination PML (Petroleum Mining Lease) blocks under Phase-I. As on 31.03.2017, 22 assessment wells (5 exclusive shale gas and 17 dual objective wells) in 19 PML blocks have been drilled in Cambay, KG, Cauvery and A&AA Basins and the required data are being generated/ evaluated for shale gas/ oil assessment. During the year, 4 dual objective wells in Cambay basin have been drilled.

ii. Coal Bed Methane (CBM)

ONGC was awarded 9 CBM Blocks through the four rounds of bidding. Due to poor CBM potential, concluded on the basis of data generated in the exploratory activities, five blocks viz. Satpura (Madhya Pradesh), Wardha (Maharashtra), Barmer-Sanchor (Rajasthan), North Karanpura (West) and South Karanpura (Jharkhand) have been relinquished.

Currently, ONGC is operating in four CBM Blocks i.e. Jharia, Bokaro and North Karanpura in Jharkhand and Raniganj in West Bengal. FDP for Bokaro and North Karanpura Blocks have been approved and development activities are underway.

In the 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. In FY16, ONGC Board approved development of Bokaro block with an investment of Rs. 6,590 million (ONGC's share).

iii. Basement Exploration:

Concerted efforts for Basement exploration, a frontier exploration play, have been taken up by ONGC as a major initiative. The prospects achieved success in Mumbai Offshore, Kutch offshore, Cambay, Cauvery and A&AA Basin have further enhanced the scope of basement exploration.

During the year, Basement fracture modeling and prospectivity analysis were carried out in Assam & Arakan, Cauvery and KG and Kutch Offshore and West of Mumbai High Area of Western Offshore basins.

For the development of discoveries in basement play, FDP approval has been obtained for Madanam Field and plan is under implementation. PML of Madanam field has been granted by GoI and grant from state government is awaited. FDP of Pandanallur Field, which also has basement play, has been submitted to DGH for approval.

iv. Exploration in HP-HT& Tight Reservoir:

Fields/Reservoirs with a sub-surface pressure of more than 10,000 psi and temperature of more than 350°F are classified as HP-HT reservoirs. ONGC has prioritized HP-HT/Tight/Deeper plays in KG, Cauvery, Western Offshore Basin and Assam & Arakan Fold belt where such environment have been encountered during exploration for deeper pays. These plays have been an exploration challenge for drilling as well as for testing.

ONGC, after acquiring the operatorship of NELP block KG-ONN-2003/1 has submitted the FDP of two discoveries made in the block. Further, hiring of desired technological support and services from domain consultants and service providers are being explored to maximize established/ potential for monetization. An Action Plan has been prepared for monetization of 3 HPHT Fields - Nagayalanka, Periyakudi and Bantumilli South and first production from these efforts is likely to commence in 2017.

v. Underground Coal Gasification(UCG)

UCG is the only feasible technology which has the potential to convert coal resources to coal reserves. 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 National Mining Research Center-Skochinsky Institute of Mining (NMRC-SIM), Russia. Agreement of Collaboration (AOC) to co-operate in the Services, Operations, Development and Research related to Under Ground Coal Gasification (UCG) in India with ONGC has further been extended up to March 4, 2020. Mining lease with respect to the Vastan Pilot Project has already been awarded to GIPCL. Execution of the project, for which all necessary ground-work and inputs for construction and implementation have been completed, will be underway upon formation of JV between GIPCL and ONGC.

Moreover, a number of sites have been jointly identified by ONGC and 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.

vi. National Gas Hydrate Programme

Based on the results of the NGHP-02 expedition, the site-16 in the Exploration block KG-DWN-98/5 has been shortlisted as the ideal site for carrying out the pilot production test. It has also been deliberated to carry out NGHP-03 into two legs i.e. NGHP-03A (for additional data acquisition for reservoir characterization and fine tuning of the site for pilot production tests) and NGHP-03B (for carrying out the pilot production test). Work plan for NGHP-03 has been firmed up.

ONGC has been an active participant in the National Gas Hydrate Programmes (NGHPs). Gas Hydrate Research & Technology Centre (GHRTC) was established on 14th September, 2016 at Panvel. The Centre would give impetus to the Gas Hydrate research & technology development and contribute to GOI's plan to commercialize Gas Hydrates as energy resource at the earliest.

E. Development of new fields

Your Company has also invested greater focus and expedited work on new field development projects as well as production maximizing brownfield schemes – some of which will play a substantial role in ONGC's production profile in the coming years. Currently, execution of 19 production projects (development and redevelopment), with an estimated outlay of over ₹801,360 million, are underway. Over 200 Mmtoe of additional oil and gas are expected from these projects through their lifecycles. Some of the major projects are enlisted below:

Development Projects		
S. No	**Name of Projects**	**Cost (₹ in million)**
1	Development of R-Series Fields R-12 (Ratna)	40,070
2	Field Development Plan of CBM Bokaro	6,590
3	Field Development Plan KG-DWN-98/2	340,120
4	Daman Development Project*	60,860
5	4th Phase Development NBP Field	9,690
6	Development of C-26 Cluster Fields*	25,920
7	Development of Vasistha & S-1 Fields*	42,590
8	Development of B-127 Cluster Fields	26,660
Redevelopment (IOR/EOR) Projects		
9	MH North Redevelopment Ph-III*	58,130
10	Enhanced Recovery of Bassein Field*	46,200
11	MH South Redevelopment Ph-III*	60,690
12	Redevelopment of Gamij Field	18,810
13	Neelam Redevelopment Plan	28,190

**Fields already on part/full production*

7. Internal Control Systems

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

In such a 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.

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 your Company.

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 stakeholders.

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

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

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 a 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 the Comptroller and Auditor General (CAG) of India for fixed tenures. The Audit 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. Likewise, subject to the safety regulations prescribed by the Directorate General of Mines and Safety (DGMS), each work center has teams dedicated to HSE, which execute the safety guidelines prescribed by OISD as well as DGMS. HSE teams are also responsible for obtaining necessary licenses and clearances from the State Pollution Control Boards.

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

8. Human Resource Development

Your Company has always valued its most important human resource and due to sincere efforts only a vast pool of experienced and talented scientists, engineers and professionals today passionately take care of the energy needs of the country. 'Strengthen staffing and capabilities' has been the focus area all along in the pursuits towards structured Human Resource Development. This is a critical issue keeping in view crew change in the 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. Moreover, your Company believes that continuous development of its human resource fosters engagement. There are multifaceted efforts for grooming technical talent and developing 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.

9. Corporate Governance

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

10. Corporate Social Responsibility (CSR)

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

11. Cautionary Statement

Statements in the Management Discussion and Analysis and the 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.

ONGC provides education, specially to the girl child from the under privileged sections and far flung rural areas.

Corporate Governance Report

Corporate Governance is the system of rules, practices and processes by which a company is managed and controlled. Corporate governance essentially involves balancing the interests of a Company's stakeholders, such as shareholders, management, customers, suppliers, government and the community. Since corporate governance also provides the framework for attaining a Company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

> 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 reinforce confidence in the stock market and hence in the economic environment as a whole, creating an attractive environment for investment.

There have been developments and improvements in corporate governance practices relating to the Role of Independent Directors, Diversity, Board Practices and Sustainability, which indicate the enhanced focus of stakeholders on the independent audit committee, independent directors, executive compensation, fraud reporting etc. To regulate the disclosure requirements in letter and spirit in thet interest of all the stakeholders of the Corporate, The Securities and Exchange Board of India (SEBI) has notified, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations – 2015) for listed Companies.

1.1 The main objectives that drive Corporate Governance in the Company 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, the Company has ensured compliance with the objectives of the principles of Corporate Governance stated in SEBI [Listing Obligations and Disclosure Requirements] Listing Regulations - 2015, as brought out below:

A. The Rights of Shareholders

The Company has taken all necessary steps to ensure the Rights of Shareholders and seek approval of the shareholders as and when required as per the provisions of the Companies Act, 2013 or other legislations. The Company issues timely press releases regarding important events. The Company 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. An Independent Scrutinizer is appointed to oversee the entire process.

The notice of the Annual General Meeting (AGM) 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 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 the Company, being a Government Company, is with the Government 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.

The Company has a Board level Stakeholders' Relationship Committee which meets periodically to redress the grievances of shareholders. The shareholders have the facility of directly approaching the Company as well as the Registrar & 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.

B. Timely information

The Company 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 the Company comprises of 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, the Company dispatches 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, the Company has put in place a Code of Internal Procedures and Conduct in dealing with the securities of the Company. The code is applicable to all the Insiders of the Company.

The process of conduct of General meetings of the shareholders of the Company 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

The Company recognizes the rights of its stakeholders, encourages their cooperation and its responsibility towards fulfilling their aspirations. The Business Responsibility Report of the Company brings out in detail the steps being taken by the Company in this regard. The Company, being a listed Public Sector Enterprise, conducts and governs itself with Ethics, Transparency and Accountability as per the law of land and ensures compliance of all the policies, rules, regulations 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 the Company.

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

The Company is also covered by RTI Act, 2005 and it provides all information to all citizens of India as per the aforesaid Act.

The Company has implemented a Whistle Blower Mechanism which gives opportunity to its employees to raise any concerns of ethics or an illegal/ immoral activities occurring in an 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 the Company.

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. The Company 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.

> The Company 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 meeting, 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 the Company 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 and below) at which any decision is to be made and are reviewed from time to time to ensure that they are updated and meet the needs of the organization. The Company has 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 the Company ensure timely selection and placement of various executives and personnel as per the need of the organization and ensures smooth succession. The Company being a Government Company, follows the remuneration policy approved by the Government of India.

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

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

The Company 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 takes strategic decisions which help the management in steering the Company in its operations and meeting the expectations of the stakeholders.

The Company has structured policies and exhaustive manuals 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 Company has a Board approved training policy for directors, details of which have been brought out elsewhere in this report.

The Company has only one class of equity shareholders at present and the Board treats them all fairly and with equity.

> 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.

The Board of Directors ensure that the highest degree of ethics are adopted while taking every decision and being a PSU, the Company 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. The Company 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 the Company makes necessary arrangements.

1.3 Corporate Governance Recognitions

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

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

Detailed disclosures on Corporate Governance of the Company (in compliance with the requirements of the relevant regulation(s) of the SEBI (LODR) Regulations, 2015 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 Directors and Non-Executive Directors. As on 31st March, 2017, there were 16 members, comprising of 7 Functional Directors (including the Chairman & Managing Director) and 9 Non-Executive Directors (comprising 2 Government Nominee Directors and 7 Independent Directors) nominated by the Government of India. However, till 30.01.17 the composition of the Board was with more than 50% Executive Directors and hence, it was not in compliance with the requirement under Listing Regulations – 2015.

The Company 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 the Company. However, the composition of the Board of Directors of the Company during the year 2016-17 did not comply with the requirements relating to Independent Directors and Woman Director.

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 Regulation 25 (6) of Listing Regulations - 2015. During the year 2016-17, the Company has also not been complying with 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.

The Company, being a Government company, the appointment of Directors are being done by the Government and pending such appointment(s), the Company could not comply with the requirements of Regulation 17 of the Listing Regulations – 2015.

The Company has issued formal appointment letters to the Independent Directors. Further, as required by Regulation 46 of the Listing Regulations - 2015, the terms and conditions of appointment of the Independent Directors is available on the Company's website at page

http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Investors/Independent-Director/

2.2 Board/ Committee Meetings and Procedures

(A) Institutionalised decision making process

The Company adheres to DPE guidelines and Secretarial Standard 1 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 the 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 the 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

The Company 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 the Company 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 comments which are incorporated in the minutes, as per Secretarial Standards as prescribed under the Companies Act, 2013. The finalized minutes are entered in the respective Minutes Books within 30 days. These minutes are noted in the subsequent Board or, as the case may be, 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 also provide follow-up Action Taken Report (ATR) once in a quarter on the decision on which action has been completed and is in process.

(E) Compliance

Functional Directors are responsible toward ensuring adherence to all applicable provisions of laws, 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 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 2016-17 can be viewed at: http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Investors/Independent-Director/

(b) Policy on Performance Evaluation of Directors

The Company 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 the year, Eleven Board meetings were held on 28th April, 26th May, 30th June, 28th July, 7th September, 27th October, 22nd & 23rd December, 2016, 9th January, 31st January, 23rd February and 22nd March, 2017.

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 2016-17 are tabulated below:-

Names & Designation	No. of Board meetings attended out of 11 meetings held	Whether attended last AGM held on 08.09.2016	upto 31.03.2017		
			No. of Directorships in other companies #	No. of Committee memberships across all companies *	
				Chairman	Member
a) Executive Directors					
Shri Dinesh Kumar Sarraf, (Chairman & Managing Director)	11	Yes	7	Nil	1
Shri Shashi Shanker, Director (T&FS)	10	Yes	2	Nil	1

Shri T. K. Sengupta, Director (Offshore)	10	No	3	Nil	1
Shri D. D. Misra, Director (HR)	11	Yes	Nil	Nil	1
Shri A. K. Dwivedi, Director (Exploration)	10	Yes	1	Nil	Nil
Shri V. P. Mahawar, Director (Onshore)	10	Yes	1	Nil	Nil
Shri A. K. Srinivasan, Director (Finance)	11	Yes	2	Nil	2
(b) Part-time Official Directors- Govt. Nominees					
Shri U. P. Singh, Additional Secretary(E), MoP&NG, Government Director (Up to 28.06.2016)	02	N.A.	3	Nil	Nil
Shri A. P. Sawhney Additional Secretary, MoP&NG, Government Director	07	Yes	2	1	Nil
Shri Amar Nath, Joint Secretary (E) MoP&NG, Government Director	08	No	2	Nil	Nil
(c) Part-time Non-official Independent Directors					
Shri Ajai Malhotra	11	Yes	1	1	1
Prof. Shireesh B. Kedare	10	Yes	1	Nil	Nil
Shri K. M. Padmanabhan	11	Yes	2	1	2
Shri Deepak Sethi (from 31.01.2017)	02	N.A.	Nil	1	Nil
Shri Vivek Mallya (from 31.01.2017)	02	N.A.	Nil	Nil	2
Shri Sumit Bose (from 31.01.2017)	02	N.A.	5	1	5
Dr. Santrupt B. Misra (from 06.02.2017)	02	N.A.	1	Nil	Nil

 # Does not include Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.
**Chairmanship/Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including ONGC).*

Notes:

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

3. Besides the Board and Committee meetings, the Company also organizes **Strategy Meet, and Key Executive Meet** to focus on Perspective Plans and future growth strategies of the Company.

The 11th Strategy Meet of the Company was held during March 2-4, 2017 at Poovar, Thiruvananthapuram, Kerala, with the theme 'Expediting Exploration and Exploitation for 10% Imports Reduction'. The 14th Key Executive meeting was held during April 8-10, 2017 at Manesar, Haryana, with the theme 'Opportunities and Challenges – Strategies for growth'.

4. Resume of directors proposed to be re-appointed

The notice of the 24th 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

Composition

Shri K. M. Padmanabhan, an Independent Director is the chairman of the committee from 22.04.2016.

The composition of the Audit & Ethics Committee was in compliance with Regulation 18 of Listing Regulations- 2015.

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 2016-17.

The Director (Finance) and the Chief of Internal Audit are permanent invitees. Representatives of Statutory Auditors and Cost Auditors are invited to the meetings whenever required. Functional Directors, Executives of Finance and other departments are also invited, as and when required.

The Company Secretary acts as the Secretary to the Committee.

The roles of the Audit & Ethics Committee are as follows:

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 the 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/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 the year, eleven meetings of Audit & Ethics Committee were held on 27th April, 26th May, 29th June, 27th July, 6th September, 7th September, 27th October, 21st December, 2016, 30th January, 22nd February and 22nd March, 2017.

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

Attendance:

Members	No. of Meetings held during the tenure	No. of Meetings Attended
Shri K. M. Padmanabhan	11	11
Shri Ajai Malhotra	11	11
Prof. Shireesh B. Kedare (upto 19.03.2017)	10	9
Shri Vivek Mallya (from 20.03.2017)	1	1
Shri Sumit Bose (from 20.03.2017)	1	1

5.2 Nomination and Remuneration Committee

The Company, 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 in compliance with Regulation 19 of Listing Regulations- 2015. However, Section 178 (2), (3) and (4), of the Companies Act, 2013 relating to 'Nomination and Remuneration Committee' shall not apply to Government Company. Similar exemption is awaited from SEBI under Listing Regulations-2015.

Shri K. M. Padmanabhan, an Independent Director was the chairman of the Committee upto 19.03.2017. Thereafter, it is headed by Dr. Santrupt B. Misra.

During the year, the Committee met once on 26th October, 2016.

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. Shall 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.

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

Members	No. of Meetings held during the tenure	No. of Meeting Attended
Shri K. M. Padmanabhan	1	1
Shri Ajai Malhotra (upto 19.03.2017)	1	1
Prof. Shireesh B. Kedare (upto 19.03.2017)	1	1
Shri A P Sawhney	1	Nil
Dr. Santrupt B. Misra (from 20.03.2017)	-	-
Shri Deepak Sethi (from 20.03.2017)	-	-
Shri Vivek Mallya (from 20.03.2017)	-	-

5.2.1 Director's Remuneration

The Company being a Government Company, terms & conditions of appointment and remuneration of Whole-time Functional Director are determind by the Department of Public Enterprises.

REMUNERATION OF DIRECTORS DURING 01.04.2016 TO 31.03.2017

(a) Executive/ Functional Directors **(₹ in million)**

DETAILS OF REMUNERATION PAID TO C&MD, WHOLE TIME DIRECTORS OF ONGC AS PER COMPANIES ACT, 2013 DURING THE PERIOD 01.04.2016 to 31.03.2017

S. N.	Name/ Designation	Salary including DA	Other Benefits & perks	Performance incentive Provision/ Payment	Contri-bution to PF & other fund	Provision for Leave, Gratuity and Post Retirement Benefits as per Ind AS 19	Prov. of pay revision	Grand Total	Term
1	Shri D. K. Sarraf C&MD	2.48	1.36	1.74	0.32	1.99	0.24	8.13	30.09.17
2	Shri Shashi Shanker Director (T&FS)	2.56	2.39	1.14	0.33	1.53	0.21	8.16	31.03.21
3	Shri T. K. Sengupta Director (Offshore)	2.15	1.80	1.13	0.28	1.88	0.21	7.45	31.12.17
4	Shri D. D. Misra Director (HR)	2.06	1.98	1.08	0.27	1.78	0.20	7.37	30.06.18
5	Shri A. K. Dwivedi Director (Exploration)	2.20	2.43	1.16	0.29	1.50	0.21	7.79	31.07.19
6	Shri V. P. Mahawar Director (Onshore)	2.18	1.52	1.15	0.29	2.05	0.24	7.43	28.02.18
7	Shri A. K. Srinivasan Director(Finance)	2.17	1.77	1.14	0.28	1.98	0.21	7.55	31.10.17
Total		**15.80**	**13.24**	**8.54**	**2.06**	**12.72**	**1.52**	**53.88**	

Note: 1. Performance related pay of Executive Directors is paid as per DPE norms.

2. Notice period of 3 months or salary in lieu thereof is required for severance of services of Executive Directors.

(b) Independent Directors

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

Details of sitting fees paid during the period of 1st April, 2016 to 31st March, 2017 under review is as follows:

Names	Sitting fees (₹in Million)
Shri Ajai Malhotra	2.75
Prof. Shireesh B. Kedare	2.17
Shri K. M. Padmanabhan	2.69
Shri Deepak Sethi (from 31.01.2017)	0.11
Shri Vivek Mallya (from 31.01.2017)	0.17
Shri Sumit Bose (from 31.01.2017)	0.17
Dr. Santrupt B. Misra (from 06.02.2017)	0.14
Total	**8.20**

Remuneration of senior officers just below the level of Board of directors, including Appointment or removal of the Company Secretary as specified in Part A (E) of schedule (II) of Listing Regulations- 2015 is governed by the DPE guidelines and is being reported to the Board on a quarterly basis.

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 on 31.03.17
Shri D. K. Sarraf, C& MD	4,788
Shri Shashi Shanker, Director (T&FS)	5,568
Shri T. K. Sengupta, Director (Offshore)	5,508
Shri D.D. Misra, Director (HR)	2,550
Shri A. K. Dwivedi, Director (Exploration)	1,230
Shri V. P. Mahawar, Director (Onshore)	1,908
Shri A. K. Srinivasan, Director (Finance)	8,628
Shri Ajai Malhotra, Independent Director	1,650
Dr. Santrupt B. Misra, Independent Director	630

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

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 the Company's Code of Conduct for Prevention of Insider Trading in the Company's securities.

Shri Ajai Malhotra was the Chairman of the Committee upto 19.03.2017. Thereafter, the Committee was headed by Shri Deepak Sethi.

During the year 2016-17, three meetings were held on 27th April, 27th July, 2016 and 22nd February, 2017.

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

Members	Meetings held during the tenure	Meetings attended
Shri Ajai Malhotra (upto 19.03.2017)	3	3
Prof. Shireesh B. Kedare (upto 19.03.2017)	3	3
Shri K. M. Padmanabhan	3	3
Shri D. D. Misra	3	3
Shri A. K. Srinivasan	3	3
Shri Deepak Sethi (from 20.03.2017)	-	-
Shri Vivek Mallya (from 20.03.2017)	-	-

5.3.1 Compliance Officer

Shri V N Murthy, the then Company Secretary, was the Compliance Officer till 31.05.2017 and subsequently Shri M E V Selvamm, the Company Secretary, is the Compliance Officer and he 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.

The Company received 13 shareholders' complaints from Stock Exchanges/SEBI which inter-alia included non-receipt of dividend/annual report and issue of Bonus Shares. The complaints were duly attended to and the Company/RTA furnished necessary documents/information to the shareholders.

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

View of oil & gas process complex at ONGC's Mumbai Offshore.

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 normally within 10 working days.

There were 107 complaints including the complaints relating to Offer for Sale at the beginning of the Financial Year. The total number of complaints/queries received were 1443 and replied/attended to remained at 1478 and there were no complaints pending and unresolved as on 31.03.17, except 72 complaints relating to Offer for Sale by Government of India made during 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 2009-10 (final) to 2016-17 (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 Ext. New Delhi - 110055 Phone No. 011- 42541234 Fax No: 011- 42541201, 011-23552001 **Web site :** www.alankit.com **e-mail:** alankit_ongc@alankit.com	Letter on plain paper stating the nature of complaint, 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 2009-10 and Interim Dividend 2010-11 before 22nd October, 2017 and 15th January, 2018 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 Dematted 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., Pandit Deendayal Upadhyaya Urja Bhawan, 4th floor, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070. Phone: 011-26754079 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 Risk Management Committee

In compliance of Regulation 21 of Listing Regulations-2015, the Board of Directors have constituted a Risk Management Committee.

Shri K. M. Padmanabhan, Independent Director was the Chairman of the Committee upto 19.03.2017. Thereafter, the Committee was headed by Prof. S. B. Kedare, Independent Director.

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

At ONGC, caring for the environment comes very spontaneously as a part of our responsibility.

to changes/modification in the Companies Act, 2013, Listing Agreement, SEBI & DPE Guidelines.

During the year, the Committee met once on 26th October, 2016.

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

Members	No. of meetings held during the tenure	No. of meetings Attended
Shri K. M. Padmanabhan	1	1
Shri Ajai Malhotra (up to 19.03.2017)	1	1
Prof. Shireesh B. Kedare	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
Shri Sumit Bose (from 20.03.2017)	-	-
Shri Deepak Sethi (from 20.03.2017)	-	-

5.5 Human Resource Management Committee

The terms of reference include consideration of all issues/areas concerning Human Resource Planning and Management, HR policies and initiatives and Promotions for the post of Group General Manager (GGM) and Executive Director (ED) below board level and appeals of officers in terms of CDA Rules of the Company.

The Committee was headed by Shri Ajai Malhotra, Independent Director upto 19.03.2017. Thereafter, the Committee was headed by Dr. Santrupt B. Misra, Independent Director.

During the year, seven meetings were held on 27th April, 25th May, 30th June, 27th July, 6th September, 26th October and 21st December, 2016.

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

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri Ajai Malhotra	7	7
Prof. S. B. Kedare	7	7
Shri K. M. Padmanabhan (upto 19.03.2017)	7	7
Shri A. P. Sawhney	7	3
Shri U. P. Singh (upto 28.06.2016)	2	2
Shri D. K. Sarraf, C&MD	7	6
Shri Shashi Shanker	7	7
Shri T. K. Sengupta	7	5
Shri D. D. Misra	7	7
Shri A. K. Dwivedi	7	6
Shri V. P. Mahawar	7	7
Shri A. K. Srinivasan	7	7
Dr. Santrupt B.Misra (from 20.03.2017)	-	-
Shri Sumit Bose (from 20.03.2017)	-	-

5.6 Project Appraisal Committee

The Project Appraisal Committee examines and makes recommendations to the Board on projects/ capital investment exceeding ₹2,500 million. Proposals upto ₹5,000 million are appraised in-house, while the proposals exceeding ₹5,000 million are primarily 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 Improved/ Enhanced Oil Recovery Schemes.

Prof. S. B. Kedare, Independent Director is Chairman of the Committee w.e.f. 22.04.2016.

During the year, nine meetings were held on: 29th June, 27th July, 6th September, 26th October, 21st December, 22nd December 2016, 9th January, 31st January, and 22nd February, 2017.

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

Members	No. of meetings held during the tenure	No. of meetings Attended
Prof. S. B. Kedare	9	8
Shri K. M. Padmanabhan (upto 19.03.2017)	9	9
Shri Ajai Malhotra	9	9
Shri A. P. Sawhney	9	3
Shri Amar Nath (from 30.06.2016)	8	5
Shri T. K. Sengupta	9	9
Shri A. K. Srinivasan	9	9
*Shri Shashi Shanker	2	2
*Shri A. K. Dwivedi	2	2
*Shri V. P. Mahawar	2	2
Shri Vivek Mallya (from 20.03.2017)	-	-
Shri Deepak Sethi (from 20.03.2017)	-	-
Dr. Santrupt B. Misra (from 20.03.2017)	-	-

These Directors attended the meetings as member concerned with specific projects.

5.7 Health, Safety & Environment Committee (HSE)

The primary terms of reference are to review the policy, processes and systems on Safety, Health, Environment and Ecology aspects.

The Committee was headed by Prof. S. B. Kedare, Independent Director upto 19.03.2017. Thereafter, the Committee was headed by Shri Deepak Sethi, Independent Director.

During the year, two meetings were held on 27th April and 26th October, 2016.

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

Members	No. of meetings held during the tenure	No. of meetings Attended
Prof. S. B. Kedare	2	2
Shri Ajai Malhotra (upto 19.03.2017)	2	2
Shri K. M. Padmanabhan (upto 19.03.2017)	2	2
Shri U. P. Singh (upto 28.06.2016)	1	1
Shri D. K. Sarraf	2	1
Shri Shashi Shanker	2	2
Shri T. K. Sengupta	2	1
Shri D. D. Misra	2	2
Shri A. K. Dwivedi	2	2
Shri V. P. Mahawar	2	2
Shri A. K. Srinivasan	2	2
Shri Deepak Sethi (from 20.03.2017)	-	-
Shri Sumit Bose (from 20.03.2017)	-	-

5.8 Financial 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. M. Padmanabhan, Independent Director was the Chairman of the Committee upto 19.03.2017. Thereafter, the Committee is headed by Shri Vivek Mallya, Independent Director.

During the year, seven meetings of the Committee were held on 27th April, 26th May, 29th June, 27th July, 06th September, 21st December, 2016 and 31st January, 2017

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

Members	No. of meetings held during the tenure	No. of meetings attended
Shri K. M. Padmanabhan	7	7
Shri Ajai Malhotra (upto 19.03.2017)	7	7
Prof. Shireesh B. Kedare (upto 19.03.2017)	7	7
Shri A. K. Srinivasan	7	7
*Shri T. K. Sengupta	5	4
*Shri A. K. Dwivedi	1	1
Shri Sumit Bose (from 20.03.2017)	-	-
Shri Vivek Mallya (from 20.03.2017)	-	-
Dr. Santrupt B. Misra (from 20.03.2017)	-	-

**The Director attended the meeting as member concerned with specific project.*

5.9 Committee on dispute resolution

The Committee has been constituted to review the disputes between the Company and its vendors/ contractors for suitable redressal.

Shri Ajai Malhotra, Independent Director, was Chairman of the Committee upto 19.03.2017. Thereafter, it is headed by Shri Vivek Mallya, Independent Director.

During the year, seven meetings of the committee were held on 28th April, 29th June, 27th July, 6th September, 26th October, 2016, 30th January and 22nd March, 2017.

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

Members	No. of Meetings held during the tenure	No. of Meetings attended
Shri Ajai Malhotra	7	7
Prof. Shireesh B. Kedare (upto 19.03.2017)	6	5
Shri K. M. Padmanabhan (upto 19.03.2017)	6	6
Shri Shashi Shanker	7	6
*Shri T. K. Sengupta	4	4
Shri V. P. Mahawar	7	6
Shri A. K. Srinivasan	7	7
Shri Vivek Mallya (from 20.03.2017)	1	1
Shri Sumit Bose (from 20.03.2017)	1	1
Dr. Santrupt B. Misra (from 20.03.2017)	1	1

**Attended the meeting as member concerned with specific project.*

5.10 Corporate Social Responsibility and Sustainability Development

The Company implements various measures in the area of Corporate Social Responsibility (CSR) across India. As per the guidelines, issued by the 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. The CSR policy was approved by the Board on 28.05.2015 and is uploaded on the website of the Company.

Shri Ajai Malhotra, Independent Director is Chairman of the Committee w.e.f. 22.04.2016.

During the year, nine meetings were held on 27th April, 28th June, 27th July, 6th September, 20th October, 26th October, 21st December, 2016, 30th January and 22nd February, 2017.

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

Members	No. of meetings held during the tenure	No. of meetings Attended
Shri Ajai Malhotra (w.e.f. 22.04.2016)	9	9
Shri K. M. Padmanabhan (From 22.04.2016 to 19.03.2017)	9	8
Shri D. K. Sarraf	9	8
Shri D. D. Misra	9	9
Shri A. K. Srinivasan	9	9

Prof. Shireesh B. Kedare (from 20.03.2017)	-	-
Shri Deepak Sethi (from 20.03.2017)	-	-
Shri Vivek Mallya (from 20.03.2017)	-	-

5.11 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 at the 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).

The role of the Committee is to approve the issue of Duplicate Share Certificates and any other matter incidental thereto.

During the year, two meetings of the committee were held on 1st August and 17th October, 2016.

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

Members	No. of meetings held during the tenure	No. of meetings Attended
Shri Shashi Shanker	2	2
Shri D. D. Misra	2	2
Shri A. K. Srinivasan	2	2

5.12 Research and Development Committee

The Terms of Reference (ToR) of the Research & Development Committee is to oversee the operations and functioning of the various R&D activities being carried out in the various institutes of the Company including review of the parameters with regard to HR, Capex and Opex of the R&D activities.

Prof. S. B. Kedare, Independent Director was the Chairman of the Committee upto 19.03.2017. Thereafter, it is headed by Shri A. P. Sawhney, Govt. Nominee Director.

During the year, the Committee met once on 28th June, 2016.

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

Members	No. of meetings held during the tenure	No. of meetings Attended
Shri A. P. Sawhney	1	Nil
Shri Ajai Malhotra (upto 19.03.2017)	1	1
Prof. S. B. Kedare	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	Nil
Shri A. K. Srinivasan	1	Nil
Shri Deepak Sethi (from 20.03.2017)	-	-
Shri K. M. Padmanabhan (from 20.03.2017)	-	-

5.13 Project Review Committee

The terms of reference for the Committee are to monitor the progress of various projects and apprise the Board.

Shri K. M. Padmanabhan, Independent Director was the Chairman of the Committee up to 19.03.2017. Thereafter, it is headed by Shri Ajai Malhotra, Independent Director.

During the year, eight meetings of the committee were held on 25th May, 29th June, 27th July, 06th September, 26th October, 21st December, 2016, 30th January and 22nd February, 2017.

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

Members	No. of meetings held during the tenure	No. of meetings Attended
Shri K. M. Padmanabhan	8	8
Prof. Shireesh B. Kedare	8	7
Shri Ajai Malhotra	8	8
Shri A. P. Sawhney (from 22.04.2016)	8	3
Shri U. P. Singh (upto 28.06.2016)	1	1
Shri Amar Nath (from 30.06.2016)	6	3
Shri T. K. Sengupta	8	8
Shri V. P. Mahawar	8	8
Shri A. K. Srinivasan	8	8
Shri Deepak Sethi (from 20.03.2017)	-	-

5.14 Committee for Review of Operations

The terms of reference for the Committee are to review 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.

Shri Ajai Malhotra, Independent Director was the Chairman of the Committee up to 19.03.2017. Thereafter, the Committee was headed by Shri K. M. Padmanabhan, Independent Director wef. 20.03.2017.

During the year, two meetings of the Committee were held on 25th May, 2016 and 30th January, 2017.

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

Members	No. of meetings held during the tenure	No. of meetings Attended
Shri Ajai Malhotra	2	2
Prof. Shireesh B. Kedare	2	1
Shri K. M. Padmanabhan	2	2
Shri A. P. Sawhney	2	1
Shri U. P. Singh (upto 28.06.2016)	1	1
Shri Amar Nath (from 30.06.2017)	1	Nil
Shri Shashi Shanker	2	1
Shri T. K. Sengupta	2	2
Shri A. K. Dwivedi	2	2
Shri V. P. Mahawar	2	2
Shri A. K. Srinivasan	2	2
Shri Sumit Bose (from 20.03.2017)	-	-

5.15 Committee for Review of Subsidiaries and Joint Ventures

The terms of reference for the Committee are to 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.

Shri Ajai Malhotra, Independent Director was the Chairman of the Committee up to 19.03.2017. Thereafter, it is headed by Shri Sumit Bose, Independent Director.

During the year, three meetings of the Committee were held on 25th May, 29th June, 2016 and 30th January, 2017.

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

Members	No. of meetings held during the tenure	No. of meetings Attended
Shri Ajai Malhotra	3	3
Prof. Shireesh B. Kedare (upto 19.03.2017)	3	2
Shri U. P. Singh (upto 28.06.2016)	1	1
Shri K. M. Padmanabhan (upto 19.03.2017)	3	3
Shri Amar Nath (from 30.06.2016)	1	Nil
Shri Shashi Shanker	3	2
Shri T. K. Sengupta	3	3
Shri V. P. Mahawar	3	3
Shri A. K. Srinivasan	3	3
Shri Sumit Bose (from 20.03.2017)	-	-
Shri Vivek Mallya (from 20.03.2017)	-	-
Dr. Santrupt B.Misra (from 20.03.2017)	-	-

5.16 Meetings of Independent Directors

During the year four Meetings of Independent Directors were held on 28th April, 7th September, 22nd December, 2016 and 22nd March, 2017.

5.17 Other functional specific committees

Apart from the above, the Board from time to time, constituted Functional Committees, like Share Allotment Committee, with specific terms of reference as it may deem fit. Meetings of such Committees are held as and when the need arises. The 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 at the 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:

At ONGC, precision is in our DNA.

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 the Board of Directors and senior management in respect to the financial year 2016-17"

Sd/-

New Delhi (Dinesh Kumar Sarraf)
14th June, 2017 Chairman & Managing Director

7.0 Vigil Mechanism/Whistle Blower Policy

In terms of Regulation 22 of Listing Regulations-2015, the Company shall establish a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Accordingly, the Company implemented the Whistle Blower Policy on 30th November, 2009, which is in line with the Listing Regulation.

The Company 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 whistle blowers from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

In addition, 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 Code on insider trading

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

7.2 Compliance certificate by CEO/CFO

In terms of Regulation 17(8) of Listing Regulations-2015, the Compliance certificate issued by the CEO and CFO on the financial statement and internal controls relating to financial reporting for the year 2016-17 was submitted to the Board at the meeting held on 26th May, 2017.

7.3 Finance Manual

The Company'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 the Company.

8.0 Subsidiary Monitoring Framework

The Company has two direct subsidiary companies, Mangalore Refinery and Petrochemicals Ltd. (MRPL) and ONGC Videsh Ltd. (OVL) (listed, non-material). The list of subsidiaries of MRPL and OVL is given in the consolidated accounts of the Company, 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 of the Company is the Chairman of MRPL and ONGC Videsh.

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

The Company does not have any material unlisted subsidiary company. The policy on material subsidiaries of the Company may be accessed at:
http://ongcindia.com/wps/wcm/connect/ongcindia/Home/Investors/Policies/Material-Subsidiary-Policy/

9. Annual general meetings

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

Year	Location	Date	Time (IST)
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
2015-16	Indira Gandhi Indoor Stadium, I.P.Estate, Near Rajghat, Grand Trunk Road, New Delhi-110002	08.09.2016	10.00 a.m

There was no special resolution passed by the Company at the last three Annual General Meetings.

10. 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. The Policy is in line with the SEBI Regulations and Companies Act, 2013. The Policy as above has been uploaded on the website of the Company.

The details of transactions with related parties are disclosed in Note No. 45 of the Notes to Financial Statements for the year ended 31st March, 2017. The Company has disclosed details of transactions with related parties as per the disclosure requirements of Indian Accounting Standard – 24 on Related Party disclosures and the exemption granted to Government companies. The policy on related party transactions of the Company may be accessed at:
http://ongcindia.com/wps/wcm/connect/ongcindia/Home/Investors/ Policies/rpt-policy/

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 the last three years.

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

11. 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 website in a user-friendly manner.

- ***Annual Report:*** Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Management Discussion and Analysis (MD&A) Report, Business Responsibility Report, Corporate Governance Report, Auditors' Report, including Information for the Shareholders and other important information is circulated to the members and others entitled thereto.
- ***Green Initiative:*** As a part of the Green initiative the Company sends the copy of the Notice convening the Annual General Meeting and the Annual Report through email to those shareholders who have registered their email id's with the DP's / R&T agents and have not opted for a physical copy of the Annual report.

12. Shareholders' information

12.1 Annual General Meeting

Date	Wednesday, 27th September, 2017
Time	10:00 Hrs.
Venue	Manekshaw Auditorium, Manekshaw Centre, Parade Road, Khyber Lines, Delhi Cantonment, Delhi-110010

12.2 Financial calender

Adoption of Quarterly Results for the Quarter ending	Tentative date of the meeting of the Board
June 30, 2017 (with limited review by Statutory Auditors)	Thursday, July 27, 2017
September 30, 2017 (with limited review by Statutory Auditors)	Wednesday, November 1, 2017
December 31, 2017 (with limited review by Statutory Auditors)	Wednesday, January 31, 2018
March 31, 2018 (audited)	Friday, May 25, 2018

These dates are tentative and subject to change and the last date for submission of the un-audited quarterly and year to date financial results to the stock exchange is within forty-five days of the 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 Saturday, the 23rd September, 2017 to Wednesday, the 27th September, 2017 (both days inclusive) for the payment of Final Dividend.

12.4 Dividend payment date

The Final Dividend would be paid after 27th September, 2017 but before 26th October, 2017.

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
Bombay Stock Exchange (BSE) P. J. Towers, Dalal Street, Fort Mumbai-400001	Tel.: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	Tel.: 022-26598100-8114 Fax: 022-26598120 E-mail: **cc_nse@nse.co.in** Website: www.nse-india.com	ONGC

12.6 Listing fees

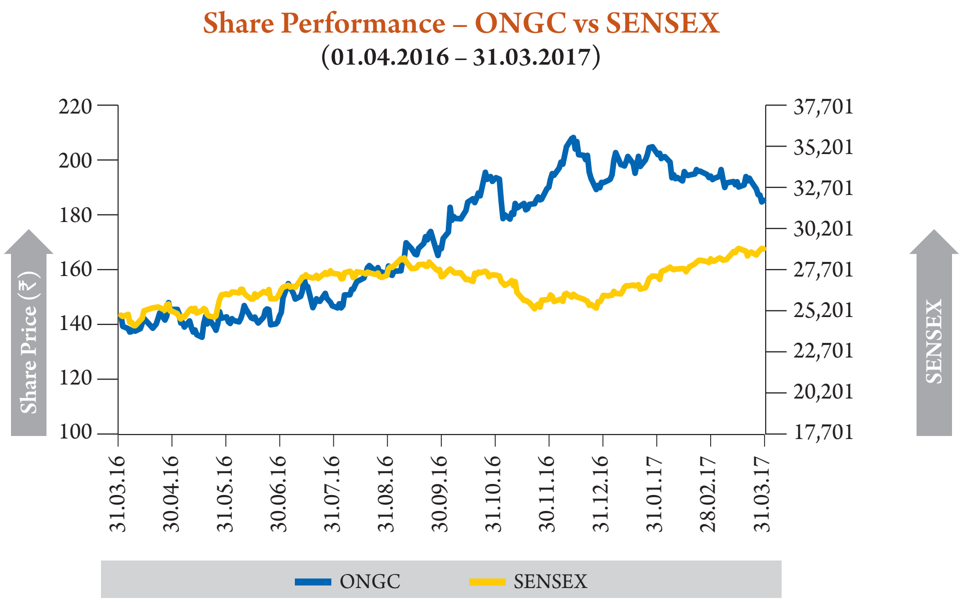
Annual listing fees for the year 2016-17, as applicable, has been paid to the above Stock Exchanges.

12.7 Demat is in numbers in NSDL & CDSL

(Stock Code): INE213A01029 Custodian Fee of NSDL and CDSL has been paid for the Financial Year 2016-17

12.8 Stock market information

The stock price performance of ONGC scrip during the period 1st April, 2016 to 31st March, 2017 in comparison to BSE is plotted below:



12.8.1 Market price data: high, low during each month in the last financial year 2016-17

Month	Bombay Stock Exchange			National Stock Exchange		
	High(₹)	Low(₹)	Volume	High(₹)	Low(₹)	Volume
April '16	225.30	204.00	11231685	225.40	204.00	71268668
May '16	221.40	200.00	9295760	221.15	200.00	97004457
June '16	222.65	207.15	7171448	222.70	207.00	67952582
July '16	241.30	216.30	17569505	241.55	216.45	106796683
August '16	243.85	217.85	15967799	243.90	217.60	84201234
September '16	263.00	235.20	13423684	263.35	235.10	130101020
October '16	296.80	252.75	12968833	297.40	252.40	124728122
November '16	290.90	250.90	10511330	291.20	250.00	109743751
December '16*	315.00	187.60	20595350	314.60	187.70	128647806
January '17	212.00	191.10	13089809	211.80	191.15	166933129
February '17	205.50	191.00	11845675	205.00	190.80	141877838
March '17	197.25	183.50	11500942	197.20	183.00	159689852

Source: Websites of BSE and NSE
**Due to allotment of Bonus Shares on 18.12.2016, in the ratio of 1:2, resulting in price correction.*

12.8.2 Commodity Price Risk or Foreign Exchange risk and Hedging activities

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

13. Share transfer system

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

The transfer of shares received in physical form is overseen by an Officers Committee (constituted by the Board of Directors) which usually meets once in a fortnight to review the shares received for transfer, transmission, re-materialization and dematerialization etc. The shares for transfer received in physical form are transferred within the prescribed timelines, provided the documents are complete and the share transfer is not under any dispute. The Minutes of the aforesaid Committee are placed before the Stakeholders' Relationship Committee. A summary of transfer/transmission of securities so reviewed by the aforesaid Committee are placed in the 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.

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

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

The total number of transfer deeds processed and shares transferred during the last three years are as under:

Years	No. of transfer deeds processed	No. of shares transferred
2016-17	5,635	18,015
2015-16	1,573	12,358
2014-15	724	21,508

14. Shareholding pattern as on 31st March, 2017

Category	No. of Shares held	% holding
President of India	8735650510	68.07
Banks, Financial Institutions and Insurance Companies	1355091600	10.56
Foreign Institutional Investors	807485859	6.29
Mutual Funds	179804353	1.40
NRIs	7709591	0.06
Bodies Corporate	1473920518	11.49
Employees	7110940	0.05
Public	266461809	2.08
Total	**12833235180**	**100.00**

14.1 TOP 10 SHAREHOLDERS AS ON 31st MARCH, 2017

S. No.	Name	No of shares held	% of total shareholding
1	President of India	8735650510	68.07
2	Life Insurance Corporation of India	1152808803	8.98
3	Indian Oil Corporation Limited	986885142	7.69
4	Gail (India) Limited	308401602	2.40
5	CPSE ETF	100491719	0.78
6	ICICI Prudential Life Insurance Company Ltd.	85461655	0.67
7	Franklin Templeton Investment Funds	53658313	0.42
8	Vanguard Emerging Markets Stock Index Fund (A series of Vanguard International Equity Index Fund)	49550004	0.38
9	Government Pension Fund Global	40151680	0.31
10	Life Insurance Corporation of India P&Gs Fund	38838951	0.30

14.2 Distribution of Shareholding by Size as on 31st March, 2017

Category	Number of Share-holders	% of Share-holders	Total number of Shares	% of Share-holding
1 to 500	522693	83.017	67146335	0.523
501 to 1000	60171	9.557	40777846	0.318
1001 to 2000	22809	3.623	32225068	0.251
2001 to 3000	7693	1.222	19460501	0.152
3001 to 4000	4206	0.668	14778638	0.115
4001 to 5000	3332	0.529	14987846	0.117
5001 to 10000	6574	1.044	41586443	0.324
10001 & above	2147	0.341	12602272503	98.2
Total	**629625**	**100.00**	**12833235180**	**100.00**

14.3 Geographical Distribution of Shareholders as on 31st March, 2017

S. No.	City	Shareholders		Shareholding	
		Nos.	% age	No. of shares	% of Share-holding
1	Mumbai	103436	16.4282	3536123596	27.5544
2	New Delhi	51727	8.2155	9072091668	70.6922
3	Ahmedabad	35806	5.6869	18021649	0.1404
4	Kolkata	28666	4.5529	21695089	0.1691
5	Bengaluru	26532	4.2139	10332850	0.0805
6	Chennai	23165	3.6792	32221740	0.2511
7	Pune	22332	3.5469	6250071	0.0487
8	Vadodara	18025	2.8628	11058902	0.0862
9	Hyderabad	14644	2.3258	6463422	0.0504
10	Other Cities	305292	48.4879	118976193	0.9270
	Total	**629625**	**100.0000**	**12833235180**	**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 the 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 the Company was split from the face value of ₹10 into two equity shares of the face value of ₹5 each. Bonus Shares were issued in the ratio of 1:1 by Capitalization of Reserves to the shareholders as on 09.02.2011 (Record Date).
2016-17	4,277,745,060	12,833,235,180	Issue of Bonus Shares in ratio of 1:2 on 18.12.2016 by Capitalization of General Reserves.

15. 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	2138.87
2014-15			
➢ First Interim	100	5.0	42,777.45
➢ Second Interim	80	4.0	34221.96
➢ Final	10	0.5	4,277.75
2015-16			
➢ First Interim	90	4.50	38499.71
➢ Second Interim	15	0.75	6416.68
➢ Final	65	3.25	27805.34
2016-17			
➢ First Interim (Pre-bonus)	90	4.50	38499.71
➢ Second Interim (Post-bonus)	45	2.25	28874.78
➢ Final (Proposed) (Post-bonus)	16	0.80	10266.61

16. Transfer of unpaid/ unclaimed dividend amount to Investor Education & Protection Fund (IEPF)

During the year, amounts of ₹1,18,55,172.00 and ₹1,37,86,146.00 pertaining to unpaid dividend for the financial year 2008-09 (Final) and 2009-10 (Interim) respectively were transferred to the Investor Education & Protection Fund (IEPF) set up by the Central Government. There was no amount due and pending to be transferred to the IEPF as at the end of the year.

Following are the proposed dates for transfer of the unclaimed dividend to IEPF which is due to be transferred during 2017-18 by the Company:-

Financial Year	Date of Declaration	Proposed Date for transfer to IEPF
2009-10 Final	23.09.2010	22.10.2017
2010-11 Interim	16.12.2010	15.01.2018

Members who have not encashed their dividend warrants pertaining to the said years may approach the

RTA or the Company for obtaining payment(s) thereof.

17. Dematerialization of shares and liquidity

S. No.	Description	No. of Share Holders	Shares	% of Equity
1	CDSL	177154	10090516484	78.62
2	NSDL	436132	2734329096	21.31
3	Physical	16339	8389600	0.07
Total		**629625**	**12833235180**	**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. Outstanding GDRs/ADRs/Warrants or Convertible instruments

No GDRs/ADRs/Warrants or Convertible Instruments have been issued by the Company during the year.

19. Assets/Basins/Plants/Institutes

A. ASSETS

1. Mumbai High Asset, Mumbai
2. Neelam & Heera Asset, Mumbai
3. Bassein & Satellite Asset, Mumbai
4. Eastern Offshore Asset
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 Asset, Bokaro
14. Jorhat Asset, Jorhat
15. HPHT Asset

B. BASINS

1. Western Offshore Basin, Mumbai
2. Western Onshore Basin, Vadodara
3. KG-PG Basin, Chennai
4. Cauvery Basin, Chennai
5. Assam & Assam-Arakan Basin, Jorhat
6. MBA Basin and CBM Development Project, Kolkata/Bokaro
7. Frontier Basin, Dehradun

C. PLANTS

1. Uran Plant, Maharashtra
2. Hazira Plant, Gujarat
3. C2 C3 C4 Plant, Dahej Plant, Gujarat

D. INSTITUTES

1. Keshava Deva Malaviya Institute of Petroleum Exploration (KDMIPE), Dehradun
2. Institute of Drilling Technology (IDT), Dehradun
3. Institute of Reservoir Studies, (IRS), Ahmedabad
4. Institute of Oil & Gas Production Technology (IOGPT), Navi Mumbai
5. Institute of Engineering & Ocean Technology (IEOT), Navi Mumbai
6. Geo-data Processing & Interpretation Center (GEOPIC), Dehradun
7. ONGC Academy, Dehradun
8. Institute of Petroleum Safety, Health & Environment Management (IPSHEM), Goa
9. Institute of Biotechnology & Geotectonics Studies (INBIGS), Jorhat

10. School of Maintenance Practices (SMP), Vadodara
11. Centre for Excellence in Well Logging (CEWELL), Vadodara
12. Regional Training Institutes

20. Investor services and addresses for shareholders' correspondence

These have been given in **5.3.3** and **5.3.4** above

21. Risk Management

The Risk Management Policy has been rolled out across the Company in all Assets, Basins, Plants, Institutes and offices.

Details are given under Risk Management Committee.

22. Compliance certificate of the auditors

The 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-2015, is annexed to this Report. The Certificate will also be forwarded to the stock exchanges where the securities of the Company are listed.

23. Adoption of non-mandatory requirements of 27(1) of listing regulation

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

24. Guidelines on Corporate Governance by DPE

In May 2010, the Department of Public Enterprises issued guidelines on Corporate Governance for Central Public Sector Enterprises which are now mandatory in nature.

No Presidential Directives were issued during the period, 1st April 2016 to 31st March, 2017. The Company is complying with these guidelines to all extent possible.

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

The General Administrative expenses were 6.67% of total expenses during 2016-17 as against 5.68% during the previous year.

25. Secretarial Audit Report

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

26. Fee to Statutory Auditors

The fee paid/payable to the Statutory Auditors for the year was ₹64.02 million (previous year ₹43.61 million) including ₹1.55 million (previous year ₹1.38 million) as fee for certification of Corporate Governance Report, ₹6.90 million (previous year ₹5.82 million) for limited review report for the quarter ending June 2016, September 2016 and December 2016, ₹2.07 million (previous year was nil) for limited review report of restated Ind AS compliant quarterly financial results for Q1, Q2 & Q3 of 2015-16 and ₹2.36 million (previous year ₹0.56 million) for other certification including certification under section 33(2AB) of Income Tax Act for R&D Institutes and including reasonable travelling and out of pocket expenses actually incurred/ reimbursable.

Oil Tank Area - Odalarevu Onshore Terminal, Andhra Pradesh.

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

Lodha & Co
Chartered Accountants
14, Government Place East,
Kolkata – 700 069

MKPS & Associates
Chartered Accountants
106-109, 1st Floor, Apollo Complex,
RK Singh Road, Near Sona Udyog,
Andheri (East), Mumbai-400 069

Khandelwal Jain & Co.
Chartered Accountants
12-B, Baldota Bhawan, 5th Floor, 117,
M K Road, Churchgate,
Mumbai 400 020

K. C. Mehta & Co.
Chartered Accountants
2nd Floor, Meghdhanush Race
Course Circle, Vadodara – 390 007

PKF Sridhar & Santhanam LLP
Chartered Accountants
91 92, Dr. Radhakrishnan Salai,
Mylapore, Chennai – 600 004

Dass Gupta & Associates
Chartered Accountants
B4, Gulmohar Park,
New Delhi - 110 049

To

The Members,
Oil and Natural Gas Corporation Limited

1. We have examined the compliance of conditions of Corporate Governance by Oil And Natural Gas Corporation Limited ("the Company") for the year ended March 31, 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations- 2015").

Management Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations- 2015.

Auditors Responsibility

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

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

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

Qualified Opinion

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

   i. As stated in item no. 2.1 of the Corporate Governance Report, the Company has not complied with the requirements of regulation 17 (1) of the Listing Regulations- 2015, with regard to the composition of the Board of Directors comprising of at least 50% non-executive directors till 30th January 2017, at least one women director and at least 50% Independent Directors,

   ii. As stated in item no. 2.1 of the Corporate Governance Report, the Company has not complied with the requirement of regulation 25 (6) of the Listing Regulations- 2015 with regard to not filling up the vacancies caused due to the resignation or retirement of the independent directors within the time period as specified in the Listing Regulations – 2015,

iii. The Company has complied with the requirements of Section 177 and 188 of the Companies Act 2013 with respect to transactions with the related parties, however prior approval of the audit committee for all related party transactions as required by regulation 23 (2) of the Listing Regulations-2015 has not been complied,

iv. The Company has not complied with regulation 17 (10) of the Listing Regulations-2015, which requires performance evaluation of independent directors by the entire board of directors and the Company has not complied with regulation 25 (4) of the Listing Regulations - 2015, which requires review of performance of non-Independent directors, the chairperson and the board of directors as a whole,

we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations-2015, as applicable, during the year ended March 31, 2017.

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

Restrictions on use

8. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the Listing Regulations- 2015, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

(V K Shrimal)
Partner (M.No.071622)

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

(Mahendra K. Agrawala)
Partner (M.No. 051764)

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

(Narendra Jain)
Partner (M.No. 048725)

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

(Neela R. Shah)
Partner (M. No.045027)

For PKF 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

(Naresh Kumar)
Partner (M. No.082069)

New Delhi
30.06.2017

ONGCian at work at an on-shore installation in western region.

US$ 11695 Million

ONGC to invest US$ 11695 Million till 2021-22 to develop oil and gas finds off East Coast, Andhra Pradesh. 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 water depths of 400-1300 meters.

Business Responsibility Report 2016-17

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**
   Pandit Deendayal Upadhyaya Urja Bhawan 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
4. **Website**: www.ongcindia.com
5. **E-mail id** : secretariat@ongc.co.in
6. **Financial Year reported** : 2016-17

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

ONGC (the Company) 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 102MW 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. Operational locations:

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

a) Offshore Locations (Oil & Gas production, including JVs) :

	Western Offshore			Eastern Offshore
ONGC	**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 production, including JVs) :**

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), Vadodara	

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, Sivasagar and Vadodara
ONGC Energy Centre (OEC),New Delhi	Gas Hydrate Research & Technology Centre, Panvel, Navi Mumbai	

f) **(i) Subsidiaries (Direct)**

ONGC Videsh Limited (OVL), New Delhi	Mangalore Refinery and Petrochemicals Limited (MRPL), Mangalore

(ii) Subsidiaries (Indirect)

ONGC Mangalore Petrochemicals Limited (OMPL), 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	Dahez SEJ Limited, Dahej, Gujarat	Pawan Hans Limited (PHL), New Delhi

ii) **Number of International Locations**

The Company's overseas operations are managed by its wholly owned subsidiary, ONGC Videsh Limited (OVL), which operates in 17 countries with 36 hydrocarbon assets. ONGC, principally, focuses on domestic operations which have a pan-India spread.

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

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

10. Markets served by the Company:

The Company is marketing its domestic products, mainly crude oil to the Public Sector refiners – IOCL, BPCL, HPCL, NRL, CPCL and MRPL and the natural gas mainly through GAIL. However, part of the gas is also marketed directly by the Company. The Value Added Products are marketed in bulk to the PSU Oil Marketing Companies (OMC), OPaL (Joint Venture) and balance to private companies. Naphtha is exported in case of lesser demand in domestic market.

SECTION B: Financial Details of the Company

Sl. No.	Particulars	Amount (₹ million)
1	Paid up capital	6,4166.32
2	Total Turnover	779078
3	PAT	179000
4	Total spending on CSR as a % of PAT (2016-17)	2.94%

List of activities for 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. There are two direct subsidiary companies and one indirect subsidiary as detailed under section A 9(i) f above.

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 the Subsidiary Companies are separate entities, they carry out Business Responsibility initiatives on their own as per the policies applicable to the respective companies.

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

   The BR initiative of the Company has the cooperation of all its stakeholders, including Government of India, employees, vendors, and the local populace, for executing its BR initiatives. However, it is difficult to establish the extent their support helps in facilitating the BR initiatives of the Company.

SECTION D: BR Information

1. **Details of Director/Directors responsible for BR**

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

      Implementation of Policies related to Carbon Management and Sustainable Development are 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 D K Sarraf
- Designation : Chairman & Managing Director (CMD)
- Telephone No : +91-11-26129001
- E-mail id : cmd@ongc.co.in

b) Details of the BR heads

Responsibility of embedding sustainability in the Company's business processes starting from formulating corporate policies to project execution under the given ambit of BR Policies lies with Chief of Carbon Management & Sustainability Group (CM& SG). The details are given below:

S.No.	Particulars	Details
1	DIN Number (if applicable)	Nil
2	Name	Jai Singh
3	Designation	Chief of CM&SG
4	Telephone number	+91-11-26753007
5	e-mail id	chief_cmsg@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?

The Company, being a listed Public Sector Enterprise, conducts and governs itself with Ethics, Transparency and Accountability as per policies mandated by Department of Public Enterprises (DPE) Guidelines on Corporate Governance, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other guidelines and policies of the DPE in particular and Govt. of India in general.

The Company also pursues some 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 and Ethics Committee and the Board. In terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board has re-constituted the Risk Management Committee with Board level members.
- The Company has a well-structured vigilance department with units spread across the organisation at various Regions, Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices in the working of the organisation
- The Company has a Whistle Blower Policy meant for employees to raise any ethical issues within the organisation.
- The Company has positioned an Integrity Pact (in association with Transparency International) which is signed with bidders to enable them to raise any issues with regard to tenders floated from time to time. The Company is the first among Indian companies to sign the Integrity Pact. People of high repute and integrity are appointed as Independent External Monitors to oversee implementation of the said 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 conforms to statutes and policies of the Govt. of India, DPE and other statutory bodies. It also conforms to the mandated applicable international standards. Further, the Company voluntarily follows principles and policies for transparency which are of international standards, including the one prescribed by Transparency International.

Principle 1.4

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

All policies mandated by the Government of India, DPE and other Indian statutory bodies are followed by the Company. All other policies/ manuals of the Company are implemented as duly approved by the Board of Directors or, as the case may be, the Competent Authority.

Principle 1.5

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

The Company has an Audit and Ethics Committee of the Board of Directors which is bound by its Terms of Reference as per the Listing Regulations and the Companies Act, 2013 and is approved by the Board. The Company also has a well-structured vigilance department with units spread across the organisation 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 the executives at various levels in the Company.

Principle 1.6

Indicate the link for the policy to be viewed online.

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

Principle 1.7

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

The Company policies and operational framework are available on the Company's website as well as its intranet.

The engagement routes across all the stakeholders are:

- The Customers are engaged through Crude Oil Sales Agreement (COSA), Gas Sales Agreement (GSA) and regular meeting with B2B partners
- The Communities in and around our areas of operation are engaged through CSR projects
- Business partners/vendors are engaged through vendor meets, business partners meet and pre-bid conference
- Contract workers are engaged through regular trainings and SAHYOG Scheme
- Employees are engaged through open house forums like –Vichar Manthan, Vichar Dhara, Vichar Vishlesan, Mantrana, etc., and employee web portal and also through various in-house magazines
- Regular engagement of Employees &

other external stakeholders (like Suppliers, Vendors, Customers, Regulators, NGOs etc.) is also carried out as a mandatory input to ONGC Group Sustainability Report for identifying & prioritizing materiality issues of ONGC Group.

- Government and regulatory bodies are engaged through meetings with the administrative ministry i.e. Ministry of Petroleum & Natural Gas (MoP&NG), DPE under the Ministry of Heavy Industries & Public Enterprises (HI & PE), Oil Industry Safety Directorate (OISD), Oil Industry Development Board (OIDB) and Director General of Hydrocarbon (DGH).
- Shareholders and investors are engaged through Annual General Meeting, Investor & Analysts' 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?

The Company follows the laid down policy for every critical activity such as – procurement, payment, tendering, contracting, human resources, finance and other functions that are governed by well documented policies available for reference to all concerned.

Principle 1.9

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

Yes. A structured four tier Grievance Management System in place in the Company to address employee grievances related to policy/ policies. The channel of grievance is Reporting Authority of Individual, Sectional in charge, Key executive, Appeals committee. Appeals committee has outside professionals as members and empowered to suggest measures to prevent similar grievances in future. CMD takes the final decision in totality on the grievance of the employee with inputs from Director (HR).

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

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

Further, there is an exclusive website maintained for grievance redressal (https://grievance.ongc.co.in)

Principle 1.10

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

The implementation of obligations with regard to Corporate Governance as contained in Listing Regulation are brought out in the Corporate Governance Report and audited by the Statutory Auditors. Other policies are validated from time to time by the concerned authorities.

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

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

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

   Yes

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

   The Company is a pioneer organisation in introducing the Integrity Pact (IP) in India.

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

Representations from bidders/ contractors as well as opinion sought by the Company against various tenders are referred to IEM. IEMs discuss the issues with the executives concerned and bidders' representatives wherever felt necessary by IEMs and give their opinion through a speaking order.

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

- Number of complaints received during April 2016 to March 2017 from Vendors: 36
- All representations were forwarded to IEMs who promptly gave their opinions in all cases for further action.
- Number of complaints received from investors during 2016-17: The total number of complaints/ queries/ correspondence received and replied/ attended to the satisfaction of the shareholders was 1478. The number of complaints pending as on 31.03.2017 are 72 and all 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?

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

It is further a matter of privilege for the Company 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?

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

Principle 2.3:

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

Yes; The Company follows the international standards, practices and standard operating procedures as followed by other E&P companies across the world. Besides, the Company being a national oil company adheres to all the statutes and policies of the 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. Accordingly, all internal policies, conforming to the directives of the Government, are approved by the Board or authority delegated for the same by the Board.

Principle 2.5:

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

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

Principle 2.6:

Indicate the link for the policy to be viewed online.

The website of the Company (www.ongcindia.com) has reference to the various tenets as stated in the principle under various places. Further, internal policies applicable to various functions of the organisation are available on intranet.

Principle 2.7:

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

The Company policies and operational framework are available on the Company's website as well as its intranet.

Principle 2.8:

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

Yes. The Company has well-established in-house infrastructure, manpower pool, documented standard operating procedure and other executive & administrative machineries to implement the given policies in the area of safe and sustainable production of goods and services of the Company.

The HSE (Health, Safety & Environment) and CM&SG (Carbon Management & Sustainability Group) department of company along with apex management, acts as the nodal department to execute and oversee policies pertaining to safe, healthy and environment friendly operations and compliance with sustainability parameters as mandated and desired.

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

Principle 2.9:

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

Yes: as detailed earlier in Principle 1.9.

Principle 2.10:

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

The Company is 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 the Company under the umbrella of Sustainable Water Management. The harvested water is being used for beneficial use like gardening, toilet flushing, etc. and also for recharging of ground water aquifers.

Details of existing rain water harvesting projects:

Sl.No.	Description
1	29 ground water recharge wells at various locations of Ahmedabad Asset
2	Rain water from rooftop and surface run off harvesting at Green Building , Mumbai
3	Percolation well for bore well recharge at Residential complex, Ankleshwar Asset
4	Rain water harvesting system as integral part of C2-C3 plant, Dahej, Gujarat
5	Rain water harvesting at Rajahmundry Asset base complex
6	16 infiltration well in IPSHEM, Goa
7	2 ground water recharge wells at IRS, Ahmedabad
8	6 ground water recharge wells at KDMIPE, Dehradun
9	1 ground water recharge well at base complex, RFB, Jodhpur
10	RWH system at K.V. School, NOBH and officers' club at Agartala, Tripura Asset
11	RWH system, PPCL building, Uran Plant
12	Bhavale Hill RWH system, Maharashtra
13	RWH system at SPIC campus, ONGC Panvel, Maharashtra
14	RWH systems at various locations at Western Onshore Basin, Vadodara

Details of upcoming rain water harvesting projects:

Sl.No.	Description
1	02 ground water recharge wells in GGS-Gamij, Ahmedabad Asset
2	Rooftop rain water harvesting at Residential complex, Ankleshwar Asset
3	Rain water harvesting system with upcoming residential complex at Cauvery basin
4	7 infiltration well in IPSHEM, Goa
5	RWH for rooftop and surface run off at Baramura, Tripura Asset

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

Rain water harvesting, at Hartoki an ONGC CSR initiative.

important plant of the Company, responsible to process the crude coming from Mumbai High and to produce value added products. Presently Uran needs approx. 1700 m^3 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, the Company may face disruption of fresh water as MIDC has limited known sources of water. To avoid any future disruption, it has been proposed to set up 20MLD capacity desalination plant. The feasibility study has been carried out.

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 all work centres in a big way and already completed water foot printing at 7 Assets, 2 plants and 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)?**

The Company has put in place a well-devised procedure for sustainable sourcing. Company has a well-documented Material Management Policy , the Policy has been revised recently as placed on the Company's website that helps in sourcing the requisites for operations and business activities in a steady, continuous and sustainable manner. Company has policies of long-term contracts and rate-contracts to ensure that operations and business pursuits do not suffer owing to externalities.

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

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

The Company at present does not have a process in place to measure this particular parameter. However, in 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?**

Yes, being an Indian CPSE (Central Public Sector

Enterprise), the Company's procurement policy and practices are guided by the Govt. Policies and practices. These are based on transparent procurement mechanisms which promote procurement from technically competent suppliers. However, care is also taken for the interest of local suppliers and contractors within the frame work of CVC's guidelines. For example the Company has a special policy to encourage small entrepreneurs in North East Region to provide services pertaining to transport.

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

The Company has always encouraged local suppliers to participate in its tendering process and also promote them through vendor development programs. Our continued pursuit in 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 Meets are regularly held to explain procedures and policies pertaining to the procurements of goods and services to help small local vendors. The Company has taken necessary steps for implementation of the Public Procurement Policy for procurement from MSEs. Necessary provisions have been incorporated in all tenders for materials and services. Minimum 20% of the requirement has been reserved for eligible MSEs in all tenders. In the FY 2016-17, total contracts amounting to ₹10910.70 million were awarded to MSEs.

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

The Company has a policy for Management of Hazardous Chemicals and Materials. As per the policy personnel handling hazardous chemical are to be trained for safe handling practices. Separate designated areas are provided for storage of hazardous chemicals and all personnel are to be provided Personnel Protective Equipment (PPE) first aid training. The Ministry of Environment & Forest regulates the recycling/reprocessing of hazardous wastes such as used/waste oil, used lead acid batteries and other non-ferrous metal waste under registration scheme, with the objective of channelizing such waste to only those units which possess Environmentally Sound Management (ESM) facilities. The registration is being implemented by Central Pollution Control Board that regularly updates the list of registered units in their website http://cpcb.delhi.nic.in and the hazardous waste is required to be sold/auctioned only to units registered by CPBP. Thus clear instructions have been issued and the above policy is being followed. For example all lead acid batteries are to be sold back to suppliers at the time of purchase of new batteries.

For disposal of e-waste, the limited tender from the firms registered with Central Pollution Control Board for such items is to be invited and the items of e-waste is to be sold to them only to ensure safe disposal of the items. The Company's e-waste has been updated in line with the requirements under the e-waste (Management) Rules, 2016.

The Company is committed to recycling of materials, wherever feasible. 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 during exploration and production operations are primarily drilling mud and mud cuttings (non-hazardous), chemical sludge and tank bottom sludge (hazardous). Chemical sludge is collected in lagoons having leachate collection facility where water is drained to reduce the quantity of sludge. This chemical sludge is disposed of by land filling in accordance with norms of the State Pollution Control Board. To treat tank bottom sludge, which is mainly organic in content, bio-remediation techniques are employed. Best practices in the oil industry are adopted to manage solid waste arising from operations. Drill mud and cuttings are disposed, re-used in land filling or sold to authorized vendors as per industry practices.

Waste management has been identified as a cause of concern for sustainable development. Waste Management Policy of the Company provides for scientific disposal of hazardous and non-hazardous waste generated during operations. In addition three- pronged strategy is adopted to reduce and/ or manage waste:

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

Solid & Oily waste Management

Drill cuttings, drilling fluid and generation of oily sludge from cleaning of storage tanks and from various process units of effluent treatment plants are few important wastes. The Company 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 Tran 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 the Company 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

The Water produced with the oil and gas, is the major effluent for ONGC as a part of its production activities. The treated water is further used for various purposes.

fluid is separated and sent to Effluent Treatment Plants (ETPs) for further treatment. The Company operates **twenty-six** 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 wellbeing of all employees.

Principle 3.1

Do you have policy/policies for principle 3?

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

Principle 3.2

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

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

Principle 3.3

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

HR Policies of the Company conform to the best of International and National standards. The company is perceived to be one of the best employers in the country.

Principle 3.4

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

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

Principle 3.5

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

The Board of Directors have constituted a Board level Human Resource Management Committee to oversee the major decisions in the area of human resources.

Principle 3.6

Indicate the link for the policy to be viewed online.

The intranet of the Company "reports.ongc.co.in" and "webice.ongc.co.in" has 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. The Company'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?

The Company 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. The Company 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 and external, gets carried out to gauge level of employee engagement and satisfaction. Wherever desired and warranted, expert advice from external agencies/ consultancies is solicited to ramp up our practices/ policies to best of industry standards.

The company has carried out independent audit / evaluation of HR policies. Frequent audits like ISO 9001:2008 Audit, Internal Audit, External Audit by government agencies are carried out across the organisation.

1. Total number of employees : 33660
2. Total number of employees hired on temporary/contractual/casual basis.
   - Contractual workers : 17609
   - Tenure based : 655
   - Casual workers/contingent : 566
3. Please indicate the number of permanent women employees : 2208
4. Please indicate the number of permanent employees with disabilities : 245
5. Do you have an employee association that is recognized by management?

   Yes.

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

B. **Non-Executive Cadre:** Twelve recognized unions as under:

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 Mazdoor Sangh, Ahmedabad
7. ONGC Mazdoor Sangh, 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 the Company.

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	NIL
3	Discriminatory employment	NIL	NIL

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

• Permanent Employees • Permanent Women Employees • Casual/Temporary/ Contractual Employees • Employees with Disabilities	Training of 14681 executives and 6494 non-executives were provided through our premier institutes of IPSHEM Goa and ONGC Academy, Dehra Dun. Apart from the above, casual, temporary and contractual employees were given requisite training in safety of operations.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 4.1

Do you have policy/ policies for principle 4?

Yes. The Company complies with Government directives for upliftment of weaker 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. Abiding by the directives of DPE guidelines, the Company has aligned its CSR policies. To substantiate our stakeholder engagement, a 'communication policy for stakeholder engagement' has been drafted. The goal is to: Connect, Listen, Respond, Sustain' – leading to business value creation with Economic, Social and Environmental sustainability in view.

As per our draft CSR & SD policy, the Company has a well-defined set of objectives, clearly delineated beneficiaries, strategy and project activities which characterize its social projects. The relevant provisions of section 135 and

Schedule VII of the Companies Act, 2013 have also been taken into account while finalising the aforesaid policy. The projects are designed to yield discernible, long-term, sustainable benefits for the communities specially disadvantaged, vulnerable and marginalized sections. Through community driven developments, we foster a symbiotic relationship with our stakeholders across communities to create more employment opportunities to realize our strategic objective of growing responsibility while improving the livelihoods of people.

The table below depicts the manner in which the Company engages to address the interest of all stake-holders:

Stakeholders	Mode of engagement
Customers	Structured engagement through Crude Oil Sales Agreement (COSA) & Gas Sales Agreement (GSA); Regular / periodic meetings with B2B partners and also through external stakeholders meet.
Communities	Direct engagement at work centers through CSR programmes and HR departments.
Business partners/ contractors/ vendors	Vendor meets; Business partner meets; Pre-bid conferences and also through external stakeholders meet.
Contract workers	Safety trainings & SAHAYOG Scheme
Employees	Open House; Vichar Manthan; Vichar-Dhara; Vichar-Vishlesan; Mantrana; Employee web portal and **also through internal stakeholders meet.**
Regulatory bodies (DGMS, NSE, BSE, SEBI, OISD, OIDB, etc.)	Structured engagement through meetings with administrative Ministry (MoP&NG), DPE, Ministry of Heavy Industries and Administrative Enterprises, HI & PE, OISD, OIDB, etc. and also through external stakeholder meet.
Government bodies	
Shareholders, investors	Investor & Analyst Meet; AGM; Investor Conferences; Corporate web site and press releases/ press conference and also through external stakeholder meet.

Principle 4.2

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

The CSR policy and the policy of Sustainable development is in compliance with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 and DPE Guidelines.

Principle 4.3

Does the policy conform to any national / international standards ? if Yes, specify.

The policy and laid down procedures conforms to statutes and policies of the Govt. of India, DPE and other statutory bodies.

Principle 4.4

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

All such policies being pursued by the Company are duly approved by the Board of Directors and uploaded on the Company's website.

Principle 4.5

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

Yes. The Director (HR) has been delegated power to implement CSR initiatives. The Implementation of CSR policy is to be overseen by a Board Level Committee on Corporate Social Responsibility &

Sustainability Development (CSR&SD). Further, in line with the approval of the Board, a non-profit entity by name 'ONGC Foundation' has been formed and registered under the Indian Trust Act, 1882 for carrying out CSR activities.

Principle 4.6

Indicate the link for the policy to be viewed online.

The website of ONGC, www.ongcindia.com, has the link to the CSR where the CSR& SD policy is available for all.

Principle 4.7

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

Yes, for internal staekeholders, all these policies are available on-line on Company websites and also perpetuated through its Collectives, Officers Association and other relevant associations. For external stakeholders, communication in this regard is pursued through interactions at multiple levels.

Principle 4.8

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

The Company has a structured framework and laid down well documented procedures in place to execute and implement its policies. There is an exclusive Department for CSR- headed by Chief CSR, to implement CSR activities of the Company.

Principle 4.9

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

Yes.

Principle 4.10

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

Yes.

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

   Yes.

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

   Yes. Over last seven years the Company has moved from independent 'charity-based philanthropy' approach to a 'stakeholder participation' approach where the communities in and around the Company's operational areas are seen as important stakeholders and therefore their development is seen in alignment with the company's business development. Since the operations are in remote and backward areas, the process of engaging with the external stakeholders, including the community around our areas of operation, gives us significant input relating to the needs of the disadvantaged and vulnerable marginal stakeholders. Besides this over last couple of years the Company carried out baseline survey and need assessment around a few of such area of operations to have greater insight into the needs of the community through structured interactions and feedback.

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

   The CSR policy of the Company covers CSR Projects / Programmes as listed under Schedule-VII of the Act, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment. This way the ultimate objective is to reach the bottom of the pyramid in our demographic strata and touch their lives in a positive manner. Thus while the Company is engaged in serving the society through various welfare measures since its inception, it has now adopted a more structured approach in undertaking such welfare measures. Many projects related to infrastructure development, education and healthcare have been undertaken in remote areas mainly populated with such disadvantaged groups. One of such initiatives include ONGC Merit Scholarship Scheme for 1000 SC/ST students and 1000 OBC/Economically backward students every year.

Principle 5: Businesses should respect and promote human rights.

Principle 5.1

Do you have policy/policies for principle 5?

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

The Company is committed to conducting its business operations and strategies with the ten universally accepted principles in the area of Human Rights, Child labour, Anti- corruption and Environment. The Company embraces and supports those ten principles, particularly that on 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". The Company is fully committed to the principles of United Nations Global Compact on human rights and subscribe to the international agreements/conventions such as Kyoto protocol, Montreal Protocol, UNCLOS (MMD), SOLAS and MARPOL within the framework of Government of India directives. The Company ensures compliance with various labour 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, the Company ensures that contract labours are treated fairly as per law and for any complaints or disputes, the contractor are 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. The Company has also implemented fair wages Policy for contractor 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?

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

Principle 5.3

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

The policies of the Company are in line with national standards and relevant international 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 authorised by Board.

Principle 5.5

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

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

Principle 5.6

Indicate the link for the policy to be viewed online.

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

Principle 5.7

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

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

Principle 5.8

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

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

Principle 5.9

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

Yes (as detailed under Principle 1.9 above).

Principle 5.10

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

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

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

   The policies towards upholding the Human Rights extend to JV's and subsidiaries of the Company.

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

   Please refer answer to para 3 of Principle 1.

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

Principle 6.1

Do you have policy/policies for principle 6?

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

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

Principle 6.2

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

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

Principle 6.3

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

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

Principle 6.4

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

Yes, the policy has been approved by the Board and signed by CMD.

Principle 6.5

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

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

Principle 6.6

Indicate the link for the policy to be viewed online

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

Principle 6.7

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

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

Principle 6.8

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

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

Principle 6.9

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

Yes.

Principle 6.10

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

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

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

   The HSE policy and processes cover all the stakeholders of the Company including the vendors. 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 and 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 the Company 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 organisation 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. GMI facilitates cooperative mitigation activities that result in bringing more gas to markets through the Identification, Quantification, and Reduction (IQR) path.

During August, 2007, the Company tied up with GMI, then known as United States Environmental Protection Agency, to undertake Methane to Market projects and formed a dedicated in-house team and procured methane emission detection and measurement equipment wherein a dedicated in-house team is in place to procure methane emission and reduced approx. 16.7 MMSCM of fugitive methane over the years. The Company has also drawn an effective plan

At ONGC the environmental footprints are mapped during the project planning phase.

to map all its production installation for fugitive hydrocarbon emission and make the installations leak -free.

3. **Does the Company identify and assess potential environmental risks?**

   Yes. The environmental footprints are mapped during the project planning phase and based on impact assessment remedial measures are put in place during the operational phase. After September, 2006 gazette notification on Environmental Clearance of Ministry of Environment & Forests, all new and expansion projects of the Company are mandated to obtain prior environmental Clearance from MoEFCC before commencing operational activities. Environment Risk Assessment is also carried out as a part of Environmental Impact Assessment studies before the implementation of the projects. 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. The Company commenced its Clean Development Mechanism (CDM) journey in 2006. Currently, ONGC has 15 registered CDM projects with United Nations Framework Convention on Climate Change (UNFCCC) that yield (potential) Certified Emissions Reductions (CER) approx. 2.1 million yearly. The registered CDM projects are as under:

Sl No.	Project	CER/annum
1	1 Waste heat recovery from Process Gas Compressors (PGCs), Mumbai high south (offshore Platform)	5320
2	Up-gradation of Gas Turbine 1 (GT 1) and Gas Turbine 2 (GT 2) at co-generation plant of Hazira Gas Processing Complex (HGPC)	7802
3	Flare gas recovery project at Uran plant	97740
4	Flare gas recovery project at Hazira Gas Processing Complex (HGPC), Hazira plant	8793
5	Amine Circulation Pumps Energy Efficiency at Hazira Plant	4043
6	51 MW wind power project of ONGC at Surajbari	85762
7	Energy Efficient Green Building at Mumbai	544
8	Energy Efficient Green Building at 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	5944
13	Gas flare reduction at GGS Charali Assam	15172
14	Replacement of MOL pumps at Neelam and Heera	10539
15.	102 MW Wind Power project at Jaisalmer, Rajasthan	180177
	Total	**2102769**

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

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

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

   Focussing on cleaner and renewable sources of energy the Company 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. Further, the Company aims to reduce GHG emissions by focusing on improved energy efficiency. The Company has also established "ONGC Energy Centre", a Trust set up by the Company to actively pursue alternate energy opportunities

   If yes, please give hyperlink for web page:

   http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Initiatives/Corporate+Sustainability/

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

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

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

   There are few incidental instances of environmental pollution as per regulations. All issues have been resolved with CPCB / SPCB.

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

Principle 7.1

Do you have a policy/policies for principle 7?

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

Principle 7.2

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

The Company being a Public Sector Enterprise is under the control of the Government of India, through the Ministry of Petroleum & Natural Gas.

Principle 7.3

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

The Company pursues its business in a responsible manner and policies are as per the best of prevailing National and International standards as applicable for E&P industry. The Company has bestowed with 'Certificate of Recognition' for adopting exemplary corporate governance practices, instituted by the Institute of Company Secretaries of India. Further the Company has achieved 100% Score for the year 2016-17 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?

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

Principle 7.5

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

Depending upon the area of operation, the relevant function is under the purview of the concerned Functional Director who ensures that the same is being implemented in a responsible manner. The Board of the Company has constituted a number of Board level Committees to oversee functioning of respective areas which are detailed in the Corporate Governance Report of the Annual Report 2015-16.

Principle 7.6

Indicate the link for the policy to be viewed online.

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

Principle 7.7

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

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

Principle 7.8

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

The Company has an elaborate organisation structure comprising of 6 functional directors headed by CMD to ensure proper implementation of all the policies in place.

Principle 7.9

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

Yes.

Principle 7.10

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

The Company has a dedicated Internal Audit department and concurrently audits are conducted through external agencies on regular basis to ensure that the policies produce the desired results. Further, being a PSE under 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 and associations such as:

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

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

Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has always advocated constructive suggestion in 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 site www.ongcindia.com.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 8.1

Do you have policy/ policies for principle 8?

The Company has a structured mechanism for Corporate Social Responsibility and Sustainable Development (CSR&SD). It aims to strengthen the fabric of society that the Company operate in. Through partners we identify the needs of the communities, and select and implement programs that address those needs. The CSR projects are targeted towards empowering the weakest sections of the society, such as children, women, and the elderly. The programs generate employment and business opportunities, improving the living standards of the community in turn improving the economy of the region.

Principle 8.2

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

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

Principle 8.6

Indicate the link for the policy to be viewed online.

The Company's website, www.ongcindia.com, has link to CSR& SD policies.

Principle 8.7

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

Yes, for internal stakeholders, all these policies are available on-line on Company websites and also perpetuated through its Collectives, Officers Association and other relevant associations. For external stakeholders, communication in this regard is pursued through interactions at multiple levels.

Principle 8.8

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

The Company has a structured framework and laid down well documented procedures in place to execute and implement its policies. There is an exclusive Department for CSR- headed by Chief CSR, to implement CSR activities throughout the organisation.

Principle 8.9

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

Yes.

Principle 8.10

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

Yes.

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

   The Company is committed to understand the developmental needs of economically weaker, differently abled and less privileged sections in identified geographical locations in India primarily around the remote operational areas of the company thus creating a more inclusive and equitable world .

   The Company has a structured mechanism for Corporate Social Responsibility and Sustainable Development (CSR&SD). It aims to strengthen the fabric of society that the Company operate in. Through partners we identify the needs of the communities, and select and implement programs that address those needs. The CSR projects are targeted towards empowering the weakest sections of the society, such as children, women, and the elderly. The programs generate employment and business opportunities, improving the living standards of the community in turn improving the economy of the region.

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

The CSR projects or programs are implemented through in-house CSR team and ONGC Foundation. The Company also implements its CSR agenda through other trust, society or company established under section-8 of Companies Act, 2013 having a track record of three years in undertaking similar programs or projects.

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

   Impact assessment, both concurrent and final, are conducted by expert third party agency to assess the direct and indirect impact of a few select projects.

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

   ₹5,049.10 million has been spent by the Company during 2016-17 on community development projects as detailed at Annexure-C1 to the Annual Report on CSR activities 2016-17.

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.**

   The Company endeavours to understand the stakeholder expectations through a structured engagement process and communication strategy and leverages this understanding for betterment of all the stakeholders it is uniquely positioned to herald a business paradigm that is based on an interconnected vision of all people's well-being, growth and contentment: by enabling citizens and local communities to be informed partners in the enterprise, be accountable in its consumption of environmental resources; and foster local communities that are prosperous and content; and manage their resources commonly and sustainably. To generate goodwill in the communities in and around the Company's operational areas by not only mitigating operational impact but through creating social value that is sustainable and inclusive.

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

Principle 9.1

Do you have policy/policies for principle 9?

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

Principle 9.2

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

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

Principle 9.3

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

The specifications of quality and measurement in COSA/GSA are in accordance with International standards. Moreover, the Company ensures that policies followed are as per guidelines of the Government of India.

Principle 9.4

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

Yes. The COSA/ GSA are signed by the designated authorities after seeking approval as per Book of Delegated Powers 2015.

Principle 9.5

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

The Company has a structured and dedicated marketing department / establishment headed by a General Manager to oversee implementation of relevant policies in this regard.

Principle 9.6

Indicate the link for the policy to be viewed online.

COSA/GSA being a bipartite agreement is a confidential document and is not available for inspection to the public. Further the general guidelines on standard terms of business and also contract terms and conditions of conducting business with the Company are available on the site www.ongcindia.com.

Principle 9.7

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

Yes.

Principle 9.8

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

As given in response against 9.5 above.

Principle 9.9

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

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

Principle 9.10

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

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

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

   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 Company's installations holding the crude.

   All Natural Gas supplied by the Company to various customers conforms to the agreed contractual specifications.

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

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year?**

   No.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes. The Company interacts on regular basis with its B2B customers' with respect to product quality and pricing. This kind of 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 fifth Report on Business Responsibility and forms part of Annual Report 2016-17.

The Company also publishes its 'Sustainability Report' annually based on Global Reporting Initiative's latest reporting guidelines. The Sustainability Reports for FY 09-10 till 15-16 are available on the corporate website of the company www.ongcindia.com.

ONGCians engrossed in discussion, ensuring timelines and targets.

Secretarial Audit Report

For the financial year ended 31st March, 2017

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

To

The Members,
Oil and Natural Gas Corporation Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2017, 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, 2017 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 Securities and Exchange Board of India Act, 1992;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(v) 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;

(vi) The following applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

   (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; and

   (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

(vii) **We further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following specific applicable laws to the Company:

   i. The Petroleum and Natural Gas Rules, 1959;

   ii. The Explosives Act, 1884;

   iii. The Minerals Concessional Rules, 1960;

   iv. The 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. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and

ii. Corporate Governance Guidelines issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010.

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

1. The Company did not have the required number of Non-Executive Directors, Independent Directors and woman Director specified in Section 149 (1), (4) of Companies Act 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the DPE Guidelines on Corporate Governance thereby not meeting the provisions of composition of Board.

2. During the year 2016-17 the Company has spent only ₹5259 million towards Corporate Social Responsibility as against ₹5357 million to be spent pursuant to the provisions of Section 135 of the Companies Act, 2013.

We further report that subject to our above said observations, the Board of Directors of the Company is constituted with reasonable balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

Generally, adequate notice is given to all directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda are dispatched by post or in person or by e-mail at least seven days in advance. However, if required, supplementary note(s) on agenda are sent later, at shorter notice, for information of the board members and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting 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 based on the review of compliance mechanism established by the Company and on the basis of the Certificate of Legal Compliance taken on record by the Board of Directors at their meetings, I am of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Further, I am informed that the Company has responded to notices for demands, claims, penalties etc., levied by various statutory/regulatory authorities and initiated actions for corrective measures, wherever found necessary during the audit period.

We further report that during the audit period the Company allotted 427, 77, 45, 060 new equity shares of

₹5/- each fully paid-up as bonus shares to its members by capitalizing a sum of ₹2138, 87, 25, 300/- out of General Reserve of the Company in due compliance with applicable laws, rules, regulations and the guidelines.

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

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

New Delhi
19.06.2017

Management Reply: The reply of the management is provided under the Corporate Governance Report and the Board's Report.

Experiments being carried out in the lab at ONGC's Ahmedabad Asset.

First of its kind initiative by any corporate – Six ONGCians successfully summitted Mount Everest.

₹ 8600 Crore

With an investment of over ₹8,600 Crore towards Daman Development project and C-26 cluster Development project in its Tapti Daman Block in the Western Offshore, ONGC expects to enhance production of Natural Gas and Condensate. The estimated peak production rate from these fields is about 11 MMSCMD of gas and over 11,000 barrels of condensate per day

Lodha & Co
Chartered Accountants
14, Government Place
East, Kolkata – 700 069

MKPS & Associates
Chartered Accountants
106-109, 1st Floor, Apollo Complex,
RK Singh Road, Near Sona Udyog,
Andheri (East),
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Khandelwal Jain & Co.
Chartered Accountants
12-B, Baldota Bhawan, 5th
Floor, 117, M K Road, Churchgate,
Mumbai 400 020

K. C. Mehta & Co.
Chartered Accountants
2nd Floor, Meghdhanush
Race Course Circle,
Vadodara –390 007

PKF Sridhar & Santhanam LLP
Chartered Accountants
91 92, Dr. Radhakrishnan Salai,
Mylapore, Chennai – 600 004

Dass Gupta & Associates
Chartered Accountants B4,
Gulmohar Park,
New Delhi -110 049

Independent Auditors' Report

To the Members of Oil and Natural Gas Corporation Limited

1. Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Oil and Natural Gas Corporation Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. Other Matters

i. The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 prepared in accordance with Ind AS included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor joint auditors whose report for the year ended 31st March, 2016 and 31st March, 2015 dated 26th May, 2016 and 28th May, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

ii. The standalone Ind AS 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 Operations (JOs) accounts for exploration and production out of which 5 NELPs / JOs accounts have been certified by other Chartered Accountants and 10 NELPs / JOs have been certified by the management in respect of NELPs / JOs operated by other operators. Our opinion is based solely on the certificate of the other Chartered Accountants and management certified accounts.

iii. We have placed reliance on technical/ commercial evaluation by the management in respect of categorization of wells as exploratory, development, producing and dry well, allocation of cost incurred on them, proved developed hydrocarbon reserves and depletion thereof on Oil and Gas Assets, impairment, liability for decommissioning costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme.

Our opinion is not modified in respect of these matters.

6. Report on Other Legal and Regulatory Requirements

i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

ii. Based on the verification of books of account of the Company and according to information and explanations given to us, we give below a report on the Directions issued by the Comptroller and Auditors General of India in terms of Section 143 (5) of the Act:

a. On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records with the books of account and considering the voluminous nature and various locations, we report that the title/lease deeds for free hold/lease hold land are held in the name of Company except for the following where the title deeds are not available with the Company:

(₹ in million)

Nature	Number of assets	Gross Block	Net Block
Lease hold land	14	632.03	399.87
Free hold land	36	88.89	88.89
Total	**50**	**720.92**	**488.76**

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 gift/grants from Government or other authorities.

iii. As required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash flows Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;

e. as per notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company;

f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 3"; and

g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 49.1 to the standalone Ind AS 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 55.1 to the standalone Ind AS financial statements;

iii. there has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company in case of Dividend declared on 18th December, 2009 where the unpaid amount aggregating to ₹13.79 million was transferred on 9th March, 2017 as against the due date of 17th January, 2017; and

iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management. Refer Note 18.1 to the standalone Ind AS financial statements.

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

(H K Verma)
Partner (M.No.055104)

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

(Mahendra K. Agrawala)
Partner (M.No. 051764)

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

(Narendra Jain)
Partner (M. No. 048725)

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

(Vishal P. Doshi)
Partner (M. No.101533)

For PKF 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

(Naresh Kumar)
Partner (M. No.082069)

New Delhi
26th May, 2017

Annexure - 1 to the Auditors' Report
(Referred to in paragraph 6(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. a. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. As per the information and explanations given to us and on the basis of our examination of the records of the Company, the fixed assets having substantial value, other than those which are underground/ submerged/ under joint operations have been physically verified by the management in a phased manner, which in our opinion is reasonable, having regard to the size of Company and nature of its business. The reconciliation of physically verified assets with the book records is in progress. Discrepancies noticed on the physical verification and consequential adjustments are carried out on completion of reconciliation. According to information and explanations given by the management and in our opinion, the same are not material.

c. On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records with the books of account and considering the voluminous nature and various locations, we report that the title/lease deeds of immovable properties are held in the name of Company except for the following where the title/lease deeds are not available with the Company:

(₹in million)

Nature	Number of assets	Gross Block	Net Block
Lease hold land	14	632.03	399.87
Free hold land	36	88.89	88.89
Building	12	280.08	61.10
Total	**62**	**1001.00**	**549.86**

ii. According to the information and explanations given to us, the inventory has been physically verified in phased manner at reasonable intervals (excluding inventory lying with third parties, at some of the site-locations, inventory under joint operations and material in transit) during the year by the management which did not reveal any material discrepancies. However, in our opinion, procedures for physical verification of Stores and Spare parts, ascertainment of discrepancies and carrying out of consequent accounting adjustments need to be made compliant with internal guidelines of the Company and further strengthened so as to make the same commensurate with the size of the Company and the nature of its business.

iii. The Company has not granted 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 31st March, 2017 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 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 2009 – 2012 2014 – 2015	119.36	108.82	10.54
		Custom , Excise and Service Tax Appellate Tribunal	2001 – 2016	8,611.46	367.74	8,243.72
		Hon. High Court	1996 – 2016	648.57	258.40	390.17
		Hon. Supreme Court	2000 – 2005 2011 – 2012	1,185.20	2.87	1,182.33
Total (A)				**10,564.59**	**737.83**	**9,826.76**
Central Sales Tax Act,1956 and respective states Sales Tax Act	Sales Tax / Turnover Tax / Penalty / Interest	Commissioner of Sales Tax	2010 - 2012 2013 – 2014	1,657.99	0.14	1,657.85
		Joint Commissioner/ Commissioner CT-Appeals	2000 - 2005 2006 - 2007 2009 – 2012	3,748.01	44.54	3,703.47
		Appellate Tribunal	1993 - 1995 1998 - 2000 2007 – 2008 2011 – 2012	441.06	73.79	367.27
		Hon. High Court	1978 – 2013	3,427.42	22.60	3,404.82
		Hon. Supreme Court	2002 – 2009 2012 – 2013	7,685.84	623.96	7,061.88
Total (B)				**16,960.32**	**765.03**	**16,195.29**

Name of 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
Income Tax Act, 1961	Income Tax / Interest / Penalty	Asst Commissioner of Income Tax/ ACIT (TDS)	2007 - 2008 2010 – 2011	2,591.86	2,586.90	4.96
		Commissioner (Appeals)	2006 – 2013	72,788.32	53,452.00	19,336.32
		Income Tax Appellate Tribunal	1994 – 2010	12,019.75	4,136.47	7,883.28
Total (C)				**87,399.93**	**60,175.37**	**27,224.56**
The Customs Act, 1962	Custom Duty / Interest / Penalty	Commissioner/ (Appeals) of Custom, Excise and Service Tax	1987 – 1988	258.44	-	258.44
		Custom, Excise and Service Tax Appellate Tribunal	2007 - 2008 2010 – 2011	6.50	1.11	5.39
Total (D)				**264.94**	**1.11**	**263.83**
Finance Act 1994 (Service Tax)	Service Tax / Interest / Penalty	Commissioner/ (Appeals)/ Joint/ Deputy/ Additional Commissioner of Central Excise, Custom and Service Tax	2004 – 2016	8,405.09	-	8,405.09
		Custom, Excise and Service Tax Appellate Tribunal	2006 – 2008 2009 – 2015	827.62	12.55	815.07
		Hon. High Court	2012 – 2017	3.39	2.56	0.83
		Hon. Supreme Court	2015 - 2016	4.80	0.37	4.43
Total (E)				**9,240.90**	**15.48**	**9,225.42**
Wealth Tax Act, 1957	Interest	Asstt. Commissioner of Wealth Tax	2014- 15	0.47	-	0.47
Total (F)				**0.47**	**-**	**0.47**
Grand Total (A+B+C+D+E+F)				**1,24,431.15**	**61,694.82**	**62,736.33**

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 5th June, 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 standalone Ind AS financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with him.

xvi. In our opinion, the Company is not required to register under section 45-IA of the Reserve Bank of India, 1934.

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

(H K Verma)
Partner (M.No.055104)

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

(Mahendra K. Agrawala)
Partner (M.No. 051764)

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

(Narendra Jain)
Partner (M. No. 048725)

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

(Vishal P. Doshi)
Partner (M. No.101533)

For PKF 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

(Naresh Kumar)
Partner (M. No.082069)

New Delhi
26th May, 2017

Annexure 2 to Independent Auditors' Report

(Referred to in paragraph 6 (ii) (b) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Cases of waiver/write off of debts/loans/Interest during the year 2016-17

Debts / loans / interest appearing in the books of accounts to the extent waived/ written off during the year along with the reasons and the amount involved are as under:

Sr. No.	Reasons	₹ in million
1	Bad debts / Claims written off	7.37
2	Write off of Outstanding Inter Corporate Loan	30.00
3	Advance written off	23.67
	Total	**61.04**

Fire and Safety Mock Drills are regularly conductedat all ONGC installations giving utmost importance to Safety.

Annexure - 3 to Independent Auditors' Report

(Referred to in paragraph 6 (iii) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of

Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Oil and Natural Gas Corporation Limited

We have audited the internal financial controls over financial reporting of Oil and Natural Gas Corporation Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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.

For Lodha & Co Chartered Accountants Firm Reg. No: 301051E	**For MKPS & Associates** Chartered Accountants Firm Reg. No: 302014E	**For Khandelwal Jain & Co.** Chartered Accountants Firm Reg. No: 105049W
(H K Verma) Partner (M.No.055104)	(Mahendra K. Agrawala) Partner (M.No. 051764)	(Narendra Jain) Partner (M. No. 048725)
For K. C. Mehta & Co. Chartered Accountants Firm Reg. No.106237W	**For PKF Sridhar & Santhanam LLP** Chartered Accountants Firm Reg. No.003990S/S200018	**For Dass Gupta & Associates** Chartered Accountants Firm Reg. No. 000112N
(Vishal P. Doshi) Partner (M. No.101533)	(V. Kothandaraman) Partner (M. No 025973)	(Naresh Kumar) Partner (M. No.082069)

New Delhi
26th May, 2017

In harmony: Nurturing the seeds of growth through sustainable development.

Standalone Balance Sheet as at March 31, 2017

(₹ in million)

	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I.	**ASSETS**				
(1)	**Non-current assets**				
	(a) Property, Plant and Equipment				
	(i) Oil and Gas Assets	5	955,312.28	856,786.39	849,150.18
	(ii) Other Property, Plant and Equipment	6	91,874.77	85,338.96	70,710.62
	(b) Capital work-in-progress	7			
	(i) Oil and Gas Assets				
	1) Development wells in progress		32,356.34	35,340.93	35,690.71
	2) Oil and gas facilities in progress		37,018.45	36,024.21	49,808.63
	(ii) Others		88,453.29	95,346.78	77,426.17
	(c) Intangible assets	8	883.43	665.40	696.04
	(d) Intangible assets under development				
	(i) Exploratory wells-in-progress	9	191,730.89	172,246.11	122,935.00
	(e) Financial assets				
	(i) Investments	10	505,154.21	368,277.93	352,065.54
	(ii) Loans	12	28,071.10	41,487.61	56,339.64
	(iii) Deposits under site restoration fund	13	145,386.91	135,591.83	125,443.80
	(iv) Others	14	1,418.00	1,486.28	732.79
	(f) Non-current tax assets (net)	30	87,763.33	74,316.04	62,936.75
	(g) Other non-current assets	15	7,999.11	8,104.43	11,575.10
	Total non- current assets		**2,173,422.11**	**1,911,012.90**	**1,815,510.97**
(2)	**Current assets**				
	(a) Inventories	16	61,653.17	56,255.67	59,622.95
	(b) Financial assets				
	(i) Investments	17	36,343.29	30,032.38	-
	(ii) Trade receivables	11	64,762.06	54,314.23	137,022.72
	(iii) Cash and cash equivalents	18	426.59	139.27	1,185.36
	(iv) Other bank balances	19	94,681.25	99,427.17	26,415.32
	(v) Loans	12	14,269.47	10,272.08	10,489.46
	(vi) Others	14	11,346.74	23,201.89	25,216.14
	(c) Other current assets	15	15,590.25	34,089.16	42,208.62
	Sub-total current assets		**299,072.82**	**307,731.85**	**302,160.57**
	Assets classified as held for sale	20	-	23.74	23.74
	Total current assets		**299,072.82**	**307,755.59**	**302,184.31**
	Total assets		**2,472,494.93**	**2,218,768.49**	**2,117,695.28**
II.	**EQUITY AND LIABILITIES**				
	EQUITY				
	(a) Equity share capital	21	64,166.32	42,777.60	42,777.60
	(b) Other equity	22	1,791,217.48	1,614,969.16	1,506,649.12
	Total equity		**1,855,383.80**	**1,657,746.76**	**1,549,426.72**
	LIABILITIES				
(1)	**Non-current liabilities**				
	(a) Financial liabilities				
	(i) Finance lease obligation	23	382.93	382.93	382.93
	(ii) Others	24	2,200.00	1,930.02	2,216.36
	(b) Provisions	25	192,852.90	186,843.83	191,928.60
	(c) Deferred tax liabilities (net)	26	221,632.12	192,972.77	174,383.56
	(d) Other non-current liabilities	27	7,708.52	110.70	554.98

	Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Total non- current liabilities		**424,776.47**	**382,240.25**	**369,466.43**
(2)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	28	-	-	13,930.00
	(ii) Trade payables	29	51,548.43	51,264.49	55,611.27
	(iii) Finance lease obligation	23	35.03	35.03	35.03
	(iv) Others	24	94,933.63	95,658.35	83,098.19
	(b) Other current liabilities	27	18,360.80	16,388.99	30,045.29
	(c) Provisions	25	21,327.75	7,043.32	7,517.15
	(d) Current tax liabilities (net)	30	6,129.02	8,391.30	8,565.20
	Total current liabilities		**192,334.66**	**178,781.48**	**198,802.13**
	Total liabilities		**617,111.13**	**561,021.73**	**568,268.56**
	Total equity and liabilities		**2,472,494.93**	**2,218,768.49**	**2,117,695.28**
	Accompanying notes to the Standalone Financial Statements	1-57			

FOR AND ON BEHALF OF THE BOARD

(V N Murthy)
Company Secretary

(A K Srinivasan)
Director (Finance)
(DIN:07168305)

(D K Sarraf)
Chairman & Managing Director
(DIN: 00147870)

In terms of our report of even date attached

For P K F Sridhar &Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

(Kothandaraman V)
Partner (M. No. 025973)

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

(H K Verma)
Partner (M. No. 055104)

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

(Naresh Kumar)
Partner (M.No. 082069)

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

(Vishal P.Doshi)
Partner (M. No. 101533)

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

(Mahendra K. Agrawala)
Partner (M.No. 051764)

New Delhi
May 26, 2017

Standalone Statement of Profit and Loss for the year ended March 31, 2017

(₹ in million)

	Particulars	Note No.	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from operations	31	779,077.30	777,417.53
II	Other income	32	75,481.25	70,093.53
III	**Total income (I+II)**		**854,558.55**	**847,511.06**
IV	**EXPENSES**			
	Purchase of stock-in-trade	33	26.01	71.51
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(1,328.41)	351.62
	Production, transportation, selling and distribution expenditure	35	417,456.24	394,011.26
	Exploration costs written off			
a.	Survey Costs		17,548.98	15,274.40
b.	Exploratory well Costs		32,995.65	41,368.98
	Finance costs	36	12,217.38	13,241.31
	Depreciation, depletion, amortisation and impairment	37	121,895.38	110,999.24
	Other impairment and write offs	38	1,592.19	3,938.45
	Total Expenses (IV)		**602,403.42**	**579,256.77**
V	Profit before exceptional items and tax (III-IV)		252,155.13	268,254.29
VI	Exceptional items	48.4	-	(32,265.85)
VII	**Profit before tax (V+VI)**		**252,155.13**	**235,988.44**
VIII	Tax expense:	39		
a.	Current tax relating to:			
	- current year		48,100.00	57,200.00
	- earlier years		(5,185.39)	(1,357.50)
b.	Deferred tax		30,240.75	18,746.62
	Total tax expense (VIII)		**73,155.36**	**74,589.12**
IX	**Profit for the year (VII-VIII)**		**178,999.77**	**161,399.32**
X	**Other comprehensive income (OCI)**			
	a) Items that will not be reclassified to profit or loss			
	(i) Re-measurement of the defined benefit obligations		(4,569.46)	(454.78)
	- Income tax relating to above		1,581.40	157.39
	(ii) Equity instruments through other comprehensive income		136,158.71	6,417.34
	- Income tax relating to above		-	-
	Total other comprehensive income (X)		**133,170.65**	**6,119.95**
XI	**Total comprehensive income for the year (IX+X)**		**312,170.42**	**167,519.27**
XII	Earnings per equity share: Basic and diluted (in ₹)	41	13.95	12.58
	Accompanying notes to the Standalone Financial Statements	1-57		

FOR AND ON BEHALF OF THE BOARD

(V N Murthy)
Company Secretary

(A K Srinivasan)
Director (Finance)
(DIN:07168305)

(D K Sarraf)
Chairman & Managing Director
(DIN: 00147870)

In terms of our report of even date attached

For P K F Sridhar &Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

(Kothandaraman V)
Partner (M. No. 025973)

For Lodha & Co.
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(Narendra Jain)
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(Vishal P.Doshi)
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For MKPS & Associates
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Firm Reg. No: 302014E

(Mahendra K. Agrawala)
Partner (M.No. 051764)

New Delhi
May 26, 2017

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

Standalone Statement of Changes in Equity for the year ended March 31, 2017

(i) Equity Share Capital

Particulars	Amount (₹ in million)
Balance as at April 1, 2015	**42,777.60**
Changes during the year	-
Balance as at March 31, 2016	**42,777.60**
Changes during the year – Issue of Bonus Shares (Note 21.3)	21,388.72
Balance as at March 31, 2017	**64,166.32**

Standalone Statement of Changes in Equity for the year ended March 31, 2017 (cont....)

(ii) Other Equity

(₹ in million)

Particulars	Reserves and Surplus			Equity instruments through Other comprehensive income	Total
	General reserve	Capital reserve	Retained earnings		
Balance at April 1, 2015	**1,403,062.22**	**159.44**	**(690.98)**	**104,118.44**	**1,506,649.12**
Profit for the year	-	-	161,399.32	-	161,399.32
Remeasurement of defined benefit plans (net of tax)	-	-	(297.39)	-	(297.39)
Other comprehensive income for the year	-	-	-	6,417.34	6,417.34
Total comprehensive income for the year	**-**	**-**	**161,101.93**	**6,417.34**	**167,519.27**
Payment of dividends	-	-	(49,194.18)	-	(49,194.18)
Tax on dividends	-	-	(10,005.05)	-	(10,005.05)
Transferred to General Reserve	72,519.68		(72,519.68)	-	-
Balance as at March 31, 2016	**1,475,581.90**	**159.44**	**28,692.04**	**110,535.78**	**1,614,969.16**
Profit for the year	-	-	178,999.77	-	178,999.77
Remeasurement of defined benefit plans (net of tax)	-		(2,988.06)		(2,988.06)
Other comprehensive income for the year, net of income tax	-	-	-	136,158.71	136,158.71
Total comprehensive income for the year	**-**	**-**	**176,011.71**	**136,158.71**	**312,170.42**
Bonus Shares	(21,388.72)	-	-	-	(21,388.72)
Payment of dividends	-	-	(95,179.88)	-	(95,179.88)
Tax on dividends	-	-	(19,353.50)	-	(19,353.50)
Transfer to General Reserve	64,466.39	-	(64,466.39)	-	-
Balance as at March 31, 2017	**1,518,659.57**	**159.44**	**25,703.98**	**246,694.49**	**1,791,217.48**

FOR AND ON BEHALF OF THE BOARD

(V N Murthy) Company Secretary	(A K Srinivasan) Director (Finance) (DIN:07168305)	(D K Sarraf) Chairman & Managing Director (DIN: 00147870)

In terms of our report of even date attached

For P K F Sridhar &Santhanam LLP Chartered Accountants Firm Reg. No. 003990S/S200018	**For Lodha & Co.** Chartered Accountants Firm Reg. No.301051E	**For Khandelwal Jain & Co.** Chartered Accountants Firm Reg. No. 105049W
(Kothandaraman V) Partner (M. No. 025973)	(H K Verma) Partner (M. No. 055104)	(Narendra Jain) Partner (M. No. 048725)
For Dass Gupta & Associates Chartered Accountants Firm Reg. No. 000112N	**For K. C. Mehta & Co.** Chartered Accountants Firm Reg. No.106237W	**For MKPS & Associates** Chartered Accountants Firm Reg. No: 302014E
(Naresh Kumar) Partner (M.No. 082069)	(Vishal P.Doshi) Partner (M. No. 101533)	(Mahendra K. Agrawala) Partner (M.No. 051764)

New Delhi
May 26, 2017

ONGCians closely monitoring production performance in Control Room.

Standalone Statement of Cash Flows for the year ended March 31, 2017

(₹ in million)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
i) CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Profit after tax		**178,999.77**		**161,399.32**
Adjustments For:				
- Income tax expense	73,155.36		74,589.12	
- Exceptional Items	-		32,265.85	
- Depreciation, Depletion, Amortisation and Impairment	121,895.38		110,999.24	
- Exploratory Well Costs Written off	32,995.65		41,368.98	
- Finance Cost	12,217.38		13,241.31	
- Unrealized Foreign Exchange Loss/(Gain)	(991.07)		2,541.46	
- Other provisions and write offs	1,592.19		3,938.45	
- Excess provision written back	(22,299.62)		(24,163.36)	
- Provision for decommissioning	(242.03)		(137.93)	
- Other non-cash expenditure written off	-		2,950.48	
- Interest income	(22,778.30)		(26,186.54)	
- Fair value loss/gain	1,071.18		819.21	
- Amortization of Financial Guarantee	(543.99)		(453.33)	
- Remeasurement of Defined benefit plans	(4,569.46)		(454.78)	
- Liabilities no longer required written Back	(1,728.80)		(862.73)	
- Amortization of Government Grant	(0.55)		(2.48)	
- Profit on sale of investment	(2.94)		(1,068.28)	
- Profit on sale of Non-Current assets	(124.08)		(2.02)	
- Dividend Income	(16,969.47)	**172,676.83**	(5,711.57)	**223,671.08**
Operating Profit before Working Capital Changes		**351,676.60**		**385,070.40**
Adjustments for				
- Receivables	(10,602.34)		82,493.74	
- Loans and advances	(3,182.40)		183.90	
- Other assets	30,441.53		11,083.10	
- Inventories	(4,139.11)		2,584.14	
- Trade payable and other liabilities	22,306.46	**34,824.14**	(15,031.14)	**81,313.75**
Cash generated from Operations		**386,500.73**		**466,384.14**
Income Taxes Paid (Net of tax refund)		**(58,624.18)**		**(67,445.68)**
Net cash generated by operating activities "A"		**327,876.55**		**398,938.46**
ii) CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments for Property, Plant and Equipment		(95,452.80)		(101,665.66)
Proceeds from disposal of Property, Plant and Equipment		313.45		257.53
Exploratory and Development Drilling		(158,047.92)		(1,50,046.64)
Investment in term deposits with maturity 3 to 12 months		4,832.05		(72,902.90)
Investment in mutual funds		(6,307.97)		(30,032.38)
Advance/Investment in Joint Controlled Entities		(260.91)		(11,233.98)
Sale of investment in Joint Controlled Entities		-		2,788.54
Loan - Associates		33.16		334.68
Loan - Subsidiaries		14,272.59		15,657.83
Deposit in Site Restoration fund		(9,795.08)		(10,148.04)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Dividends received from associates and joint ventures	287.42	225.53
Dividends received from other investments	16,682.05	5,486.04
Interest received	20,408.99	24,452.36
Net cash (used in)/generated by Investing Activities "B"	**(213,034.97)**	**(326,827.09)**
iii) CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of Short Term Borrowings	-	(13,930.00)
Dividends paid on equity shares	(95,168.51)	(49,168.68)
Tax paid on Dividend	(19,353.50)	(10,005.30)
Interest paid	(32.25)	(53.48)
Net Cash Used in Financing Activities "C"	**(114,554.26)**	**(73,157.46)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	287.32	(1,046.09)
Cash and cash equivalents at the beginning of the year	139.27	1,185.36
Cash and cash equivalents at the end of the year	426.59	139.27
	287.32	**(1,046.09)**

FOR AND ON BEHALF OF THE BOARD

(V N Murthy)
Company Secretary

(A K Srinivasan)
Director (Finance)
(DIN:07168305)

(D K Sarraf)
Chairman & Managing Director
(DIN: 00147870)

In terms of our report of even date attached

For P K F Sridhar &Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

(Kothandaraman V)
Partner (M. No. 025973)

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

(H K Verma)
Partner (M. No. 055104)

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

(Naresh Kumar)
Partner (M.No. 082069)

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

(Vishal P.Doshi)
Partner (M. No. 101533)

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

(Mahendra K. Agrawala)
Partner (M.No. 051764)

New Delhi
26th May, 2017

1. Corporate information

Oil and Natural Gas Corporation Limited ('ONGC' or 'the Company') is a public limited company domiciled and incorporated in India having its registered office at Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi – 110070. The Company's shares are listed and traded on Stock Exchanges in India. The Company is engaged in exploration, development and production of crude oil, natural gas and value added products.

2. Application of new IndianAccounting Standards

2.1 All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

2.2 In March 2017, Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to the Ind AS 7 'Statement of Cash flows' and Ind AS 102, 'Share - Based Payment', which are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS -7, 'Statement of Cash flows' and IFRS - 2, 'Share - Based Payment' respectively. These amendments are applicable w.e.f. 1st April, 2017

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

As the Company has no liabilities arising from financing activities presently, hence this amendment has no effect on the financial statements of the Company.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

As the Company has not issued any stock options planspresently, hence this amendment has no effect on the financial statements of the Company.

3. Significant accounting policies

3.1. Statement of compliance

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and Guidance Note on Accounting for Oil and Gas Producing Activities (Ind AS) issued by the Institute of Chartered Accountants of India.

These are the Company's first Ind AS Standalone Financial Statements. The date of transition to Ind AS is April 1, 2015. The mandatory exceptions and optional exemptions availed by the Company on First-time adoption have been detailed in Note 3.34.

Previous period figures in the Financial Statements have been restated in compliance to Ind AS.

Up to the year ended March 31, 2016, the Company had prepared the Standalone Financial Statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles applicable in India, applying 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 ('Previous GAAP').

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at March 31, 2016, and April 1, 2015 and of the Profit after tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2016.

3.2. Basis of preparation

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal million except otherwise stated.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions .

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

3.3. Investments in subsidiaries, associates and joint ventures

The Company records the investments in subsidiaries, associates and joint ventures at cost less impairment loss, if any.

When the Company issues financial guarantees on behalf of subsidiaries, initially it measures the financial guarantees at their fair values and subsequently measures at the higher of:

i. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 'Financial Instruments'; and

ii. the amount initially recognized less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18 'Revenue'.

The Company records the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as deferred revenue under financial guarantee obligation. Such deemed investment is added to the carrying amount of investment in subsidiaries. Deferred revenue is recognized in theStatement of Profit and Loss over the remaining period of financial guarantee issued as other income.

On disposal of investment in subsidiary, associate and joint venture, the difference between net disposal proceeds and the carrying amounts (including corresponding value of dilution in deemed investment) are recognized in the Statement of Profit and Loss.

Interest free loans provided to subsidiary are recognized at fair value on the date of disbursement and the difference on fair valuation is recognized as deemed investment in subsidiary. Such deemed investment is added to the carrying amount of investment in subsidiaries. Loans are accounted at amortized cost method using effective interest rate. If there is an early repayment of loan made by the subsidiary, the proportionate amount of the deemed investment recognized earlier is adjusted.

3.4. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company has Joint Operations in the nature of Production Sharing Contracts (PSC) with the Government of India and various body corporates for exploration, development and production activities.

The Company's share in the assets and liabilities along with attributable income and expenditure of the Joint Operations is merged on line by line basis with the similar items in the Financial Statements of the Company and adjusted for depreciation, depletion, survey, dry wells, decommissioning provision, impairment and sidetracking in accordance with the accounting policies of the Company.

The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Company.

Gain or loss on sale of interest in a block, is recognized in the Statement of Profit and Loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the Company has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that block.

3.5. Non-current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

3.6. Government Grants

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and non-monetary grants are recognised and disclosed as 'deferred income' as non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

3.7. Property, Plant and Equipment (other than Oil and Gas Assets)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Freehold land and land under perpetual lease are not depreciated.

Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management and decommissioning cost as per note 3.13. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components. Expenditure on dry docking of rigs and vessels are accounted as component of relevant assets.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost ofPPE (other than freehold land, Oil and Gas Assets and properties under construction) less their residual values, using the written down value method (except for components of dry docking capitalised) over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on technical assessment by the Company. Estimated useful lives of these assets are as under:

Description	Years
Building & Bunk Houses	10 to 60
Plant & Machinery	20 to 40
Furniture and Fixtures	3 to 10
Vehicles	3 to 15
Office Equipment	5 to 20

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE(other than of Oil and Gas Assets) during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹5,000/- which are fully depreciated at the time of addition.

Depreciation on subsequent expenditure on PPE(other than of Oil and Gas Assets) arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation on refurbished/revamped PPE (other than of Oil and Gas Assets) which are capitalized separately is provided for over the reassessed useful life.

Depreciation on expenditure on dry docking of rigs and vessels capitalized as component of relevant rig/vessels is charged over the dry dock period on straight line basis.

Depreciation on PPE(other than Oil and Gas Assets) including support equipment and facilities used for exploratory/development drilling is initially capitalised as part of drilling cost and expensed/depleted as per note no. 3.11. Depreciation on equipment/assets deployed for survey activities is charged to the Statement of Profit and Loss.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

An item of PPEis de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised as in the Statement of Profit and Loss.

3.8. Intangible Assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives not exceeding five years from the date of capitalisation. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate being accounted for prospectively.

Intangible assets is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss when the asset is derecognised.

(ii) Intangible assets under development - Exploratory Wells in Progress

All exploration and evaluation costs incurred in drilling and equipping exploratory and appraisal wells, are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets on completion as per note no.3.11 or expensed as exploration and evaluation cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

Cost of drilling exploratory type stratigraphic test wells are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets as per note no. 3.11 or expensed as exploration and evaluation cost (including allocated depreciation) as when determined to be dry or the Petroleum Exploration License is surrendered.

Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress has been made in assessing the reserves and the economic and operating viability of the project.

All such carried over costs are subject to review for impairment as per the policy of the Company.

3.9. Impairment of tangible and intangible assets

The Company reviews the carrying amount of its tangible and intangible assets (Oil and Gas Assets, Development Wells in Progress (DWIP), and Property, Plant and Equipment (including Capital Works-in -Progress) of a “Cash Generating Unit” (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and impairment loss is recognised in the Statement of Profit and Loss.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

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 loss is reversed subsequently, to the extent that conditions for impairment are no longer present.

3.10. Exploration& Evaluation, Development and Production Costs

(i) **Pre-acquisition cost**

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

(ii) **Acquisition cost**

Acquisition costs of Oil and Gas Assetsare costs related to right to acquire mineral interest and are accounted as follows:-

Exploration and development stage

Acquisition cost relating to projects under exploration or development are initially accounted as Intangible Assets under development-exploratory wells in progress or Oil & Gas Assets under development - development wells in progress respectively. Such costs are capitalized by transferring to Oil and Gas Assets when a well is ready to commence commercial production. In case of abandonment/relinquishment of Intangible Assets under development - exploratory wells in progress, such costs are written off.

Production stage

Acquisition costs of producing Oil and Gas Assets are capitalized as proved property acquisition cost under Oil and Gas Assets and amortized using the unit of production method over proved reserves of underlying assets.

(iii) **Survey cost**

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

(iv) **Oil & Gas asset under development - Development Wells in Progress**

All costs relating to Development Wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil and Gas Assets' on "completion".

(v) **Production costs**

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

3.11. Oil and Gas Assets

Oil and Gas Assets are stated at historical cost less accumulated depletion and impairment losses. These are created in respect of an area/ field having proved developed oil and gas reserves, when the well in the area/field is ready to commence commercial production.

Cost of temporary occupation of land, successful exploratory wells, all development wells (including service wells), allied facilities, depreciation on support equipment used for drilling and estimated future decommissioning costs are capitalised and classified as Oil and Gas Assets.

Oil and Gas Assets are depleted using the "Unit of Production Method". The rate of depletion is computed with reference to an area covered by individual lease/license/asset/amortization base by considering the proved developed reserves and related capital costs incurred including estimated future decommissioning/ abandonment costs net of salvage value. Acquisition cost of Oil and Gas Assets is depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee of the Company, which follows the International Reservoir Engineering Procedures.

3.12. Side tracking

In the case of an exploratory well, cost of side-tracking is treated in the same manner as the cost incurred on a new exploratory well. The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploration cost written off.'

In the case of development wells, the entire cost of abandoned portion and side tracking is capitalized.

In the case of producing wells and service wells, if the side-tracking results in additional proved developed oil and gas reserves or increases the future economic benefits therefrom beyond previously assessed standard of performance, the cost incurred on side tracking is capitalised, whereas the cost of abandoned portion of the well is depleted in the normal way. Otherwise, the cost of side tracking is expensed as 'Work over Expenditure.'

3.13. Decommissioning costs

Decommissioning cost includes cost of restoration. Provision for decommissioning costs are recognized when the Company has a legal or constructive obligation to plug and abandon a well, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated 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 or Property, Plant and Equipment are installed.

The amount recognized is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk free discount rate.

An amount equivalent to the decommissioning provision is recognized along with the cost of exploratory well or Property, Plant and Equipment. The decommissioning cost in respect of dry well is expensed as exploratory well cost.

Any change in the present value of the estimated decommissioning expenditure other than the periodic unwinding of discount is adjusted to the decommissioning provision and the corresponding carrying value of the related asset. In case reversal of decommissioning provision exceeds the corresponding carrying amount of the related asset, the excess amount is recognized in the Statement of Profit and Loss. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance cost.

Provision for decommissioning cost in respect of assets under Joint Operations is considered as per participating interest of the Company.

3.14. Inventories

Finished goods (other than Sulphur) including inventories in pipelines/tanks and carbon credits are valued at cost or net realisable value whichever is lower. Cost of finished goods is determined on absorption costing method. Sulphur is valued at net realisable value. The value of inventories includes excise duty, royalty (wherever applicable) but excludes cess.

Crude oil in semi-finished condition at Group Gathering Stations (GGS) is valued at cost on absorption costing method or net realisable value whichever is lower.

Crude oil in unfinished condition in flow lines up to GGS/platform is not valued as the same is not measurable. Natural Gas is not valued as it is not stored.

Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Provisions are made for obsolete and non-moving inventories.

Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

3.15. Revenue recognition

Revenue arising from sale of products is recognized when the significant risks and rewards of ownership have passed to the buyer, which is at the point of transfer of custody to customers, and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Revenue from services is recognized when the outcome of services can be estimated reliably and it is probable that the economic benefits associated with rendering of services will flow to the Company, and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, service tax and sales tax etc. Any retrospective revision in prices is accounted for in the year of such revision.

Sale of crude oil and natural gas (net of levies) produced from Intangible assets under development – Exploratory Wells in Progress/ Oil and Gas assets under development – Development Wells in Progress is deducted from expenditure on such wells.

Revenue in respect of the following is recognized when there is a reasonable certainty regarding ultimate collection:

(i) Short lifted quantity of gas

(ii) Surplus from Gas Pool Account

(iii) Interest on delayed realization from customers

(iv) Liquidated damages from contractors/suppliers

As per the Production Sharing Contracts for extracting the Oil and Gas Reserves with Government of India, out of the earnings from the exploitation of reserves after recovery of cost, a part of the revenue is paid to Government of India which is called Profit Petroleum is reduced from the revenue from Sale of Products as Government of India's Share in Profit Petroleum.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

Interest income from financial assets is recognised at the effective interest rate method applicable on initial recognition.

3.16. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases.

Land under perpetual lease are accounted as finance leases which are recognized at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual leases are treated as operating leases.

Operating lease payments for land are recognized as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.17. Foreign Exchange Transactions

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign

currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognised in the Statement of Profit andLoss in the period in which they arise.

3.18. Employee Benefits

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

Defined contribution plans

Employee Benefit under defined contribution plans comprising provident fund, Post Retirement benefit scheme, employee pension scheme-1995, composite social security scheme etc. is recognized based on the undiscounted amount of obligations of the Company to contribute to the plan. The same is paid to a fund administered through a separate trust.

Defined benefit plans

Defined retirement benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised the Statement of Profit and Loss except those included in cost of assets as permitted.

Remeasurement of defined retirement benefit plans except for leave encashment towards un-availed leave and compensated absences, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The Company contributes all ascertained liabilities with respect to gratuity and un-availed leave to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LIC), respectively. Other defined benefit schemes are unfunded.

The retirement benefit obligation recognised in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long term employee benefits

Other long term employee benefit comprises of leave encashment towards un-availed leave and compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Re-measurements of leave encashment towards un-availed leave and compensated absences are recognized in the Statement of profit and loss except those included in cost of assets as permitted in the period in which they occur.

3.19. Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

3.20. General Administrative Expenses

General administrative expenses which are directly attributable are allocated to activities and the balance is charged to Statement of Profit and Loss.

3.21. Insurance claims

The Company accounts for insurance claims as under:-
In case of total loss of asset, by transferring either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable-Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Statement of Profit and Loss.

In case of partial or other losses, expenditure incurred/payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable-Insurance". Insurance Policy deductibles are expensed in the year the corresponding expenditure is incurred.

As and when claims are finally received from the insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is recognised in the Statement of Profit and Loss.

3.22. Research and Development Expenditure

Expenditure of capital nature are capitalised and expenses of revenue nature are charged to the Statement of Profit and Loss, as and when incurred.

3.23. Income Taxes

Income tax expense represents the sum of the current tax and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

(iii) Current and deferred tax expense for the year

Current and deferred tax expenseis recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.24. Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

3.25. Rig Days Costs

Rig movement costs are booked to the next location drilled/planned for drilling. Abnormal Rig days' costs are considered as un-allocable and charged to the Statement of Profit and Loss.

3.26. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.27. Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

3.28. Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3.29. Financial assets

(i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

(iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

(v) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI),the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

3.30. Financial liabilities

a) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the

Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

i. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

ii. the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18. [Refer Note 3.3 for Financial guarantee issued to subsidiaries]

b) **Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

c) **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.31. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.32. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows aresegregated into operating, investing and financing activities.

3.33. Segment reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.

3.34. First-time adoption – mandatory exceptions and optional exemptions

(i) Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 ('the transition date') by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

(ii) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

(iii) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

(iv) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(v) Deemed cost for Property, Plant and Equipment, Oil and Gas assets and intangible assets

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment, Oil and Gas assets and intangible assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning provisions.

(vi) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 'Leases' for determining whether an arrangement contains a Lease at the transition date on the basis of facts and circumstances existing at that date.

(vii) Investments in subsidiaries, joint ventures and associates

The Company has elected to carry its investments in subsidiaries, joint ventures and associates at deemed cost being carrying amount under Previous GAAP on the transition date.

(viii) Equity investments at FVTOCI

The Company has designated investments in equity shares as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

(ix) Decommissioning costs

The Company has availed optional exemption available with respect to decommissioning costs included in the Oil and Gas Assets. Accordingly, the Company has measured the decommissioning provision in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' as at transition date. The Company has computed the estimate of the amount that would have been included in the cost of the related Oil and Gas Assets by discounting the decommissioning provision computed at transition date using its best estimate of the historical risk adjusted discount rate to the date when the liability first arose. Thereafter, the Company has computed depletion/depreciation on Oil and Gas assets on the aforesaid estimated amount using the accounting policy mentioned in Note 3.11 above.

4. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of Oil and Gas reserves, impairment, useful lives of Property, Plant and Equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, impairment, provision for income tax, measurement of deferred tax assets and contingent assets and liabilities.

4.1. Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Note 4.2), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

(a) Determination of functional currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the Company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).

(b) Classification of investment

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Company may obtain control, joint control or significant influence over the entity or arrangement. Transactions which give the Company control of a business are business combinations. If the Company obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If the Company has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then classified as an associate.

The Company has 49.36% equity interest in ONGC Petro Additions Limited (OPAL). The Company has also subscribed for 1,922 million share warrants on August 25, 2015 entitling the Company to exchange each warrant with an equity share of face value of ₹10 each against which ₹9.75 has been paid.

Further the Company has also entered into an arrangement on July 2, 2016 for backstopping support towards repayment of principal and cumulative coupon amount for compulsory convertible debentures amounting to ₹56,150 Million and cumulative interest thereon amounting to ₹16,570.00 Million issued by OPAL.

The Management has however evaluated the interest in OPAL to be in the nature of joint venture as the shareholder agreement between all the shareholders provides for sharing of control of the decisions of relevant activities that require the unanimous consent of all the parties sharing control.

(c) Determining whether an arrangement contain leases and classification of leases

The Company enters into service/hiring arrangements for various assets/services. The determination of lease and classification of the service/hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

(d) Evaluation of indicators for impairment of Oil and Gas Assets

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Oil and Gas Assets.

(e) Oil & Gas Accounting

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas and are in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin, and where the economic viability of that major capital expenditure depends on the successful completion of further exploration work in the area, remain capitalized on the balance sheet as long as additional exploration or appraisal work is under way or firmly planned.

It is not unusual to have exploration wells and exploratory-type stratigraphic test wells remaining suspended on the balance sheet for several years while additional appraisal drilling and seismic work on the potential oil and natural gas field is performed or while the optimum development plans and timing are established. All such carried costs are subject to regular technical, commercial and management review on at least an annual basis to confirm the continued intent to develop, or otherwise extract value from the discovery. Where this is no longer the case, the costs are immediately expensed.

4.2. Assumptions and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(a) Estimation of provision for decommissioning

The Company estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil and Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the removal events occur are uncertain.

Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed at the end of each reporting period, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows. The economic life of the Oil and Gas assets is estimated on the basis of long term production profile of the relevant Oil and Gas asset. The General Consumer Price Index (CPI) for inflation i.e. 3.81% (Previous year 4.83%) has been used for escalation of the current cost estimates and discounting rate used to determine the balance sheet obligation as at the end of the year is 7.12% (Previous year 7.56%), which is the risk free government bond rate with 10 year yield.

(b) Determination of cash generating unit (CGU)

The Company is engaged mainly in the business of oil and gas exploration and production in Onshore and Offshore. In case of onshore assets, the fields are using common production/ transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

(c) Impairment of assets

Determination as to whether, and by how much, a CGU is impaired involves Management estimates on uncertain matters such as future prices, the effects of inflation on operating expenses, discount rates, production profiles for crude oil, natural gas and value added products. For Oil and Gas assets, the expected future cash flows are estimated using Management's best estimate of future crude oil and natural gas prices, production and reserves volumes.

The present values of cash flows are determined by applying pre tax-discount rates of 14.88% (previous year 19.06 %) for Rupee transactions and 10.57% (previous year 13.37 %) for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products are computed using the future prices, on the basis of market-based average prices of the Dated Brent crude oil as per assessment by 'Platt's Crude Oil

Market wire' and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of the notification issued by the Government of India and discounted applying the rate applicable to the cash flows measured in USD in view of the new pricing guidelines issued by GoI.

The discount rate used is based upon the cost of capital from an established model.

The Value in use of the producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under circumstances where the further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/ development is also considered while determining the value in use.

The discount rates applied in the assessment of impairment calculation are re-assessed each year.

(d) Estimation of reserves

Management estimates production profile (proved and developed reserves) in relation to all the Oil and Gas Assets based on the policies and procedures determined by the Reserves Estimation Committee of the Company (REC). The estimates so determined are used for the computation of depletion and impairment testing.

The year-end reserves of the Company have been estimated by the REC which follows international reservoir engineering procedures consistently. The Company has adopted deterministic approach for reserves estimation and is following Society of Petroleum Engineers (SPE) – 1997 guidelines which defines reserves as "estimated volumes of crude oils, condensate, natural gas, natural gas liquids and associated substances anticipated to be commercially recoverable from known accumulations from a given date forward, under existing economic conditions, by established operating practices, and under current Government regulations." Volumetric estimation is the main procedure in estimation, which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it. As the field gets matured with reasonably good production history available then performance methods such as material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New in- place Volume and Ultimate Reserves are estimated for new field discoveries or new pool discoveries in already discovered fields. Also, appraisal activities lead to revision in estimates due to new sub-surface data. Similarly, reinterpretation exercise is also carried out for old fields due to necessity of revision in petro-physical parameters, updating of static and dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitate revision in estimation of reserves.

The Company uses the services of third party agencies for due diligence and it gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation.

(e) Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Ankleshwar#1 (Vasudhara) - First commercial well of ONGC.

5. Oil and Gas Assets

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016	
Gross cost(Note 5.1and 5.2)				
Opening balance	979,716.74		849,150.18	
Transfer from Intangible Assets under Development – Exploratory Wells-in-Progress	10,130.13		6,640.56	
Transfer from Development Wells-in-Progress	103,458.30		77,584.83	
Increase/(decrease) in Decommissioning costs	8,318.36		(15,353.16)	
Addition during the year	84,353.05		62,620.14	
Deletion/Retirement during the year	(1,190.98)		(40.10)	
Other adjustments	(335.78)	**1,184,449.82**	(885.71)	**979,716.74**
Less: Accumulated Depletion and Impairment				
Accumulated Depletion				
Opening balance (Note 5.2)	98,424.05		-	
Provided for the year (Note 37)	118,903.70		99,375.93	
Deletion/Retirement during the year	(1,190.98)		-	
Other adjustments	539.78	**216,676.55**	(951.88)	**98,424.05**
Accumulated Impairment				
Opening balance (Note 5.2)	24,506.30		-	
Provided for the year	533.39		24,506.30	
Write back of impairment	(12,578.70)	**12,460.99**	-	**24,506.30**
		955,312.28		**856,786.39**

5.1 Includes assets pertaining to production and allied facilities as on April 1, 2015 classified as "Oil and Gas Assets"under Property, Plant and Equipment in terms of EAC opinion issued by the Institute of Chartered Accountants of India (ICAI) (Note 56.1).

5.2 The Company has elected to continue with the carrying value of its Oil and Gas Assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Oil and Gas Assets which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards' (Note 3.34 (v))

6. Other Property, Plant and Equipment

(₹ in million)

Carrying amounts of	March 31, 2017	March 31, 2016	April 1, 2015
Freehold land	7,040.66	6,381.72	4,670.10
Perpetual lease land	1,916.57	1,916.57	1,916.57
Building and bunk houses	13,269.15	10,933.12	7,541.40
Plant and equipment	63,770.50	60,107.71	47,647.58
Furniture and fixtures	1,288.86	1,709.80	1,999.32
Office equipment	1,254.78	972.93	1,400.92
Vehicles*	3,334.25	3,317.11	5,534.73
Total	**91,874.77**	**85,338.96**	**70,710.62**

(₹ in million)

Cost or deemed cost	Freehold land	Perpetual lease land	Buildings and bunk houses	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles*	Total
Balance at April 1, 2015 (Note 6.2)	4,670.10	1,916.57	7,541.40	47,647.58	1,999.32	1,400.92	5,534.73	70,710.62
Additions	1,714.00	-	4,969.37	33,276.27	700.22	528.98	1,489.64	42,678.48
Disposals/adjustments	(2.38)	-	(57.92)	(3,677.57)	(164.83)	(56.92)	(3,443.55)	(7,403.17)
Balance at March 31, 2016	**6,381.72**	**1,916.57**	**12,452.85**	**77,246.28**	**2,534.71**	**1,872.98**	**3,580.82**	**105,985.93**
Additions	689.27	-	3,633.70	19,601.81	460.28	1,148.30	1,189.81	26,723.17
Disposals/adjustments	(30.33)	-	53.71	(1,107.08)	(432.61)	(140.77)	336.85	(1,320.23)
Balance at March 31, 2017	**7,040.66**	**1,916.57**	**16,140.26**	**95,741.01**	**2,562.38**	**2,880.51**	**5,107.48**	**131,388.87**

(₹ in million)

Accumulated depreciation and impairment	Freehold land	Perpetual lease land	Buildings and bunk houses	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles*	Total
Balance at April 1, 2015 (Note 6.2)	-	-	-	-	-	-	-	-
Depreciation expense	-	-	1,180.75	17,058.07	808.90	915.11	736.29	20,699.12
Impairment loss recognised in profit or loss	-	-	371.69	199.31	18.37	10.29	13.21	612.87
Eliminated on disposal/ adjustments of assets	-	-	(32.72)	(118.81)	(2.36)	(25.35)	(485.79)	(665.02)
Balance at March 31, 2016	**-**	**-**	**1,519.73**	**17,138.57**	**824.91**	**900.05**	**263.71**	**20,646.97**
Depreciation expense	-	-	1,693.59	16,016.93	690.72	818.08	1,646.76	20,866.08
Impairment loss recognised in profit or loss	-	-	29.99	53.74	2.12	-	0.53	86.38
Eliminated on disposal/ adjustments of assets	-	-	27.76	(1,259.51)	(236.08)	(92.39)	(134.00)	(1,694.23)
Impairment loss written back during the year	-	-	(399.96)	20.78	(8.15)	-	(3.77)	(391.10)
Balance at March 31, 2017	**-**	**-**	**2,871.11**	**31,970.51**	**1,273.52**	**1,625.73**	**1,773.23**	**39,514.10**

**Vehicles include Survey Ships and Crew Boats.*

a. Land includes 36 numbers (Previous year 158) of lands in respect of certain units amounting to ₹88.89 million (Previous year ₹184.61 million) for which execution of conveyance deeds is in process.

b. Registration of title deeds in respect of 12 numbers (Previous year 12) buildings is pending execution having carrying amount of ₹61.10million(Previous year ₹64.94 million).

c. Building includes cost of undivided interest in land.

6.1. Carrying value of Assets pertaining to production and allied facilities as on April 1, 2015 has been reclassified from other Property, Plant and Equipment (PPE) to "Oil and Gas Assets" to reflect the aggregate amount of Oil and Gas Assets.

6.2. The Company has elected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning provision included in the cost of other Property, Plant and Equipment (PPE) which has been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards' (Note 3.34 (v)).

7. Capital Work-in-Progress

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016	
A) Oil and Gas Assets				
(i) **Development Wells-in-Progress** (Note 7.2)				
Opening balance	36,423.64		35,690.71	
Expenditure during the year	96,350.31		75,304.29	
Depreciation during the year	3,586.15		3,216.13	
Other adjustments	37.92		(202.66)	
Less: Transfer to Oil and Gas Assets	103,458.30	32,939.72	77,584.83	36,423.64
Less:Impairment				
Opening balance	1,082.71		-	
Provided for the year	1.34		1,082.71	
Written back during the year	(298.01)		-	
Other adjustments	(202.66)	583.38	-	1,082.71
Total Development Wells- in-Progress		**32,356.34**		**35,340.93**
(ii) Oil and gas facilities in progress				
Oil and gas facilities (Note 7.2)	37,043.21		35,995.62	
Acquisition Costs- Exploration and Production Asset	28.59	37,071.80	28.59	36,024.21
Less: Accumulated Impairment				
Opening balance				
Provided for the year	53.35		-	
Written back during the year	-		-	
Other adjustments	-	53.35	-	-
Total Oil and gas facilities in progress		**37,018.45**		**36,024.21**
B) Other Capital Works-In-Progress (Note 7.2)				
Buildings	2,130.74		3,696.16	
Plant and equipment	88,568.51		94,732.11	
Capital stores (including in transit)	3,237.15		2,957.77	
Less: Impairment for Non-Moving Items	43.83	93,892.57	57.89	101,328.15
Less: Accumulated Impairment				
Opening balance	5,981.37		-	
for the year	47.04		6,058.65	
Written back during the year	(709.98)		(77.28)	
Other Adjustment	120.85	5,439.28	-	5,981.37
		88,453.29		**95,346.78**

7.1 The Company has elected to continue with the carrying value of its Capital Works-in-Progress recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Capital Works-in-Progress which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards' (Note 3.34 (v)).

7.2 Includes ₹7,156.89 million (Previous year Nil) in respect of Tapti A series assets and facilities which were a part of the assets of PMT Joint Operation (JO) and surrendered by the JO to the Government of India as per the terms and conditions of the JO Agreement. During the year these assets and facilities have been transferred by Government of India to the Company free of cost as its nominee. The Company has assessed the fair value of the said assets & facilities at ₹7,156.89 million based on the valuation report by a third party agency, which has been accounted as Capital work-in-progress with a corresponding liability as Deferred Government Grant (Note 27.1).

While transferring these assets to the Company, the decommissioning obligation has been delinked by Government of India. The same will be considered as decided by the Government of India. However decommissioning provision towards 40% share being partner in the JO is being carried in the financial statements.

8. Intangible Assets

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016	
Application software				
Opening balance (Note 8.1)	911.32		696.04	
Additions during the year	493.15		219.81	
Adjustments	3.83	1,408.30	(4.53)	911.32
Less:Accumulated amortisation and impairment				
Accumulated amortization				
Opening balance	240.53		-	
Provided for the year	274.44		243.48	
Adjustment	4.40	519.37	(2.95)	240.53
Accumulated Impairment				
Opening Balance	5.39		-	
Provided for the year	0.10		5.39	
Write back during the year	(1.84)		-	
Adjustment	1.85	5.50	-	5.39
		883.43		**665.40**

8.1 The Company has elected to continue with the carrying value of its Intangible Assets, recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 'First –time Adoption of Indian Accounting Standards' Standards' (Note 3.34 (v)).

9. Intangible Assets under Development

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016	
Exploratory Wells-In-Progress				
Opening balance		178,416.93		147,427.98
Expenditure during the year	61,163.97		75,996.26	
Less: Sale proceeds of Oil and Gas	56.20	61,107.77	143.59	75,852.67
Depreciation during the year (Note. 37)		4,110.51		2,728.89
		243,635.21		226,009.54
Less:				
Transfer to Oil and Gas Assets	10,130.13		6,640.56	
Wells written off during the year	32,029.26		40,947.46	
Other adjustments	0.01	42,159.40	4.59	47,592.61
		201,475.81		178,416.93
Less : Impairment (Note 9.1)				
Opening Balance	6,170.82		24,492.98	
Provided during the year	4,540.15		626.36	
Write back during the year	(966.05)		(18,948.52)	
		9,744.92		6,170.82
Intangible Assets under Development		**191,730.89**		**172,246.11**

9.1. The Company had acquired during 2004-05, 90% Participating Interest in Exploration Block KG-DWN-98/2 from M/s Cairn Energy India Ltd for a lump sum consideration of ₹3,711.22 million which, together with subsequent exploratory drilling costs of wells had been capitalised under exploratory wells in progress. During 2012-13, the Company had acquired the remaining 10% participating interest in the block from M/s Cairn Energy India Ltd on actual past cost basis for a consideration of ₹2124.44 million. Initial in-place reserves were established in this block and adhering to original PSC time lines, a Declaration of commerciality (DOC) with a conceptual cluster development plan was submitted on December 21, 2009 for Southern Discovery Area and on July 15, 2010 for Northern Discovery Area. Thereafter, in the revised DOC submitted in December, 2013, Cluster-wise development of the Block had been envisaged by division of entire development area into three clusters. The DOC in respect of Cluster II had been reviewed by the Management Committee (MC) of the block on September 25, 2014. Field Development Plan (FDP) for Cluster-II was submitted on September 8, 2015 and the same had been approved by MC on March 31, 2016. Investment decision has been approved by the Company. Work on the block has started and is in progress.

The exploration period of this block was restructured by Government upto December 29, 2013 in accordance with the Rig Holiday Policy and further extended to January 25, 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 November 11, 2014; drilling and testing of appraisal wells were completed. Revised DOC for Clusters I and III were submitted to MC for review on April 27, 2016. The DOC for Cluster-I has been reviewed by MC on December 14, 2016. FDP for Cluster-I is under preparation. Revised DOC of Cluster-III is under review by MC and on completion of review, FDP will be prepared.

In view of the definite plans for development of discoveries in the block, in FY 2015-16, the Company had reversed provision of ₹15,482.32 million recognised in the past.

10. Investments

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments in Equity Instruments (Note 10.1)	479,149.63	292,730.01	283,387.57
Investments in Government securities (Note 10.2)	1,975.08	1,975.08	1,975.08
Other Investments (Note 10.3)	24,029.50	73,572.84	66,702.89
Total investments	**505,154.21**	**368,277.93**	**352,065.54**

10.1 Investments in Equity Instruments

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)
(i) Investments in Subsidiaries (at Cost)						
(a) Mangalore Refinery and Petrochemicals Limited (Quoted – Fully paid up) (Face Value ₹10 per share)	1,255.35	10,405.73	1,255.35	10,405.73	1,255.35	10,405.73
(b) ONGC Videsh Limited (Unquoted – Fully paid up) (Face Value ₹100 per share)	1,500.00	150,000.00	1,000.00	100,000.00	1,000.00	100,000.00
(c) ONGC Mangalore Petrochemicals Limited (Unquoted – Fully paid up) (Face Value ₹10 per share) Refer note. 10.1.2 & 10.1.4	920.00	9,200.00	920.00	9,200.00	920.00	9,200.00
Total Investments in Subsidiaries		**169,605.73**		**119,605.73**		**119,605.73**
(ii) Investments in Associates (at Cost)						
(a) Petronet LNG Limited (Quoted – Fully paid up) (Note. 10.1.3) (Face Value ₹10 per share)	93.75	987.50	93.75	987.50	93.75	987.50
(b) Pawan Hans Limited (Unquoted – Fully paid up) (Face Value ₹10,000 per share)	0.12	1,203.50	0.12	1,203.50	0.12	1,203.50
Total Investments in Associates		**2,191.00**		**2,191.00**		**2,191.00**
(iii) Investments in Joint Venture (at Cost)						
(a) Petronet MHB Limited (Unquoted – Fully paid up) (Face Value ₹10 per share)	179.51	1839.32	157.84	1,578.41	157.84	1,578.41

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)
(b) Mangalore SEZ Limited (Unquoted – Fully paid up) (Face Value ₹10 per share)	13.00	130.00	13.00	130.00	13.00	130.00
(c) ONGC Petro Additions Limited (Unquoted – Fully paid up) (Face Value ₹10 per share) (Note 10.1.4)	997.96	9,979.56	997.96	9,979.56	997.96	9,979.56
(d) ONGC Teri Biotech Limited (Unquoted –Fully paidup) (Face Value ₹10 per share)	0.02	0.25	0.02	0.25	0.02	0.25
(e) ONGC Tripura Power Company Limited (Unquoted – Fully paid up) (Face Value ₹10 per share)	560.00	5,600.00	560.00	5,600.00	267.49	2,674.90
(f) Dahej SEZ Limited (Unquoted– Fully paid up) (Face Value ₹10 per share)	23.02	230.25	23.02	230.25	23.02	230.25
Total Investments in Joint Venture		**17,779.38**		**17,518.47**		**14,593.37**
(iv) Investments in other entities (at FVTOCI)						
(a) Indian Oil Corporation Limited (Quoted – Fully paid up) (Face Value ₹10 per share)	668.61	258,784.58	334.30	131,581.97	334.30	123,241.10
(b) GAIL (India) Limited (Quoted – Fully paid up) (Face Value ₹10 per share)	81.68	30,788.94	61.26	21,832.83	61.26	23,756.36
(c) Oil Spill Response Limited * (Unquoted – Fully paid up) (Face Value ₹10 per share)		0.01		0.01		0.01
Total Investments in other entities		**289,573.53**		**153,414.81**		**146,997.47**
Total Investments in Equity Instruments		**479,149.63**		**292,730.01**		**283,387.57**
Aggregate carrying value of quoted investments		300,966.75		164,808.03		158,390.69
Aggregate carrying value of unquoted investments		178,182.88		127,921.98		124,996.88
Aggregate market value of quoted investments		461,252.34		261,533.48		247,691.14
Aggregate amount of impairment in value of investments		-		-		-

** 100 Equity Shares of Oil Spill Response Limited valued at GBP one each at the time of issuance. Total value in INR at the time of issuance of shares was ₹6,885/-.*

10.1.1 The Company has elected to continue with the carrying value of its investments in subsidiaries, joint ventures and associates, measured as per the Previous GAAP and used that carrying value on the transition date April 1, 2015 in terms of Para D15 (b) (ii) of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

10.1.2 ONGC Mangalore Petrochemicals Limited has been classified as subsidiary as the Company holds 48.99% ownership interest and its subsidiary Mangalore Refinery and Petrochemicals Limited holds 51.01%.

10.1.3 Petronet LNG Limited (PLL) was classified as Joint Venture in Previous GAAP, however, in terms of Para 7 of Ind AS 111 "Joint Arrangements", unanimous consent of all promoters is not required in relevant activities in PLL and therefore PLL is not classified as Joint Venture. Since the Company has significant influence on PLL, the same has been assessed and classified as an Associate.

10.1.4 The Company is restrained from diluting the investment in the respective companies till the sponsored loans are fully repaid as per the covenants in the respective loan agreements of the companies.

10.1.5 Details of Subsidiaries

Name of subsidiary	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights held by the Company		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ONGC Videsh Limited	Exploration and Production activities	Incorporated in India having all operation outside India	100.00%	100.00%	100.00%
Mangalore Refinery and Petrochemicals Limited	Refinery	India	71.63%	71.63%	71.63%
ONGC Mangalore Petrochemicals Limited	Petrochemicals	India	48.99%	48.99%	48.99%

Refer Note 3.3 for method followed for accounting of investments in subsidiaries.

10.1.6 Details of Associates

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights held by the Company		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Pawan Hans Limited	Helicopter services	India	49.00%	49.00%	49.00%
Petronet LNG Limited (Note 10.1.3)	Liquefied Natural Gas supply	India	12.50%	12.50%	12.50%

Refer Note 3.3 for method followed for accounting of investments in associates.

10.1.7 Details of Joint Ventures

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/voting rights held by the Company		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Petronet MHB Limited	Multi products Pipeline	India	32.72%	28.77%	28.77%
Mangalore SEZ Limited	Special Economic Zone	India	26.00%	26.00%	26.00%
ONGC Petro Additions Limited	Petrochemicals	India	49.36%	49.36%	49.36%
ONGC Teri Biotech Limited	Bioremediation	India	49.98%	49.98%	49.98%
ONGC Tripura Power Company Limited	Power Generation	India	50.00%	50.00%	49.52%
Dahej SEZ Limited	Special Economic Zone	India	50.00%	50.00%	50.00%

Refer Note 3.3 for method followed for accounting of investments in Joint Ventures.

10.2 Investments in Government securities

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)
Financial assets carried at amortized cost						
(a) 8.40% Oil Co. GOI Special bonds -2025 (Unquoted – Fully paid up)	0.20	1,975.08	0.20	1,975.08	0.20	1,975.08
Total Investments in Government or trust securities		**1,975.08**		**1,975.08**		**1,975.08**
Aggregate carrying value of unquoted investments		**1,975.08**		**1,975.08**		**1,975.08**
Aggregate amount of impairment in value of investments		-		-		-

10.3 Other Investments

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)
(i) Investments Deemed Equity - Subsidiaries						
(a) Mangalore Refinery and Petrochemicals Limited (Note 10.3.1)		30.53		26.05		26.05
(b) ONGC Videsh Limited (Note 10.3.2)		5,259.47		54,807.29		54,525.96
Total Investments Deemed Equity - Subsidiaries		**5,290.00**		**54,833.34**		**54,552.01**
(ii) Investments Deemed Equity -Joint ventures						
(a) ONGC Petro Additions Limited		-		-		7,505.52
(b) ONGC Tripura Power Company Limited		-		-		4,645.36
Total Investments Deemed Equity-Joint ventures		**-**		**-**		**12,150.88**
(iii) Subscription of share Warrants -Joint ventures (Unquoted – Partially paid up)						
(a) ONGC Petro Additions Limited (Note 10.3.3)	1922	18,739.50	1922	18,739.50		-
Total Investments – Share Warrants		**18,739.50**		**18,739.50**		**-**
Total other investments		**24,029.50**		**73,572.84**		**66,702.89**
Aggregate carrying value of investments		24,029.50		73,572.84		66,702.89
Aggregate amount of impairment in value of investment		-		-		-

10.3.1 The amount of ₹30.53 million (Previous year ₹26.05 million) shown as deemed equity investments denotes the fair value of fees towards financial guarantee given for Mangalore Refinery and Petrochemicals Limited without any consideration.

10.3.2 The amount of ₹5,259.47 million (Previous year ₹54,807.29 million) shown as deemed equity investments in respect of ONGC Videsh Limited includes (i) Loan ₹NIL (Previous year ₹50,000.00million) which has been converted into equity shares in 2016-17, (ii) ₹3,674.35 million (Previous year ₹2,753.34 million) towards the fair value of guarantee fee on financial guarantee given without any consideration and (iii) ₹1,585.11 million (Previous year ₹2,053.94 million) towards fair value of interest free loan.

10.3.3 During 2015-16, the Company had subscribed Share Warrants of ONGC Petro Additions Limited, entitling the Company to exchange each warrant with Equity Share of Face Value of ₹10/- each after a balance payment of ₹0.25/- per equity share within forty eight months of subscription of the Share warrants issued on August 25, 2015.

10.3.4 The Company had entered into an arrangement on July 2, 2016 for backstopping support towards repayment of principal and cumulative coupon amount for compulsory convertible debentures amounting to ₹56,150.00 million issued by ONGC Petro Additions Limited and interest for the year ending March 31, 2017 amounting to ₹3,612.06 million

10.3.5 The aggregate investments in each subsidiary, associates and joint ventures is as follows:

(₹ in million)

Name of entity	ONGC Videsh Limited	Mangalore Refinery and Petro-chemicals Limited	ONGC Mangalore Petro-chemicals Limited	Petronet LNG Limited	Pawan Hans Limited	ONGC Petro additions Limited	ONGC Tripura Power Company Limited	Petronet MHB Limited	Mangalore SEZ Limited	ONGC Teri Biotech Limited	Dahej SEZ Limited
Nature of entity	**Subsidiary**			**Associate**		**Joint Venture**					
As at 31.03.2017											
Equity	1,50,000.00	10,405.73	9,200.00	987.50	1,203.50	9,979.56	5,600.00	1,839.32	130.00	0.25	230.25
Share warrants	-	-	-	-	-	18,739.50			-	-	-
Deemed equity	5,259.47	30.53	-	-	-	-	-	-	-	-	-
Total	**1,55,259.47**	**10,436.26**	**9,200.00**	**987.50**	**1,203.50**	**28,719.06**	**5,600.00**	**1,839.32**	**130.00**	**0.25**	**230.25**
As at 31.03.2016											
Equity	1,00,000.00	10,405.73	9,200.00	987.50	1,203.50	9,979.56	5,600.00	1,578.41	130.00	0.25	230.25
Share warrants	-	-	-	-	-	18,739.50			-	-	-
Deemed equity	54,807.29	26.05	-	-	-	-	-	-	-	-	-
Total	**1,54,807.29**	**10,431.78**	**9,200.00**	**987.50**	**1,203.50**	**28,719.06**	**5,600.00**	**1,578.41**	**130.00**	**0.25**	**230.25**
As at 31.03.2015											
Equity	1,00,000.00	10,405.73	9,200.00	987.50	1,203.50	9,979.56	2,674.90	1,578.41	130.00	0.25	230.25
Deemed equity	54,525.96	26.05	-	-	-	7,505.52	4,645.36	-		-	-
Total	**1,54,525.96**	**10,431.78**	**9,200.00**	**987.50**	**1,203.50**	**17,485.08**	**7,320.26**	**1,578.41**	**130.00**	**0.25**	**230.25**

11. Trade receivables- Current

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(Unsecured, considered good unless otherwise stated)			
- Considered Good(Note 11.1 and 11.2)	64,762.06	54,314.23	1,37,022.72
- Considered Doubtful	1,552.03	1,552.75	1,299.80
Less: Impairment for doubtful receivables	1,552.03	1,552.75	1,299.80
Total	**64,762.06**	**54,314.23**	**1,37,022.72**

11.1 Generally, the Company enters into long-term crude oil and gas sales arrangement with its customers. The average credit period on sales of crude, gas and value added products is 7 - 30 days. No interest is charged during this credit period. Thereafter,interest on delayed payments is charged at SBI Base rate plus 4%-6% per annum compounded each quarter on the outstanding balance.

Of the trade receivables balance as at March 31, 2017 of ₹54,071.42 million (as at March 31, 2016 of ₹47,815.95 million; as at April 1, 2015 of ₹128,226.21 million) is due from Oil Marketing Companies, the Company's largest customers. There are no other customers who represent more than 5% of the total balance of trade receivables. Accordingly, the Company assesses impairment loss on dues from Oil Marketing Companies on facts and circumstances relevant to each transaction.

The Company has concentration of credit risk due to the fact that the Company has significant receivables from Oil Marketing Companies. However, these companies are reputed and creditworthy public sector undertakings (PSUs).

11.2 Includes ₹126.39 million and ₹91.71 million due from Indian Oil Corporation Limited (IOC) and Numaligarh Refinery Limited (NRL) respectively towards Value Added Tax on discount that could not be adjusted in credit notes in view of Assam VAT amendment Act, 2014. The matter is being pursued with IOC, NRL and Government of Assam.

11.3 Age of receivable:

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	57,556.30	43,996.16	72,897.12
1-30 days past due	2,988.11	4,869.79	18,659.24
31-90 days past due	418.49	534.81	38,553.51
More than 90 days past due	5,351.19	6,466.22	8,212.65
Total	**66,314.09**	**55,866.98**	**1,38,322.52**

11.4 Movement of Impairment for doubtful receivables

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	1,552.75	1,299.80
Additions	88.22	362.01
Write back during the year	(88.94)	(15.77)
Other Adjustments	-	(93.29)
Balance at end of the year	**1,552.03**	**1,552.75**

12 Loans

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non- current	Current	Non-current	Current
(Unsecured, Considered Good unless Otherwise Stated)						
(i) Deposits						
- Considered Good	1,363.40	4,736.80	1,451.47	731.98	1,924.26	407.80
- Considered Doubtful	83.64	-	23.68	-	12.89	-
Less: Impairment for doubtful deposits	83.64	-	23.68	-	12.89	-
Total Deposits	**1,363.40**	**4,736.80**	**1,451.47**	**731.98**	**1,924.26**	**407.80**
(ii) Loans to Related Parties						
Loans to Subsidiaries	19,020.35	6,857.20	32,401.75	6,857.20	46,755.37	6,857.20
Receivables from Subsidiaries	0.01	148.71	0.01	159.11	-	402.65
Loans to Associates (Secured)	-	-	-	33.16	33.20	334.63
Total Loans to Related Parties	**19,020.36**	**7,005.91**	**32,401.76**	**7,049.47**	**46,788.57**	**7,594.48**
(iii)Loans to Public Sector Undertakings						
- Considered Good	-	-	-	-	-	-
- Considered Doubtful	170.50	-	240.50	-	240.50	-
Less: Impairment for doubtful loans	170.50	-	240.50	-	240.50	-
Total Loans to Public Sector Undertakings	-	-	-	-	-	-
(iv) Loans to Employees (Note 12.1)						
- Secured, Considered Good	7,424.76	2,281.74	7,346.04	2,298.88	7,343.32	2,293.08
- Unsecured, Considered Good	262.58	245.02	288.34	191.75	283.49	194.10
- Unsecured, Considered Doubtful	-	12.96	-	12.62	-	14.42
Less: Impairment for doubtful loans	-	12.96	-	12.62	-	14.42
Total Loans to Employees	**7,687.34**	**2,526.76**	**7,634.38**	**2,490.63**	**7,626.81**	**2,487.18**
Total Loans	**28,071.10**	**14,269.47**	**41,487.61**	**10,272.08**	**56,339.64**	**10,489.46**

12.1 Loans to employees include an amount of ₹0.72 million (As at March 31, 2016 ₹1.66 million; As at April 1, 2015 ₹1.04 million) outstanding from Key Managerial Personnel.

12.2 Movement of Impairment as shown in Note 12

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	**276.80**	**267.81**
Recognized during the year	24.02	10.80
Write back during the year	(71.41)	(1.81)
Other adjustments	37.69	-
Balance at end of the year	**267.10**	**276.80**

13. Deposits under Site Restoration Fund Scheme

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits under site restoration fund scheme	1,45,386.91	135,591.83	125,443.80
	1,45,386.91	**135,591.83**	**125,443.80**

The above amount has been deposited with banks under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme i.e. towards removal of equipment's and installations in a manner agreed with Central Government pursuant to an abandonment plan to prevent hazards to life, property, environment etc. This amount is considered as restricted cash and hence not considered as 'Cash and cash equivalents'.

14. Financial assets - Others

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
(Unsecured, Considered Good unless Otherwise Stated)						
(a) Advance Recoverable in cash						
- Considered Good (Note 14.1)	1,252.18	5,178.14	1,320.46	14,999.20	393.27	12,629.76
- Considered Doubtful (Note 14.2)	1,085.58	13,281.72	1,020.58	11,219.90	3,187.62	10,563.79
Less: Impairment for doubtful advances	1,085.58	13,281.72	1,020.58	11,219.90	3,187.62	10,563.79
Total Advance Recoverable in cash	**1,252.18**	**5,178.14**	**1,320.46**	**14,999.20**	**393.27**	**12,629.76**
(b) Cash Call Receivable from JO Partners						
- Considered Good	165.82	4,350.81	165.82	5,524.93	339.52	7,809.49
- Considered Doubtful	6,540.75	-	6,496.02	-	6,451.35	-
Less: Impairment for doubtful cash call receivables	6,540.75	-	6,496.02	-	6,451.35	-
Total Cash Call Receivable from JO Partners	**165.82**	**4,350.81**	**165.82**	**5,524.93**	**339.52**	**7,809.49**
(c) Interest Accrued on deposits and loans						
- Considered Good	-	1,644.24	-	988.76	-	1,406.36
- Considered Doubtful	22.87	-	22.87		22.87	
Less: Impairment	22.87	-	22.87	-	22.87	-
	-	**1,644.24**	**-**	**988.76**	**-**	**1,406.36**
(d) Others						
- Considered Good	-	173.55		1,689.00		3,370.53
- Considered Doubtful	1.97	-	1.97		1.97	
Less: Impairment	1.97	-	1.97	-	1.97	-
Total Interest Accrued on deposits and loans	**-**	**173.55**	**-**	**1,689.00**	**-**	**3,370.53**
Total Other financial assets	**1,418.00**	**11,346.74**	**1,486.28**	**23,201.89**	**732.79**	**25,216.14**

14.1 During the financial year 2010-11, the Oil Marketing Companies, nominees of the GoI recovered USD 32.07 million (equivalent to ₹2,079.90 million) ONGC's share as per directives of GoI in respect of Joint Operation - PannaMukta 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 under financial assets - others. (Figures in ₹are restated).

14.2 In Ravva Joint Operation, the demand towards additional profit petroleum raised by Government of India (GoI), due to differences in interpretation of the provisions of the Production Sharing Contract (PSC) in respect of computation of Post Tax Rate of Return (PTRR), based on the decision of the Malaysian High Court setting aside an earlier arbitral tribunal award in favor of operator, was disputed by the operator M/s 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 an impairment towards the claim made by the GoI in earlier years and the amount of impairment outstanding as at March 31, 2017 is ₹10,884.73 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 (₹3,558.97 million) from the Company in earlier years which has been carried under Non-Current Financial Assets in the Balance Sheet as at March 31,2017.

In subsequent legal proceedings, the Appellate Authority of the Honorable Malaysian High Court of Kuala Lumpur had set aside the decision of the Malaysian High Court and the earlier decision of arbitral tribunal in favour of operator was restored, against which the GoI has preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated October 11, 2011, has dismissed the said appeal of the GoI.

The Company has taken up the matter regarding refund of the recoveries made in view of the favorable judgment of the Federal Court of Malaysia with MoP&NG. However, according to a communication dated January 13, 2012 received, MoP&NG expressed the view that ONGC's proposal would be examined when the issue of ONGC carry under Ravva PSC is decided in its entirety by the Government along with other partners.

In view of the perceived uncertainties in obtaining the refund at this stage, the impairment made in the books as above has been retained and netted off against the amount recoverable as above in the Financial Statements for the year ending March 31, 2017. (Figures in ₹are restated).

14.3 Movement of Impairment

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	**18,761.34**	**20,227.60**
Recognized during the year	295.32	2,226.83
Write back during the year	(132.39)	(2,006.60)
Other adjustments	2,008.62	(1,686.49)
Balance at end of the year	**20,932.89**	**18,761.34**

15. Other assets

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
(A) Capital advances						
-Considered good	650.66	-	1,314.73	-	1,530.90	-
-Considered Doubtful	25.44	-	4.70	-	4.70	-
Less: Impairment	25.44	-	4.70	-	4.70	-
	650.66	**-**	**1,314.73**	**-**	**1,530.90**	**-**
(B) Others receivables						
-Considered good	7.48	-	13.10	-	17.21	-
-Considered Doubtful	481.07	-	456.67	-	516.62	-
Less: Impairment	481.07	-	456.67	-	516.62	-
	7.48	**-**	**13.10**	**-**	**17.21**	**-**
(C) Deposits						
-With Customs/Port Trusts etc. Others (Note 15.1)	13.20	11.83	14.20	9.83	23.24	4.45
-Considered good	1,355.67	2,882.45	1,872.98	23,805.36	1,330.41	33,312.77
-Considered Doubtful	1,300.13	43.11	1,212.72	-	997.79	-
Less: Impairment	1,300.13	43.11	1,212.72	-	997.79	-
	1,368.87	**2,894.28**	**1,887.18**	**23,815.19**	**1,353.65**	**33,317.22**
(D) Advance recoverable						
-Considered Good	1,710.14	11,270.22	537.68	9,507.14	4,321.03	8,186.60
-Considered Doubtful	1,221.41	21.92	3,524.96	22.93	1,220.45	22.93
Less: Impairment for receivables	1,221.41	21.92	3,524.96	22.93	1,220.45	22.93
	1,710.14	**11,270.22**	**537.68**	**9,507.14**	**4,321.03**	**8,186.60**
(E) Prepayments - Mobilization Charges	1,021.25	1,358.89	1,046.31	697.10	1,138.05	642.16
(F) Prepayments - lease land	3,240.71	66.86	3,305.43	69.73	3,214.26	62.64
Total	**7,999.11**	**15,590.25**	**8,104.43**	**34,089.16**	**11,575.10**	**42,208.62**

15.1 Includes Nil under current assets (As at March 31, 2016 ₹21,690.24 million; As at April 1, 2015 ₹21,067.60 million) towards differential royalty being deposited from February 1, 2014 as per the interim order of the Hon'ble Supreme Court of India. (Note. 49.1.b)

15.2 Movement of Impairment

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	**5,221.98**	**2,762.49**
Recognized during the year	214.25	297.53
Write back during the year	(1.51)	(235.83)
Other adjustments	(2,341.64)	2,397.79
Balance at end of the year	**3,093.08**	**5,221.98**

16. Inventories*

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Raw Materials (Condensate)		3.76		4.23		4.92
Semi-finished goods		504.43		252.91		285.20
Finished Goods (Note 16.1& 16.2)		9,144.71		8,066.92		8,385.67
Traded Goods		-		0.90		1.48
Stores and spares (Note 27.1)						
(a) on hand	48,269.23		46,448.52		52,760.63	
(b) in transit	7,162.74		6,862.10		3,042.53	
	55,431.97		53,310.62		55,803.16	
Less: Impairment for non-moving items	3,586.22	51,845.75	5,513.77	47,796.85	5,004.68	50,798.48
Unserviceable Items		154.52		133.86		147.20
Total		**61,653.17**		**56,255.67**		**59,622.95**

**valued as per accounting policy no. 3.14*

16.1 This includes an amount of ₹2.15 million (as at March 31, 2016 ₹3.37 million; as at April 1, 2015 ₹7.68 million) in respect of Carbon Credits.

16.2 Inventory amounting to ₹81.58 million (as at March 31, 2016 ₹105.26 million) has been valued at net realisable value. Write down amounting to ₹24.40 million (as at March 31, 2016 ₹149.45 million) has been recognised as expense in the Statement of Profit and Loss under note 35.

17. Investments - Current

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets carried at fair value through profit or loss			
(a) Investments in mutual funds	36,343.29	30,032.38	-
Total investments- Current	**36,343.29**	**30,032.38**	-

17.1 Details of investments- current

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)	(No. in million)	Amount (₹ in million)
Unquoted Investments						
Investments in Mutual funds (Fair value through profit or loss)						
(a) UTI Liquid Cash Plan	12.76	13,008.83	11.78	12,013.19	-	-
(b) UTI Money Market Fund	8.97	9,001.86	-	-	-	-
(c) SBI Premier Liquid Fund-Direct Plan	13.96	14,002.60	11.98	12,016.97	-	-
(d) IDBI Liquid Fund-Direct Daily Dividend	0.33	330.00	4.00	4,000.71	-	-
(e) CanaraRobeco Liquid Fund Direct Plan-Daily Dividend	-	-	1.99	2,001.51	-	-
Total investments –current		**36,343.29**		**30,032.38**		**-**
Aggregate value of unquoted investments		**36,343.29**		**30,032.38**		-

18. Cash and Cash Equivalents

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks	421.91	129.96	1,178.63
Cash in Hand	4.68	9.31	6.73
	426.59	**139.27**	**1,185.36**

ONGC carrying out seismic survey in Thar Desert.

18.1 Disclosure on Specified Bank notes (SBNs):

Details of SBNs and other notes as required by the MCA notification G.S.R. 308(E) dated March 30, 2017, is given below:

(in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	**4,38,000**	**444,459**	**8,82,459**
(+) Permitted receipts	-	1,872,189	1,872,189
(-) Permitted payments	70,000	1,584,799	1,654,799
(-) Amount deposited in Banks	3,68,000	25,500	393,500
Closing cash in hand as on 30.12.2016	-	**706,349**	**706,349**

19. Other Bank Balances

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank Deposits under lien for original maturity more than 3 months upto 12 months (Note 28.1)	-	-	17,340.00
Other Bank Deposits for original maturity more than 3 months upto 12 months (Note 19.1)	93,147.95	97,980.00	7,737.10
Unclaimed Dividend Account (Note 19.2)	284.12	272.75	247.24
Deposits in Escrow Account (Note 19.3)	1,249.18	1,174.42	1,090.98
	94,681.25	**99,427.17**	**26,415.32**

19.1 The deposits maintained by the Company with banks comprise time deposit, which can be withdrawn by the Company at any point without prior notice or penalty on the principal (Note 28.1).

19.2 Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose. No amount is due for deposit in Investor Education and Protection Fund.

19.3 Matter of Dispute on Delivery Point of Panna-Mukta gas between Government of India and PMT JO Partners arose due to differing interpretation of relevant PSC clauses. According to the JO Partners, Delivery Point for Panna-Mukta gas is at Offshore, however, MoP&NG and GAIL maintained that the delivery point is onshore at Hazira. The gas produced from Panna-Mukta fields was transported through Company's pipelines. Owing to the delivery point dispute neither the seller (PMT JO) nor the buyer of gas (GAIL) was paying any compensation to ONGC for usage of its pipeline for gas transportation.

Hon'ble Gujarat High Court decided that the Panna Mukta oil fields from where the movement of goods is occasioned fall within the customs frontiers of India Consequently, the sale of goods cannot be said to have taken place in the course of import of goods into the territory of India. The state Government of Gujarat has filed a petition with the Hon'ble Supreme Court of India against the decision of Hon'ble Gujarat High Court.

Since the said matter of determination of delivery point is pending with the Hon'ble Supreme Court of India, the amount is maintained in the escrow accounts by the JO Partners.

20. Assets held for sale

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Helicopters	-	23.74	23.74
	-	**23.74**	**23.74**

20.1 On transition date, the Company reclassified Two Helicopters ("the Helicopters") as "Assets classified as held for sale".

During the current year, the Helicopters have been sold for total consideration of ₹147.81 million resulting in profit on sale of non-current asset of ₹124.07 million recorded under 'Other Income". (Note 32).

21. Equity Share Capital

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity Share Capital	64,166.32	42,777.60	42,777.60
	64,166.32	**42,777.60**	**42,777.60**
Authorised:			
30,000,000,000 Equity Shares of ₹5 each (as at March 31, 2016: 30,000,000,000 Equity Shares of ₹5 each; as at April 1, 2015: 30,000,000,000 Equity Shares of ₹5 each)	**150,000.00**	**150,000.00**	**150,000.00**
Issued and Subscribed:			
12,833,273,124 Equity Shares of ₹5 each (as at March 31, 2016: 8,555,528,064 Equity Shares of ₹5 each; as at April 1, 2015: 8,555,528,064 Equity Shares of ₹5 each)	**64,166.37**	**42,777.64**	**42,777.64**
Fully paid equity shares:			
12,833,235,180 Equity Shares of ₹5 each (as at March 31, 2016: 8,555,490,120 Equity Shares of ₹5 each; as at April 1, 2015: 8,555,490,120 Equity Shares of ₹5 each)	64,166.17	42,777.45	42,777.45
Add: Shares forfeited (Note 21.5)	0.15	0.15	0.15
Total	**64,166.32**	**42,777.60**	**42,777.60**

21.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	Number of shares in million	Share capital (₹ in million)
Balance at April 1, 2015	8,555.49	42,777.45
Changes during the year	-	-
Balance at March 31, 2016	**8,555.49**	**42,777.45**
Changes during the year (Note 21.3)	4,277.75	21,388.72
Balance at March 31, 2017	**12,833.24**	**64,166.17**

21.2 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.

21.3 Pursuant to the approval of the shareholders accorded by postal ballot on December 12, 2016 record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on December 16, 2016. Accordingly, the Company has allotted 4,277,745,060 number of fully paid Bonus shares on December 18, 2016 in the ratio of one equity share of ₹5 each fully paid up for every two existing equity shares of ₹5 each fully paid up.

21.4 Details of shareholders holding more than 5% shares in the Company are as under:-

Name of equity share holders	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. in million	% holding	No. in million	% holding	No. in million	% holding
President of India	8735.65	68.07	5,897.68	68.93	5,897.76	68.94
Life Insurance Corporation of India	1,152.81	8.98	740.97	8.66	677.18	7.92
Indian Oil Corporation Limited	986.89	7.69	657.92	7.69	657.92	7.69

21.5 18,972 equity shares of ₹10 each (equivalent to 37,944 equity shares of ₹5 each) were forfeited in the year 2006-07 against which amount originally paid up was ₹0.15 million.

22. Other Equity

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital reserve	159.44	159.44	159.44
Reserve for equity instruments through other comprehensive income	246,694.49	110,535.78	104,118.44
General reserve	1,518,659.57	1,475,581.90	1,403,062.22
Retained Earnings	25,703.98	28,692.04	(690.98)
Total	**1,791,217.48**	**1,614,969.16**	**1,506,649.12**

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
A. Capital reserves (Note 22.1)		
Balance at beginning of year	159.44	159.44
Movements	-	-
Balance at end of year	**159.44**	**159.44**
B. Reserve for equity instruments through other comprehensive income (Note 22.2)		
Balance at beginning of year	110,535.78	104,118.44
Fair value gain on investments in equity instruments	136,158.71	6,417.34
Balance at end of year	**246,694.49**	**110,535.78**
C. General Reserve (Note 22.3)		
Balance at beginning of year	1,475,581.90	1,403,062.22
Less: Bonus Shares issued	21,388.72	-
Add: Transfer from retained earnings	64,466.39	72,519.68
Balance at end of year	**1,518,659.57**	**1,475,581.90**
D. Retained Earnings		
Balance at beginning of year	28,692.04	(690.98)
Profit after tax for the year	178,999.77	161,399.32
Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	(2,988.06)	(297.39)
Less: Payments of dividends (Note 22.4)	95,179.88	49,194.18
Less: Tax on Dividends	19,353.50	10,005.05
Less: Transferred to general reserve	64,466.39	72,519.68
Balance at end of year	**25,703.98**	**28,692.04**

22.1 Represent assessed value of assets received as gift.

22.2 The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

22.3 The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another.

22.4 The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amount reported in General Reserve is not entirely distributable.

On August 23, 2016, a final dividend of ₹3.25 per share for 2015-16 was paid to holders of fully paid equity shares.

On October 27, 2016 and on January 31, 2017 the Company had declared interim dividend of ₹4.50 per share (90%) and ₹2.25 per share (45%) respectively which has since been paid.

In respect of the year ended March 31, 2017, the Board of Directors has proposed a final dividend of ₹.0.80 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹10,266.61 million and the dividend distribution tax thereon amounts to ₹2,090.04 million.

23. Finance Lease Obligation

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non- current	Current	Non-current	Current
Finance lease obligations (Note 23.1)	382.93	35.03	382.93	35.03	382.93	35.03
Total	**382.93**	**35.03**	**382.93**	**35.03**	**382.93**	**35.03**

23.1 As per the lease agreement, the Company is required to pay annual lease rental of ₹35.03 million till perpetuity. The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹417.96 million.

24. Other financial liabilities

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non- current	Current	Non- current	Current	Non- current	Current
Deposits from suppliers and contractors	33.55	2,948.78	38.36	3,796.64	231.72	2,964.95
Financial Guarantee obligation (Note 24.1)	2,166.45	541.12	1,891.66	434.40	1,984.64	453.32
Unclaimed Dividend (Note 24.2)	-	284.12	-	272.75	-	247.24
Liability for Capital Goods	-	20,896.16	-	26,325.90	-	17,255.66
Liability for Employees	-	11,957.42	-	6,398.84	-	5,804.81
Liability for Post-Retirement Benefit Scheme	-	1,078.65	-	1,167.36	-	1,125.95
Cash call payable to Joint Operation partners	-	15,931.44	-	20,565.39	-	18,527.83
Liquidated damages deducted from parties	-	27,171.62	-	22,091.30	-	17,617.14
Other Liabilities	-	14,124.32	-	14,605.77	-	19,101.29
Total	**2,200.00**	**94,933.63**	**1,930.02**	**95,658.35**	**2,216.36**	**83,098.19**

24.1 This represents the fair value of fee towards financial guarantee issued on behalf of subsidiaries, recognised as financial guarantee obligation with corresponding debit to investment in subsidiaries.

24.2 No amount is due for deposit in Investor Education and Protection Fund.

25. Provisions

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non- current	Current	Non- current	Current	Non- current	Current
Provision for Employee benefits (Note 43.10)						
For Post-Retirement Medical and Terminal Benefits	36,261.77	1,617.13	29,427.96	1,493.82	26,421.00	1,630.27
Gratuity for regular employees	-	8,597.42	-	-	-	-
Gratuity for Contingent Employees	73.16	5.62	75.01	7.29	73.44	5.28
Unavailed Leave and compensated absenses	-	9,162.14	-	3,949.39	-	4,123.50
Provision for Others						
Provision for decommissioning (Note No. 25.1 and 25.2)	156,517.97	1,289.02	157,340.86	853.19	165,434.16	859.22
Other Provisions	-	656.42	-	739.63	-	848.88
Provision for Wealth tax	-	-	-	-	-	50.00
	192,852.90	**21,327.75**	**186,843.83**	**7,043.32**	**191,928.60**	**7,517.15**

25.1 Movement of Provision for Others

(₹ in million)

Particulars	Provision for decommissioning		Other provisions	
	2016-17	2015-16	2016-17	2015-16
Balance at beginning of the year	**158,194.05**	**1,66,293.38**	**739.63**	**848.88**
Recognized during the year	9,414.92	5,461.05	2.94	-
Amount used during the year	(1,568.54)	(115.82)	-	-
Unwinding of discount	12,128.16	13,136.26	-	-
Write back during the year	(20,048.04)	(6,101.94)	(15.73)	(109.07)
Effect of remeasurement/other adjustment	(313.56)	(20,478.88)	(70.42)	(0.18)
Balance at end of the year	**157,806.99**	**158,194.05**	**656.42**	**739.63**

25.2 The Company estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil and Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future for which the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty. The economic life of the Oil and Gas assets is estimated on the basis of long term production profile of the relevant Oil and Gas asset. The timing and amount of future expenditures are reviewed annually, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows.

25.3 Decommissioning provision in respect to PMT Joint Operation was provided based on the technical estimates of the Company till previous year. During the year, the said provision has been provided based on the technical estimates provided by the operator of the Joint Operation. As a result decommissioning provision is higher by ₹11,143. 47 million and depletion for the year is higher by ₹4,080.36 million in respect of PMT Joint Operation.

26. Deferred Tax Liabilities (net)

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet: **(₹ in million)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred tax assets	59,422.16	57,189.14	56,123.04
Deferred tax liabilities	(281,054.28)	(250,161.91)	(230,506.60)
Total	**221,632.12**	**192,972.77**	**174,383.56**

2016-17	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Deferred Tax Assets				
Unclaimed Exploratory Wells written off	33,402.98	3,304.95	-	36,707.93
Impairment/Expenses Disallowed Under Income Tax	22,194.46	(2,790.86)	-	19,403.60
Financial Assets	1,434.31	137.53	-	1,571.84
Defined benefit obligation	157.39	-	1,581.40	1,738.79
Total Deferred Tax Assets	**57,189.14**	**651.62**	**1,581.40**	**59,422.16**
Deferred Tax Liabilities				
Property, plant and equipment	197,083.25	30,572.59	-	227,655.84
Exploratory wells in progress	41,043.45	1,747.28	-	42,790.73
Development wells in progress	10,846.06	(2,298.20)	-	8,547.86
Intangible assets	154.90	94.30	-	249.20
Financial liabilities	8.36	(7.01)	-	1.35
Others	1,025.89	783.41	-	1,809.30
Total Deferred Tax Liabilities	**250,161.91**	**30,892.37**	**-**	**281,054.28**
Deferred Tax Liabilities (Net)	**192,972.77**	**30,240.75**	**(1,581.40)**	**221,632.12**

2015-16	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Deferred Tax Assets				
Unclaimed Exploratory Wells written off	29,079.78	4,323.20	-	33,402.98
Impairment/Expenses Disallowed Under Income Tax	25,680.03	(3,485.57)	-	22,194.46
Financial Assets	1,363.23	71.08	-	1,434.31
Defined benefit obligation	-	-	157.39	157.39
Total Deferred Tax Assets	**56,123.04**	**908.71**	**157.39**	**57,189.14**

2015-16	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred Tax Liabilities				
Property, plant and equipment	192,997.59	4,085.66	-	197,083.25
Exploratory wells in progress	26,201.61	14,841.85	-	41,043.46
Development wells in progress	11,013.92	(167.86)	-	10,846.06
Intangible assets	140.37	14.53	-	154.90
Financial liabilities	13.96	(5.60)	-	8.36
Others	139.16	886.74	-	1,025.88
Total Deferred Tax Liabilities	**230,506.60**	**19,655.32**	**-**	**250,161.91**
Deferred Tax Liabilities (Net)	**174,383.56**	**18,746.61**	**(157.39)**	**192,972.77**

27. Other liabilities

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Advance from Customers	-	457.99	-	612.44	-	512.09
Deferred government grant (Note 27.1 & 27.2)	7,624.30	-	8.00	-	10.49	-
Liability for Statutory Payments	-	16,004.14	-	14,513.46	-	28,414.46
Other liabilities	84.22	1,898.67	102.70	1,263.09	544.49	1,118.74
Total	**7,708.52**	**18,360.80**	**110.70**	**16,388.99**	**554.98**	**30,045.29**

27.1 Includes ₹7,615.73 million in respect of Tapti A series assets, facilities and inventory which were a part of the assets of PMT Joint Operation and surrendered by the JO to the Government of India as per the terms and conditions of the JO Agreement. During the year these assets, facilities and inventory have been transferred by Government of India to the Company free of cost as its nominee. The Company has assessed the fair value of the said assets & facilities at ₹7,156.89 million based on the valuation report by a third party agency, which has been accounted as Capital work in progress with a corresponding liability as Deferred Government Grant. Inventory valuing ₹458.84 million has been accounted with a corresponding liability as Deferred Government Grant.

27.2 Includes ₹8.57 million is on account of reimbursement of capital expenditure of research & development.

28. Borrowings- Current

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured – at amortised cost			
Loan from bank	-	-	13,930.00
(Secured against fixed deposit)			
Total	**-**	**-**	**13,930.00**

28.1 Secured against NIL (as at March 31, 2016 NIL; As at April 1, 2015 ₹17,340 million) of principal amount of Term deposit receipt.

29. Trade payables

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payable	51,548.43	51,264.49	55,611.27
Total	**51,548.43**	**51,264.49**	**55,611.27**

29.1 Trade payables -Total outstanding dues of Micro & Small enterprises*

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Principal & Interest amount remaining unpaid but not due as at year end	121.50	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.*

29.2 Payment towards trade payables is made as per the terms and conditions of the contract/purchase orders. The average credit period on purchases is 21 days.

30. Tax Assets/liabilities (Net)

(a) Non- Current Tax Assets (Net)

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non- Current tax assets			
Advance Tax and TDS	404,491.88	322,191.54	256,636.83
Non- Current tax liabilities			
Income tax payable	316,728.55	247,875.50	193,700.08
Total	**87,763.33**	**74,316.04**	**62,936.75**

(b) Current Tax Liabilities (Net)

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Advance Tax and TDS	83,551.70	67,868.02	65,915.50
Current tax liabilities			
Income tax payable	89,680.72	76,259.32	74,480.70
Total	**6,129.02**	**8,391.30**	**8,565.20**

31. Revenue from Operations

The following is an analysis of the Company's revenue from operations for the year:

(₹ in million)

	Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
A.	**Sale of Products**				
	Own Products (including excise duty) Note 31.1	795,615.83		788,427.89	
	Less: Transfer to Wells in progress (includes levies)	359.12		182.82	
	Less: Government of India's (GoI's) share in Profit Petroleum	20,393.22		16,677.04	
		774,863.49		771,568.03	
	Traded Products	30.75	774,894.24	84.11	771,652.14
B.	**Other Operating Revenue**				
	Contractual Short Lifted Gas Receipts	510.87		408.00	
	Pipeline Transportation Receipts	590.07		644.66	
	North-East Gas Subsidy (Note 31.3)	1,897.46		2,901.56	
	Surplus from Gas Pool Account (Note 31.4)	-		509.14	
	Production Bonus	60.34		117.33	
	Sale of Electricity	700.02		651.73	
	Processing Charges	424.30	4,183.06	532.97	5,765.39
	Total		**779,077.30**		**777,417.53**

31.1 No discount was given by the Company to the Oil Marketing Companies during the year (Previous year ₹10,961.20 Million).

31.2 Revenue from nominated crude (except North East crude) is accounted for in terms of Crude Oil Sales Agreements (COSAs) signed and made effective from April 1, 2010. For Crude Oil produced in Assam, sales revenue is based on the pricing formula provided by Ministry of Petroleum and Natural Gas, Government of India.

31.3 Sales revenue of Natural Gas is based on domestic gas price of US$ 3.06/mmbtu and US$ 2.50/mmbtu (on GCV basis) notified by GoI for the period April 1, 2016 to September 30, 2016 and October 1, 2016 to March 31, 2017 respectively in terms of "New Domestic Natural Gas Pricing Guidelines, 2014". For gas consumers in North-East, consumer price is 60% of the domestic gas price and the difference between domestic gas price and consumer price is paid to the Company through GoI Budget and classified as 'North-East Gas Subsidy'.

31.4 The Company is supplying majority of Natural gas to GAIL (India) Limited 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 India Limited in accordance with their contribution. Based on the details received from GAIL (India) Limited, the said amount has been classified as 'Surplus from Gas Pool Account'.

31.5 Details of Sales Revenue

(₹ in million)

Product	Unit	Year ended March 31, 2017			Year ended March 31, 2016		
		Quantity	Value ₹ in million		Quantity	Value ₹ in million	
Crude Oil *	MT	23,861,020	5,65,745.17		24,148,191	526,126.31	
Less: From Exploratory Fields		2,204	51.01		7,487	164.92	
Less: Government of India's share in Profit Petroleum			17,658.64	548,035.52		14,645.24	511,316.15
Natural Gas *	$000M^3$	179,35,475	142,440.40		17,100,461	184,288.51	
Less: From Exploratory Fields		40,094	308.11		1,735	17.90	
Less: Government of India's share in Profit Petroleum			2,734.58	139,397.71		2,031.80	182,238.81
Liquified Petroleum Gas	MT	1,352,078		37,275.69	11,91,279		34,950.53
Naphtha	MT	1,087,070		30,454.88	10,65,136		30,609.46
Ethane-Propane	MT	420,496		8,556.86	3,74,770		8,945.33
Ethane	MT	134,769		5,353.62	-		-
Propane	MT	87,107		2,223.43	26,203		495.82
Butane	MT	30,287		1,130.69	-		-
Superior Kerosene Oil	MT	42,833		1,321.29	66,067		2,117.82
LSHS	MT	26,200		562.20	21,476		411.74
HSD	MT	8,359		420.93	9,294		405.61
HSD incl. ULS HSD (Trading)	KL	431		19.83	1,161		49.07
Motor Spirit (Trading)	KL	206		10.67	676		34.69
MTO	MT	3,571		129.95	1,987		74.56
Others				0.97			2.55
Total				**774,894.24**			**771,652.14**

**Quantity includes share from Joint Operations as per the Participating interest and/or Entitlement interest, whichever is applicable.*

32. Other Income

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest on:		
Deposits with Banks/Public Sector Undertakings	8,762.31	10,172.19
Income Tax Refund	3,903.26	2,879.36
Delayed Payment from Customers and Others	223.21	382.29
Financial assets measured at amortized cost		
- Loans to Subsidiaries/Associates	2,435.48	3,995.74
- Site Restoration Fund Deposit	9,596.56	9,365.86
- Employee loans	1,076.68	1,079.48
- Loan to Subsidiary	411.97	1,000.58
- Other Investments	165.79	165.79
- Others	106.30	24.60
	26,681.56	**29,065.89**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Dividend Income from:		
Investment in Subsidiaries, Associates and Joint Ventures	287.42	225.53
Investments in Mutual funds	1,101.05	1,104.03
Other Investments	15,581.00	4,382.01
	16,969.47	**5,711.57**
Other Non-Operating Income		
Excess decommissioning provision written back	20,048.04	6,101.94
Excess provision written back - Others*	2,251.58	18,061.42
Liabilities no longer required written back	1,728.81	862.73
Contractual Receipts	785.15	539.86
Profit on sale of investments	2.94	1,068.28
Profit on sale of Assets	124.07	2.02
Amortization of financial guarantee obligation	543.99	453.33
Fair valuation of financial instruments	8.59	15.25
Miscellaneous Receipts	6,337.05	8,211.24
	31,830.22	**35,316.07**
Total	**75,481.25**	**70,093.53**

** Includes provision reversed amounting to Nil (Previous year ₹15,482.32 million) as per note no.9.1.*

33. Details of opening and closing inventories

(₹ in million)

Particulars	Unit	As at March 31, 2017		As at March 31, 2016	
		Quantity	Value	Quantity	Value
Opening stock					
Crude Oil*	MT	875,732	7,683.39	949,050	8,048.78
Liquefied Petroleum Gas	MT	8,616	96.81	7,858	73.28
Naphtha	MT	76,083	410.91	97,389	458.79
Ethane-Propane	MT	614	9.35	706	11.33
Superior Kerosene Oil	MT	8,464	31.50	5,951	23.41
Aviation Turbine Fuel	MT	602	2.41	478	2.28
Low Sulphur Heavy Stock	MT	391	5.77	282	5.47
High Speed Diesel	MT	2,325	61.01	1,535	30.19
Propane	MT	659	8.83	73	0.36
Mineral Turpentine Oil	MT	240	3.90	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			2.69		6.15
			8,320.73		**8,672.35**
Closing stock					
Crude Oil*	MT	912,225	8,901.03	875,732	7,683.39
Liquefied Petroleum Gas	MT	11,094	100.12	8,616	96.81
Naphtha	MT	87,587	414.41	76,083	410.91

Particulars	Unit	As at March 31, 2017		As at March 31, 2016	
		Quantity	Value	Quantity	Value
Ethane-Propane	MT	684	7.62	614	9.35
Superior Kerosene Oil	MT	2,277	15.53	8,464	31.50
Aviation Turbine Fuel	MT	1,458	10.23	602	2.41
Low Sulphur Heavy Stock	MT	454	8.34	391	5.77
High Speed Diesel	MT	1,326	38.50	2,325	61.01
Ethane	MT	2,406	78.61	-	-
Propane	MT	1,278	40.19	659	8.83
Butane	MT	766	25.03	-	-
Mineral Turpentine Oil	MT	288	5.84	240	3.90
High Speed Diesel**	KL	-	-	14	0.51
Motor Spirit**	KL	-	-	6	0.28
Carbon Credits	Units	291,678	2.15	264,029	3.37
Others			1.54		2.69
Total			**9,649.14**		**8,320.73**

Includes Company's share in stock of Joint Operation.

*** Purchased for trading.*

(i) Purchase of Stock in Trade

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
High speed diesel	16.83	41.33
Motor Spirit	9.08	29.89
Others	0.10	0.29
Total	**26.01**	**71.51**

34. Changes in inventories of finished goods, stock in trade and work in progress

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Closing Stock- Finished/Semi Finished Goods and Stock in Trade	9,649.14	8,320.73
Opening Stock- Finished/Semi Finished Goods and Stock in Trade	8,320.73	8,672.35
(Increase)/decrease in inventories	**(1,328.41)**	**351.62**

35. Production, Transportation, Selling and Distribution Expenditure

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Royalty (Note 49.1 b)	115,748.26	89,591.13
Cess	89,044.63	101,916.31
National Calamity Contingent Duty	1,128.79	1,136.50
Excise Duty	2,092.51	1,990.29
Service Tax	288.75	339.42
Port Trust Charges	353.94	332.55
Staff Expenditure	23,986.56	17,824.31
Workover Operations	20,185.92	27,353.19

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Water Injection, Desalting and Demulsification	11,885.10	15,060.92
Consumption of Raw materials, Stores and Spares	16,556.19	13,274.43
Pollution Control	2,566.43	2491.73
Transport Expenses	6,616.54	6,084.96
Insurance	1,092.43	1,378.68
Power and Fuel	3,058.14	2,651.70
Repairs and Maintenance	20,008.33	15,531.72
Contractual payments including Hire charges etc.	26,769.23	24,617.17
Other Production Expenditure	7,106.19	6,699.61
Transportation and Freight of Products	12,001.00	14,124.93
Research and Development	5,918.62	5,397.37
General Administrative Expenses	40,169.50	32,901.13
CSR expenditure (Note 35.3)	5,171.56	4,209.99
Exchange Loss/(Gain) - Net	(1,282.18)	1,032.94
Miscellaneous Expenditure (Note 35.4)	5,910.03	7,235.82
Loss on fair valuation of financial instruments	1,079.77	834.46
Total	**417,456.24**	**394,011.26**

35.1 Details of Nature wise Expenditure

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Manpower Cost (Note - 35.2)		
(a) Salaries, Wages, Ex-gratia etc.	74,402.67	64,586.28
(b) Contribution to Provident and other funds	10,122.95	9,891.02
(c) Provision for gratuity	9,893.47	67.67
(d) Provision for Leave (Including Compensatory Absence)	9,038.07	3,906.15
(e) Post Retirement Medical & Terminal Benefits	9,205.69	3,386.31
(f) Staff welfare expenses	2,844.81	5,132.42
Sub Total:	**115,507.66**	**86,969.85**
Consumption of Raw materials, Stores and Spares	60,902.66	52,883.96
Cess	89,044.63	101,916.31
National Calamity Contingent Duty	1,128.79	1,136.50
Excise Duty	2,092.51	1,990.29
Royalty (Note 49.1 b)	115,748.26	89,591.13
Port Trust Charges	353.94	332.55
Service Tax	288.75	339.42
Rent	3,743.70	3,194.65
Rates and taxes	351.37	330.05
Hire charges of equipments and vehicles	126,158.87	137,178.44
Power, fuel and water charges	5,586.04	5,118.70
Contractual drilling, logging, workover etc.	44,793.72	43,357.94
Contractual security	6,071.54	5,198.19
Repairs to building	1,055.89	1,032.36

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Repairs to plant and equipment	8,866.81	9,912.29
Other repairs	2,868.59	3,710.94
Insurance	1,987.81	2,552.35
Expenditure on Tour/Travel	4,122.04	3,644.04
CSR Expenditure (Note - 35.3)	5,171.56	4,209.99
Exchange Loss (Net)	(1,282.18)	1,032.94
Miscellaneous expenditure (Note - 35.4)	17,672.45	14,491.47
	612,235.41	**570,124.36**
Less:		
Allocated to exploration, development drilling, capital jobs, recoverables etc.	194,779.17	176,113.10
Excise duty adjusted against sales revenue	-	-
Production, Transportation, Selling and Distribution Expenditure	**417,456.24**	**394,011.26**

35.2 Pay revision of officers and unionized category is due w.e.f. 01.01.2017. Pending finalization of the same, the Company has provided for a sum of ₹19,440.72 million as estimated by the management including long term benefit obligation viz. leave, gratuity (at max limit of ₹2.00 million) etc. The same has been allocated to activities as per the policy of the Company.

35.3 The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Company during the year: ₹5,356.66 million (Previous year ₹5,936.96 million)

(b) Amount spent during the year on: **(₹ in million)**

S. No.	Particulars	Year ended March 31, 2017			Year ended March 31, 2016		
		Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
i.	Construction/acquisition of any asset	-	-	-	-	-	-
ii.	On purpose other than (i) above	4,936.94	234.62	5,171.56	4,013.77	196.22	4,209.99
Total		**4,936.94**	**234.62**	**5,171.56**	**4,013.77**	**196.22**	**4,209.99**

35.4 The Miscellaneous Expenditure in note 35 includes Statutory Auditors Remuneration as under: **₹ in million)**

Payment to Auditors (including service tax)	Year ended March 31, 2017	Year ended March 31, 2016
Audit Fees	30.53	18.63
Certification and Other Services	12.88	7.76
Travelling and Out of Pocket Expenses	20.61	17.22
Total	**64.02**	**43.61**

35.5 The expenditure incurred by various in house R&D institutes on scientific research eligible for deduction under section 35(2AB) of Income Tax Act, 1961 is as under:

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Capital Expenditure	292.33	243.77
Revenue Expenditure	4,124.26	3,875.75

36. Finance Cost

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest on:		
- On Borrowings	16.03	43.84
- On Cash Credit	2.62	5.88
Others	13.60	0.17
Unwinding of:		
- Decommissioning Provisions	12,128.16	13,136.26
- Finance lease obligations	35.03	35.03
- Financial liabilities	21.94	20.13
Total	**12,217.38**	**13,241.31**

37. Depreciation, Depletion, Amortization and Impairment

(₹ in million)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Depletion of Oil and Gas Assets		1,18,903.70		99,375.93
Depreciation of other Property, Plant and Equipment	20,866.08		20,699.12	
Less : Allocated to :				
Exploratory Drilling	4,110.51		2,728.89	
Development Drilling	3,586.15		3,216.13	
Others	767.70	12,401.72	534.59	14,219.51
Amortisation of intangible assets		274.62		243.63
Impairment Loss (Note 48)				
Provided during the year	5,261.02		626.36	
Less: Reversed during the year	14,945.68	(9,684.66)	3,466.19	(2,839.83)
Total		**1,21,895.38**		**1,10,999.24**

38. Other impairment and Write Offs

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Impairment for:		
Doubtful Debts	88.22	362.01
Doubtful Claims/Advances	533.58	2,536.68
Non-Moving Inventories	-	707.08
Others	2.94	0.43
	624.74	**3,606.20**
Write-Offs		
Disposal/Condemnation of Other PPE	237.25	45.17
Claims/Advances	61.04	5.28
Inventory	669.16	276.18
Receivables	-	5.62
	967.45	**332.25**
Total	**1,592.19**	**3,938.45**

39. Tax Expense

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax in relation to:		
Current year	47,546.55	57,200.00
Others – MAT Credit availed	553.45	-
Earlier years	(5,185.39)	(1,357.50)
	42,914.61	**55,842.50**
Deferred tax		
In respect of the current year	30,240.75	18,746.62
Others	-	-
	30,240.75	**18,746.62**
Total income tax expense recognised in the current year	**73,155.36**	**74,589.12**

40. The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax	252,155.13	235,988.43
Income tax expense calculated at 34.608% (2015-2016: 34.608%)	87,265.84	81,670.88
Less: Exemptions/Deductions		
Dividend	5,872.79	1,976.66
Deduction under section 80-IA	159.09	149.05
Investment Allowance @ 15%	5,616.55	4,710.09

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Add : Effect of expenses that are not deductible in determining taxable profit		
Corresponding Effect of temporary differences on account of current tax of earlier periods	2,638.85	65.83
CSR Expenditure	1,417.74	1,456.99
Expenses not allowed in Income Tax	366.38	106.14
Others	-	1,297.24
Less : Effect of concessions (research and development u/s 35(2AB))	1,528.48	1,425.64
Less : Incomes Taxed in Different rates(Capital Gain)	-	346.72
Sub total	**78,511.90**	**75,988.91**
Others	(171.15)	(42.31)
	78,340.75	**75,946.61**
Adjustments recognised in the current year in relation to the current tax of prior years	(5,185.39)	(1,357.49)
Income tax expense recognised in profit or loss (relating to continuing operations)	**73,155.36**	**74,589.12**

The corporate tax rate of 30% has been used for 2016-2017 and 2015-2016 reconciliations above.No income tax has been recognized directly in equity

(₹ in million)

Income tax recognised in other comprehensive income	Year ended March 31, 2017	Year ended March 31, 2016
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	-	-
Remeasurement of defined benefit obligation	1,581.40	157.39
Total income tax recognised in other comprehensive income	1,581.40	157.39
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	**1,581.40**	**157.39**
Items that may be reclassified to profit or loss	-	-

41. Earnings per Equity share

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax for the year attributable to equity shareholders (₹ in million)	178,999.77	161,399.32
Weighted average number of equity shares (No. in million) (Note 41.1)	12,833.24	12,833.24
Basic and Diluted earnings per equity share (₹)(Note 41.1)	13.95	12.58
Face Value per equity share (₹)	5.00	5.00

41.1 The Company has allotted 4,277,745,060 number of fully paid Bonus shares on December 18, 2016 in the ratio of one equity share of ₹5 each fully paid up for every two existing equity shares of ₹5 each fully paid up. In accordance with Ind AS 33 'Earnings per Share', basic and diluted earnings per equity share have been adjusted for bonus issue for previous year.

42. Leases

42.1 Finance leases

Leasing arrangements

Leasehold land where lease term is till perpetuity has been classified under finance lease.

Obligations under Finance lease

(₹ in million)

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Not later than one year	35.03	35.03	32.32	32.32
Later than one year and not later than five years	140.12	140.12	115.03	115.08
Later than five years*	**417.96**	**417.96**	**417.96**	**417.96**
Present value of minimum lease payments*	**417.96**	**417.96**	**417.96**	**417.96**

**Under the lease agreement, the Company is required to pay annual lease rental of ₹35.03 Million till perpetuity. The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹417.96 Million and will remain same till perpetuity. The finance charge will be ₹35.03 Million on annual basis till perpetuity.*

42.2 Operating lease arrangements

42.2.1 Leasing arrangements

The Company has applied Appendix C to Ind AS 17 'Leases' to hiring/service contracts of rigs, vessels, helicopters, etc. to evaluate whether these contracts contains a lease or not. Based on evaluation of the terms and conditions of the arrangements, the Company has evaluated such arrangements to be operating leases.

Operating leases relate to leases of rigs, vessels, helicopters etc. with lease terms upto 10 years. The Company does not have an option to purchase the leased rigs, vessels, helicopters etc. at the expiry of the lease periods.

42.2.2 Payments recognized during the year

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Lease payments	83,755.62	80,427.06
	83,755.62	**80,427.06**

42.2.3 Non-cancellable operating lease commitments

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Not later than one year	76,136.99	78,314.88
Later than one year and not later than five years	81,599.37	111,237.47
Later than five years	10,470.91	16,712.69
	168,207.27	**206,265.05**

43. Employee benefit plans

43.1 Defined Contribution plans:

43.1.1 Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligations are as under:

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Obligations at the end of the year	112,743.97	105,506.19
Fair Value of Plan Assets at the end of the year	118,137.79	108,177.32

Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Raising of moneys as may be required for the purposes of the fund by sale, hypothecation or pledge of the investment wholly or partially.

(iii) Fixation of rate of interest to be credited to members' accounts.

43.1.2 Post Retirement Benefit Scheme

The defined contribution pension scheme of the Company for its employees is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical Benefit (PRMB) or any other retirement benefits.

The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government, the board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of contribution and interest thereon.

(iii) Purchase of annuities for the members.

43.2 Employee Pension Scheme 1995

The Employee Pension Scheme -1995 is administered by Employees Provident Fund Organization of India, wherein the Company has to contribute 8.33% of salary (subject to maximum of ₹15,000 per month) out of the employer's contribution to Provident Fund.

43.3 Composite Social Security Scheme (CSSS)

The Composite Social Security Scheme is formulated by the Company for the welfare of its regular employees and it is administered through a separate Trust, named as Composite Social Security Scheme Trust. The obligation of the Company is to provide matching contribution to the Trust to the extent of contribution of the regular employees of the Company. The Trust provides an assured lump sum support amount in the event of death or permanent total disablement of an employee while in service. In case of Separation other than Death/Permanent total disability, employees own contribution along with interest is refunded.

The Board of trustees of the Trust functions in accordance with Trust deed, Rule, Scheme and applicable guidelines or directions that may be issued by Management from time to time.

The Board of trustees has the following responsibilities

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of interest to be credited to members' accounts.

(iii) To provide cash benefits to the nominees in the event of death of an employee or Permanent Total Disablement leading to the cessation from service and refund of own contribution along with interest in case of separation other than death.

43.4 The amounts recognized in the financial statements before allocation for the defined contribution plans are as under:

(₹ in million)

Defined Contribution Plans	Amount recognized during		Contribution for key management personnel	
	2016-17	2015-16	2016-17	2015-16
Provident Fund	3,826.70	3,749.70	2.09	1.50
Post Retirement Benefit Scheme	5,240.96	5,070.09	2.60	2.17
Employee Pension Scheme-1995 (EPS)	403.12	433.74	0.04	0.07
Composite Social Security Scheme (CSSS)	649.56	635.50	0.19	0.16

43.5 Defined benefit plans

43.5.1 Brief Description: A general description of the type of Employee Benefits Plans is as follows:

43.5.2 All the employee benefit plans of the Company are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

43.5.3 Gratuity

15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to ₹1 million on superannuation, resignation, termination, disablement or on death.

Scheme is funded through own Gratuity Trust. The liability for gratuity as above is recognized on the basis of actuarial valuation.

For the purpose of actuarial valuation and provision there of the maximum limit of gratuity payable w.e.f January 1, 2017 has been considered at ₹2 million in line with the 3rd Pay Revision Committee report submitted to Government of India.

43.5.4 Post-Retirement Medical Benefits

The Company has Post-Retirement Medical benefit (PRMB), under which the retired employees, dependent parents and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals up on payment of one time prescribed contribution by the employees. They can also avail treatment as out-patient. The liability for the same is recognized annually on the basis of actuarial valuation. Full medical benefits on superannuation and on voluntary retirement are available subject to the completion of minimum 20 years of service and 50 years of age.

An employee should have put in a minimum of 15 years of service rendered in continuity in ONGC at the time of superannuation to be eligible for availing post-retirement medical facilities.

43.5.5 Terminal Benefits

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

43.5.6 These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

43.6 Other long term employee benefits

43.6.1 Brief Description: A general description of the type of Other long term employee benefits is as follows:

43.6.2 All the employee benefit plans of the Company are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

43.6.3 Earned Leave (EL) Benefit

Accrual – 30 days per year

Encashment while in service – 75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days

Scheme is funded through Life Insurance Corporation of India (LIC).

43.6.4 Good Health Reward (Half pay leave)

Accrual - 20 days per year

Encashment while in service - Nil

Encashment on retirement - 50% of Half Pay Leave balance.

Scheme is funded through Life Insurance Corporation of India. (LIC).

The liability for the same is recognized annually on the basis of actuarial valuation.

43.7 The principal assumptions used for the purposes of the actuarial valuations were as follows.

Assumptions as at March 31, 2017

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
	Gratuity		
I.	Discount rate	7.31%	8.00%
II.	Expected return on plan assets	7.31%	8.00%
III.	Annual increase in salary	6.50%	5.50%
	Leave		
IV.	Discount rate	7.31%	8.00%
V.	Expected return on plan assets	7.31%	8.00%
VI.	Annual increase in salary	6.50%	5.50%
VII.	**Post-Retirement Medical Benefits**		
VIII.	Discount rate	7.31%	8.00%
IX.	Expected return on plan assets	NA	NA
X.	Annual increase in costs	6.50%	5.50%
XI.	**Terminal Benefits**		
XII.	Discount rate	7.31%	8.00%
XIII.	Expected return on plan assets	NA	NA
XIV.	Annual increase in costs	6.50%	5.50%
XV.	Annual increase in salary	6.50%	5.50%

The discount rate is based upon the market yield available on Government bonds at the Accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factors on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

43.8 Amounts recognized in the Financial Statements before allocation in respect of these defined benefit plans and other long term employee benefits are as follows:

Gratuity: **(₹ in million)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service Cost :		
Current service cost	1,137.03	838.64
Past service cost and (gain)/loss from settlements	8,194.10	-
Net interest expense	(112.80)	(70.56)
Increase or decrease due to adjustment in opening corpus consequent to audit	(67.88)	(300.10)
Components of defined benefit costs recognised in Employee Benefit expenses	**9,150.45**	**467.98**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	1,298.01	(13.40)
Actuarial (gains)/losses arising from experience adjustments	(385.95)	(1,410.18)
Return on Plan Assets excluding amount included in net interest cost	(157.38)	143.38
Components of Remeasurement	**754.68**	**(1,280.20)**
Total	9,905.13	(812.22)

Leave: **(₹ in million)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service Cost:		
Current service cost	1,391.76	943.02
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	314.86	350.05
Increase or decrease due to adjustment in opening corpus consequent to audit	100.34	(5.28)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	2,566.59	(14.05)
Actuarial (gains)/losses arising from experience adjustments	4,939.10	2,895.12
Return on plan assets (excluding amounts included in net interest expense)	(294.22)	(333.45)
Components of defined benefit costs recognised in Employee Benefit expenses	**9,018.43**	**3,835.41**

Post-Retirement Medical Benefits: **(₹ in million)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service cost		
Current service cost	544.52	389.75
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	2,431.85	2,341.86
Components of defined benefit costs recognised in Employee Benefit expenses	**2,976.37**	**2,731.61**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	NA	NA
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	4,922.04	(16.38)
Actuarial (gains)/losses arising from experience adjustments	1,214.10	1,948.03
Adjustments for restrictions on the defined benefit asset	-	-
Components of Remeasurement	**6,136.13**	**1,931.65**
Total	**9,112.51**	**4,663.26**

Terminal Benefits: (₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service cost		
Current service cost	21.76	20.29
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	40.25	41.13
Components of defined benefit costs recognised in Employee Benefit expenses	**62.00**	**61.42**
Remeasurement on the net defined benefit liability:		
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	40.95	(5.19)
Actuarial (gains)/losses arising from experience adjustments	(56.54)	(4.28)
Adjustments for restrictions on the defined benefit asset	-	-
Components of Remeasurement	**(15.59)**	**(9.47)**
Total	**46.41**	**51.95**

The Components of Remeasurement of the net defined benefit liability recognized in other comprehensive income is ₹4,569.46 million (Previous Year ₹454.78 Million).

43.9 Movements in the present value of the defined benefit obligation and other long term employee benefits are as follows:

Gratuity: (₹ in million)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening defined benefit obligation	20,206.15	20,712.01
Current service cost	1,162.68	857.53
Interest cost	1,616.49	1,760.51
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	1,311.98	(13.47)
Actuarial gains and losses arising from experience adjustments	(383.22)	(1,409.13)
Past service cost, including losses/(gains) on curtailments	8,197.68	-
Benefits paid	(1,978.42)	(1,701.30)
Closing defined benefit obligation	**30,133.36**	**20,206.15**
Current obligation	**30,133.36**	**20,206.15**
Non-Current obligation	**-**	**-**

Leave: (₹ in million)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening defined benefit obligation	22,080.25	20,099.65
Current service cost	1,412.29	1,057.00
Interest cost	1,766.42	1,708.47
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	2,606.05	(14.05)
Actuarial gains and losses arising from experience adjustments	5,015.58	2,895.13
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(4,204.54)	(3,665.95)
Closing defined benefit obligation	**28,676.05**	**22,080.25**
Current obligation	**28,676.05**	**22,080.25**
Non-Current obligation	**-**	**-**

Post-Retirement Medical Benefits: (₹ in million)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening defined benefit obligation	30,417.67	27,566.63
Current service cost	550.12	393.60
Interest cost	2,433.41	2,343.16
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	4,918.29	(16.40)
Actuarial gains and losses arising from experience adjustments	1,220.99	1,947.16
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(2,155.51)	(1,816.48)
Closing defined benefit obligation	**37,384.98**	**30,417.67**
Current obligation	**1,553.39**	**1,431.92**
Non-Current obligation	**35,831.59**	**28,985.75**

Terminal Benefits: (₹ in million)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening defined benefit obligation	504.11	484.64
Current service cost	21.97	20.49
Interest cost	40.33	41.19
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	41.10	(5.19)
Actuarial gains and losses arising from experience adjustments	(56.85)	(4.31)
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(56.74)	(32.71)
Closing defined benefit obligation	**493.92**	**504.11**
Current obligation	**63.75**	**61.90**
Non-Current obligation	**430.17**	**442.20**

43.10 The amount included in the Standalone Balance sheet arising from the entity's obligation in respect of its defined benefit plan and other long term employee benefits is as follows :

Gratuity : (₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of funded defined benefit obligation	30,133.36	20,206.15
Fair value of plan assets	21,535.94	21,557.88
Funded status	(8,597.42)	1,351.73
Restrictions on asset recognised	NA	NA
Net liability arising from defined benefit obligation	8,597.42	(1,351.73)

The amounts included in the fair value of plan assets of gratuity fund in respect of Reporting Enterprise's own financial instruments and any property occupied by, or other assets used by the reporting enterprise are Nil (As at March 31, 2016 Nil)

Leave : (₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of funded defined benefit obligation	28,676.05	22,080.25
Fair value of plan assets	19,513.91	18,130.86
Funded status	(9,162.14)	(3,949.39)
Restrictions on asset recognised	NA	NA
Net liability arising from defined benefit obligation	**9,162.14**	**3,949.39**

Post-Retirement Medical Benefits: (₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of unfunded defined benefit obligation	37,384.98	30,417.67
Fair value of plan assets	NA	NA
Net liability arising from defined benefit obligation	**37,384.98**	**30,417.67**

Terminal Benefits : (₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of unfunded defined benefit obligation	493.92	504.11
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**493.92**	**504.11**

43.11 Movements in the fair value of the plan assets are as follows :

Gratuity : (₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening fair value of plan assets	**21,557.88**	21,244.03
Adjustment in opening corpus consequent to audit	**68.22**	325.81
Expected return on plan assets	**1,730.09**	1,833.44
Remeasurement gain (loss):		
Excess Return on plan assets (excluding amounts included in net interest expense)	**158.17**	(144.10)
Contributions from the employer	-	-
Benefits paid	**(1,978.42)**	(1,701.30)
Closing fair value of plan assets	**21,535.94**	**21,557.88**

Expected Contribution in respect of Gratuity for next year will be ₹1904.73 million (For the year ended March 31, 2016 ₹739.45 million)

The Company has recognized a gratuity liability of ₹78.78 as on March 31, 2017 (As at March 31, 2016 ₹82.30 million; As at April 1, 2015 ₹78.72 million) as per actuarial valuation for 228 (415 As at March 31, 2016; 558 as at April 1, 2015) contingent Employees engaged in different work centres.

Leave : **(₹ in million)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening fair value of plan assets	18,130.86	15,977.45
Adjustment in opening corpus consequent to audit	(101.35)	3.99
Expected return on plan assets	1,442.36	1,358.42
Remeasurement gain (loss):		
Excess Return on plan assets (excluding amounts included in net interest expense)	297.19	333.45
Contributions from the employer	3,949.39	4,123.49
Benefits paid	(4,204.54)	(3,665.94)
Closing fair value of plan assets	**19,513.91**	**18,130.86**

43.12 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Gratuity		
Cash and cash equivalents	1.12	0.19
Investments in Mutual Fund	1.50	1.50
Debt investments categorised by issuers' credit rating:		
- AAA	2,766.51	2,877.41
- AA+	180.05	180.21
Group Gratuity Cash Accumulation Scheme (Traditional Fund)		
-Life Insurance Corporation	13,530.77	11,607.11
-SBI Life	1,812.88	1,670.09
Unit Linked Plan of Insurance Company	1,200.00	1,200.00
Investment in Govt. Securities	-	806.92
Bank TDR	1,422.33	2,120.48
Treasury Bills	-	-
Net Current Assets	620.78	1,093.97
Total Gratuity	**21,535.94**	**21,557.88**
Leave		
- 100% managed by insurer (LIC)	**19,513.91**	**18,130.86**
Total	**41,049.84**	**39,688.74**

43.12.1 The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

43.12.2 Cost of Investment is taken as fair value of Investment in Unit Linked Plan of Insurance Company (ULIPs) and Bank TDR.

43.12.3 All Investments in PSU Bonds, G Sec and T Bill are quoted in active market.

43.12.4 Fair value of Investment in Group Gratuity Cash Accumulation Scheme (Traditional Fund) of Insurance Company is taken as book value on reporting date.

43.12.5 Net Current Assets represent Accrued Interest on Investments minus outstanding gratuity reimbursements as on reporting date.

43.12.6 The actual return on plan assets of gratuity during FY 2016-17 was ₹1,888.26 million (during FY 2015-16 ₹1,689.33 million) and for Leave ₹1,739.55 million (during FY 2015-16 ₹1,691.87 million).

43.13 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

43.13.1 Sensitivity Analysis as on March 31, 2017

(₹ in million)

Significant actuarial assumptions	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
Discount Rate				
- Impact due to increase of 50 basis points	(722.19)	(836.73)	(2,654.51)	(13.90)
- Impact due to decrease of 50 basis points	763.69	869.97	2,221.64	14.79
Salary increase				
- Impact due to increase of 50 basis points	176.91	872.57	-	-
- Impact due to decrease of 50 basis points	(183.70)	(826.51)	-	-
Cost increase				
- Impact due to increase of 50 basis points	-	-	2,238.82	13.83
- Impact due to decrease of 50 basis points	-	-	(2,647.25)	(14.71)

43.13.2 Sensitivity Analysis as on March 31, 2016

(₹ in million)

Significant actuarial assumptions	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
Discount Rate				
- Impact due to increase of 50 basis points	(555.57)	(579.39)	(2,060.56)	(13.21)
- Impact due to decrease of 50 basis points	586.56	611.94	2,893.40	13.94
Salary increase				
- Impact due to increase of 50 basis points	597.94	623.82	-	-
- Impact due to decrease of 50 basis points	(571.01)	(595.49)	-	-
Cost increase				
- Impact due to increase of 50 basis points	-	-	2,877.63	13.79
- Impact due to decrease of 50 basis points	-	-	(2,084.04)	(13.29)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

43.14 Maturity Profile of Defined Benefit Obligation and other long term employee benefits: **(₹ in million)**

Defined Benefit:	As at March 31, 2017	As at March 31, 2016
Gratuity:		
Less than One Year	4,719.88	2,305.77
One to Three Years	2,947.15	3,030.82
Three to Five Years	2,504.85	4,119.83
More than Five Years	19,961.48	10,749.73
Leave:		
Less than One Year	3,777.26	2,792.81
One to Three Years	5,717.78	5,604.37
Three to Five Years	6,450.95	4,770.14
More than Five Years	12,730.06	8,912.93

44. Segment Reporting

44.1 The Company has identified and reported segments taking into account the different risks and returns, the organization structure and the internal reporting systems. Accordingly, the Company has identified following geographical segments as reportable segments

A. Offshore

B. Onshore

44.2 Segment revenue and results

44.2.1 The following is an analysis of the Company's revenue and results from continuing operations by reportable segment.

(₹ in million)

Particulars	Segment revenue		Segment profit/(loss)	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Offshore	543,814.43	560,581.71	236,476.31	247,480.40
Onshore	235,262.87	216,835.82	6,416.68	(17,157.92)
Total	**779,077.30**	**777,417.53**	**242,892.99**	**230,322.48**
Unallocated corporate expense			(22,171.51)	(15,870.20)
Finance costs			(12,217.38)	(13,241.31)
Interest/Dividend income			43,651.03	34,777.47
Profit before tax			**252,155.13**	**235,988.44**

44.2.2 Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sale in the current year (year ended March 31st, 2016: Nil)

44.2.3 The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. Segment profit represents the profit before tax earned by each segment excluding finance cost and other income like interest/dividend income. This is the measure reported to the Chief Operating Decision maker for the purposes of resource allocation and assessment of segment performance.

44.3 Segment assets and liabilities

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Segment assets			
Offshore	1,082,902.81	981,569.37	961,815.69
Onshore	495,842.64	476,158.18	511,035.29
Total segment assets	**1,578,745.45**	**1,457,727.54**	**1,472,850.98**
Unallocated	893,749.48	761,040.94	644,844.30
Total assets	**2,472,494.93**	**2,218,768.48**	**2,117,695.28**
Segment liabilities			
Offshore	250,732.06	238,013.96	242,902.65
Onshore	94,093.29	82,379.39	89,287.12
Total segment liabilities	**344,825.35**	**320,393.35**	**332,189.77**
Unallocated	272,285.77	240,628.37	236,078.78
Total liabilities	**617,111.12**	**561,021.72**	**568,268.56**

For the purpose of monitoring segment performance and allocating resources between segments:

44.3.1 All assets are allocated to reportable segments other than investments in subsidiaries, associates and joint ventures, other investments, loans and current and deferred tax assets.

44.3.2 All liabilities are allocated to reportable segment other than borrowing, current and deferred tax liabilities.

44.3.3 Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis. Unallocated expenditure includes common expenditure incurred for all the segments and expenses incurred at the corporate level. Finance cost includes unwinding of discount on decommissioning provisions not allocated to segment.

44.4 Other information

(₹ in million)

Particulars	Depreciation , depletion and amortization		Other non-cash items- impairment and write off	
	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Offshore	101,812.60	89,083.98	774.29	2,760.04
Onshore	28,821.29	24,055.39	791.45	1,170.33
Unallocated	946.15	699.70	26.45	8.09
	131,580.04	**113,839.07**	**1,592.19**	**3,938.46**

44.5 Impairment loss (including exceptional item)

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016*
Offshore	3,338.96	(2,716.93)
Onshore	(13,023.62)	32,142.95
	(9,684.66)	**29,426.02**

*Includes ₹410.71 million & ₹31,855.15 million in case of offshore CGU and onshore CGU respectively shown in exceptional items in the year ended March 31, 2016 (Note no. 48.4)

44.6 Additions to non- current assets

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Offshore	81,212.69	81,289.93
Onshore	33,793.11	(5,523.01)
Unallocated	769.56	(3,906.15)
Total	**115,775.36**	**71,860.77**

44.7 Information about major customers

Company's significant revenues (more than 85%) are derived from sales to Public Sector Undertakings. The total sales to such companies amounted to ₹682,865.03 million in 2016-17 and ₹694,590.86 million in 2015-16.

No other single customer contributed 10% or more to the Company's revenue for 2016-17 and 2015-16.

44.8 Information about geographical areas:

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of customers is tabulated below:

(₹ in million)

Location	Year ended March 31, 2017	Year ended March 31, 2016
India	744,337.58	741,370.97
Other Countries	30,556.66	30,281.17
Total	**774,894.24**	**771,652.14**

The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets are shown below:

(₹ in million)

Location	As at March 31, 2017	As at March 31, 2016
India	1,405,628.57	1,289,853.21
Other Countries	-	-
Total	**1,405,628.57**	**1,289,853.21**

44.9 Information about products and services:

The Company derives revenue from sale of crude oil, natural gas and value added products. The information about revenues from external customers about each product is disclosed in Note no. 31.5 of the financial statements.

45. Related Party Disclosures

45.1 Name of related parties and description of relationship:

A.	Subsidiaries
1.	ONGC Videsh Limited (OVL)
1.1.	ONGC Nile Ganga B.V. (ONGBV)
1.1.1.	ONGC Campos Ltda.
1.1.2.	ONGC Nile Ganga (Cyprus) Ltd.
1.1.3.	ONGC Nile Ganga (San Cristobal) B.V.
1.1.4.	ONGC Caspian E&P B.V.
1.2.	ONGC Narmada Limited (ONL)
1.3.	ONGC Amazon Alaknanda Limited (OAAL)
1.4.	Imperial Energy Limited
1.4.1.	Imperial Energy Tomsk Limited
1.4.2.	Imperial Energy (Cyprus) Limited
1.4.3.	Imperial Energy Nord Limited
1.4.4.	Biancus Holdings Limited
1.4.5.	Redcliffe Holdings Limited
1.4.6.	Imperial Frac Services (Cyprus) Limited
1.4.7.	San Agio Investments Limited
1.4.8.	LLC Sibinterneft (Note 45.1.1)
1.4.9.	LLC Allianceneftegaz
1.4.10.	LLC Nord Imperial
1.4.11.	LLC Rus Imperial Group
1.4.12.	LLC Imperial Frac Services (Note 45.1.2)

1.5.	Carabobo One AB
1.5.1.	Petro Carabobo Ganga B.V.
1.6.	ONGC (BTC) Limited
1.7.	Beas Rovuma Energy Mozambique Ltd.
1.8.	ONGC Videsh Rovuma Ltd. (OVRL)
1.9.	ONGC Videsh Atlantic Inc. (OVAI)
1.10.	ONGC Videsh Singapore Pte. Ltd.)
1.10.1	ONGC Videsh Vankorneft Pte. Ltd.
2.	Mangalore Refinery and Petrochemicals Ltd. (MRPL)
3.	ONGC Mangalore Petrochemicals Ltd. (OMPL)
B.	**Joint Ventures**
1.	Petronet MHB Ltd (PMHBL)
2.	Mangalore SEZ Ltd (MSEZ)
3.	ONGC Petro Additions Ltd. (OPaL)
4.	ONGC Tripura Power Company Ltd. (OTPC)
5.	ONGC Teri Biotech Ltd. (OTBL)
6.	Dahej SEZ Limited (DSEZ)
7.	ONGC Mittal Energy Limited (OMEL) (through OVL)
8.	SUDD Petroleum Operating Company(through OVL)
9.	Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)
10.	Mangalam Retail Services Ltd (through MRPL) upto 16.01.2017
11.	North East Transmission Company Ltd. (NETC) (through OTPC)
12.	Mangalore STP Limited (through MSEZ)
13.	MSEZ Power Ltd (through MSEZ)
14.	Adani Petronet Dahej Port Pvt Ltd (APPPL) (through PLL))
C.	**Associates**
1.	Pawan Hans Ltd. (PHL)
2.	Petronet LNG Limited (PLL)
3.	Mozambique LNG 1 Company Pte. Ltd. (through OVL)
D.	**Trusts (including post retirement employee benefit trust) wherein ONGC having control**

1.	ONGC Contributory Provident Fund Trust
2.	ONGC CSSS Trust
3.	ONGC Sahyog Trust
4.	ONGC PRBS Trust
5.	ONGC Gratuity Fund
6.	ONGC Energy Center
7.	ONGC Foundation
E.	**Key Management Personnel**
E.1.	**Whole time Directors**
1.	Shri D K Sarraf, Chairman and Managing Director
2.	Shri Shashi Shanker, Director (T&FS)
3.	Shri T K Sengupta, Director (Offshore)
4.	Shri D D Misra, Director (HR)
5.	Shri A K Dwivedi, Director (Exploration)
6.	Shri V. P Mahawar, Director (Onshore)
7.	Shri A K Srinivasan, Director (Finance)
8.	Shri Ashok Verma, Director (Onshore) up to July 31, 2015
9.	Shri A. K Banerjee, Director (Finance) up to April 30, 2015
E.2.	**Company Secretary**
1.	Shri V N Murthy, Company Secretary
2.	Shri N K Sinha, Company Secretary up to June 30, 2015
E.3.	**Independent Directors**
1.	Shri Ajai Malhotra
2.	Shri. K. M. Padmanabhan
3.	Prof. S. B. Kedare
4.	Shri Vivek Mallya w.e.f January 31, 2017
5.	Shri Sumit Bose w.e.f January 31, 2017
6.	Shri Deepak Sethi w.e.f January 31, 2017
7.	Dr. Santrupt Misra w.e.f February 6, 2017
8.	Shri K N Murthy (up to March 20, 2016)
E.4.	**Government nominee - Directors**
1.	Shri. Amar Nath
2.	Shri. A P Sawhney
3.	Shri U. P. Singh (up to June 28, 2016)

Notes:

45.1.1 Subsidiary Company OVL has 47.52% effective ownership interest, but it has 55.90% of voting rights in LLC Sibinterneft.

45.1.2 LLC Imperial Frac Services is under liquidation.

45.2 Details of Transactions:

45.2.1 Transactions with Subsidiaries

(₹ in million)

	Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
(i)	**Transfer of Asset:**			
a)	Mangalore Refinery and Petrochemicals Limited	Transfer of Retail Outlet	37.26	-
(ii)	**Sale of products to:**			
a)	Mangalore Refinery and Petrochemicals Limited	Sale of crude oil	53,001.84	25,913.06
(iii)	**Purchase of product from:**			
a)	Mangalore Refinery and Petrochemicals Limited	Purchase of trade product	26.01	71.51
b)	Mangalore Refinery and Petrochemicals Ltd.	Purchase of petroleum oil and lubricants/high speed diesel	5,251.07	3,084.42
(iv)	**Services received from:**			
a)	Mangalore Refinery and Petrochemicals Limited	Deputation of manpower and other charges	1.80	5.96
(v)	**Services provided to:**			
a)	Mangalore Refinery and Petrochemicals Limited	Transportation, port charges of MRPL crude and contractual services	-	25.12
		Leasing of office space at Mumbai	12.59	5.01
		Manpower deputation/director candidature	-	3.33
		Guarantee fee	4.47	-
b)	ONGC Mangalore Petrochemicals Limited	Manpower deputation/director candidature	-	1.18
c)	ONGC Videsh Limited	Interpretation of G and G data	21.90	1.19
(vi)	**Dividend and interest income from:**			
a)	Mangalore Refinery and Petrochemicals Limited	Dividend income	-	-
b)	Mangalore Refinery and Petrochemicals Limited	Interest income	2,435.03	3,973.54
(vii)	**Non cash transaction (Ind AS fair valuations):**			
a)	ONGC Videsh Limited	Interest income	411.97	1,000.58
		Guarantee fee in respect of financial guarantee	531.84	434.96
b)	Mangalore Refinery and Petrochemicals Limited	Guarantee fee in respect of financial guarantee	12.15	18.37
(viii)	**Conversion of loan into equity:**			
a)	ONGC Videsh Limited	Loan converted into equity	50,000.00	-
(ix)	**Corporate Financial guarantee issued:**			
a)	ONGC Videsh Limited	Financial Guarantee against Bond issued	-	117,771.25
b)	Mangalore Refinery and Petrochemicals Limited	Financial Guarantee for import of Crude Oil	14,591.25	-

45.2.2 Outstanding balances with subsidiaries

(₹ in million)

Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Loans (Unsecured):				
a) Mangalore Refinery and Petrochemicals Limited (Note 45.2.3)	Loans	25,714.10	32,571.30	39,428.50
b) ONGC Videsh Limited (Note 45.2.4)	Loans	180.20	57,585.20	66,142.28
B. Amount receivable:				
a) Mangalore Refinery and Petrochemicals Limited	Trade and other receivables	3,210.92	2,358.36	1,819.93
b) Mangalore Refinery and Petrochemicals Limited	Trade and other receivables	34.43	32.44	35.60
c) ONGC Mangalore Petrochemicals Ltd.	Trade and other receivables	0.03	0.03	6.40
d) ONGC Videsh Limited	Trade receivables	-	1.19	6.35
e) ONGC Videsh Limited	Other receivables	113.99	126.66	367.05
C. Amount payable:				
a) Mangalore Refinery and Petrochemicals Limited	Trade payables	644.09	914.07	121.66
D. Corporate Financial guarantee issued on behalf of subsidiaries:				
a) ONGC Videsh Limited (Note 24.1)	Value of financial guarantee	438,844.04	315,819.70	296,873.12
b) Mangalore Refinery and Petrochemicals Limited	Value of financial guarantee	4,464.43	10,269.62	3,290.04
E. Outstanding value of commitment made:				
a) ONGC Videsh Limited	Performance guarantee	4,967.51	5,082.41	4,798.23

45.2.3 The loan is unsecured carrying interest rate of 8.12% based on G-sec yield for 5 years tenor as per FIMMDA of 7.72 % plus spread of 0.40 bps (previous year 10.6% based on SBAR minus 3.85%) and is recoverable in half-yearly installments by financial year 2020-21.

45.2.4 The loan is Interest free and unsecured. The loan has been granted to fund the OVL's overseas projects and is recoverable out of the surplus cash flows arising from the projects. However, Company has the right to demand loan by serving a notice period of 15 months. Pending the final approval of Government for conversion of loan into equity, loan to the extent of ₹50,000.00 million has been re-classified as deemed equity as on April 1, 2015 & March 3, 2016 respectively based on approval of board. During the year, the Company has received Government approval for such conversion and accordingly the same has been converted into equity. The remaining loan has been fair valued based on effective interest rate (EIR) method as per Ind AS-32 and the same has been presented in balance sheet. The fair value of remaining OVL loan ₹163.45 million (previous year ₹6687.64 million) base on effective interest rate 8.12% (previous year 10.60%) is included in note 12.

45.2.5 Transactions with joint ventures

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products to:			
a) ONGC Tripura Power Company Limited	Sale of natural gas	5,389.99	4,370.84
b) ONGC Petro Additions Limited	Sale of naphtha & C2-C3	16,055.62	-
Services received from:			
a) ONGC Teri Biotech Limited	Bio-remediation services	191.57	225.86
b) Dahej SEZ Limited	Lease rent charges for SEZ land for C2-C3 plant	8.71	8.65
c) Mangalore SEZ Limited	Travel reimbursement	-	0.29
d) ONGC Tripura Power Company Limited	Management Services	-	6.56
Services provided to:			
a) ONGC Petro Additions Limited	Manpower deputation, loading and other charges	374.54	117.95
b) ONGC Teri Biotech Limited	Field study charges and rent for colony accommodation	3.94	2.76
c) ONGC Tripura Power Company Limited	Management consultancy and interest charges	1.10	-
Advance against equity given to:			
a) ONGC Petro Additions Limited	Advance against equity/Share warrant subscription	-	18,739.50
Refund of existing advance against equity by:			
a) ONGC Petro Additions Limited	Advance against equity	-	7,505.52
Allotment of share against advance for equity:			
a) ONGC Tripura Power Company Limited	Allotment of equity shares	-	4,645.36
Commitments given:			
a) ONGC Petro addition Limited	Subscription of share warrants	480.50	480.50
b) ONGC Petro addition Limited	backstopping support for compulsory convertible debentures	56,150.00	-
c) ONGC Petro addition Limited	backstopping support for compulsory convertible debentures-Interest accrued	3,612.06	-

45.2.6 Outstanding balances with joint ventures

(₹ in million)

Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Amount receivable:				
a) ONGC Petro Additions Limited	Trade and other receivables	3,658.13	48.71	67.17
b) ONGC Tripura Power Company Limited	Trade and other receivables	263.30	238.69	345.08
c) ONGC Teri Biotech Limited	Trade and other receivables	0.01	0.01	-
B. Amount payable:				
a) ONGC Teri Biotech Limited	Trade payables	96.51	99.61	148.33
b) Dahej SEZ Limited	Trade payables	7.80	8.67	7.54
c) Mangalore SEZ Limited	Trade payables	0.09	0.09	0.17
d) ONGC Tripura Power Company Limited	Trade payables and other payables	-	5.96	-
C. Advance outstanding:				
a) ONGC Petro Addition Limited	Advance against equity/share warrant pending allotment	18,739.50	18,739.50	7,505.52
b) ONGC Tripura Power Co. Limited	Advance against equity pending allotment	-	-	4,645.36
D. Commitments:				
a) ONGC Petro addition Limited	Unpaid subscription of share warrants	480.50	480.50	
b) ONGC Petro addition Limited	backstopping support for compulsory convertible debentures	56,150.00	-	-
c) ONGC Tripura Power Co. Limited	Cost Over run	-	2,023.50	2,023.50

45.2.7 Transactions with associates

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
A. Services received from:			
a) Pawan Hans Limited (PHL)	FE loss (gain) on hiring of Helicopter	(5.24)	2.45
	Hiring of helicopter services	1,933.42	2,028.47
b) Petronet LNG Limited	Facilities charges at C2-C3 and reimbursement of consultant fee	85.74	68.63
B. Services provided to:			
a) Pawan Hans Limited (PHL)	other services	8.39	17.22
	Miscellaneous receipt on account of liquidated damages	19.03	60.88
b) Petronet LNG Limited	Director sitting fee and other charges	0.18	0.36
C. Income received from:			
a) Pawan Hans Limited (PHL)	Interest income	0.45	22.20
	Dividend income	53.04	38.03
b) Petronet LNG Limited	Dividend Income	234.38	187.50

45.2.8 Outstanding balances with associates

(₹ in million)

Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
A. Loans (Secured):				
a) Pawan Hans Limited (PHL) (Note 45.2.9)	Loans	-	33.16	367.84
B. Amount receivable:				
a) Pawan Hans Limited (PHL)	Dividend receivable (after AGM approval)	-	-	37.80
	Trade and other receivables	0.10	0.10	9.35
b) Petronet LNG Limited	Trade and other receivables	0.10	0.10	0.10
C. Amount payable:				
a) Pawan Hans Limited (PHL)	Trade payables	293.60	323.52	80.57
b) Petronet LNG Limited	Trade payables	3.51	3.34	-

45.2.9 The loan in previous year was secured by hypothecation of 7 new Helicopters and carries interest rate of 10.80% based on SBI base rate plus 1.5% and is recoverable in sixty equal monthly installments starting from loan granted which has been recovered in full by 2016-17.

45.2.10 Transactions with Trusts

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
A. Remittance of payment:			
a) ONGC Contributory Provident Fund Trust	Contribution	10,727.47	10,464.92
b) ONGC CSSS Trust	Contribution	1,319.51	1,285.50
c) ONGC Sahyog Trust	Contribution	28.60	29.00
d) ONGC PRBS Trust	Contribution	10,091.21	9,268.25
B. Reimbursement of Gratuity payment made on behalf of Trust:			
a) ONGC Gratuity Fund	Reimbursement	1,674.14	1,880.20
C. Contribution to trust			
a) ONGC Energy Center	For research and development	162.50	156.96
b) ONGC Foundation	Contribution	2,257.50	4.00

45.2.11 Compensation of key management personnel

(a) Whole time Directors and Company Secretary

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Short term employee benefits	43.28	29.57
Post-employment benefits	13.90	11.98
Long-term benefits	2.32	1.98
Total	**59.50**	**43.53**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amount receivable	0.72	1.66	1.04
Amount Payable	24.90	8.29	9.49

(b) Independent Directors

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sitting fees	8.20	3.51
Total	**8.20**	**3.51**

45.3 Disclosure in respect of Government related Entities

45.3.1 Name of Government related entities and description of relationship wherein significant amount of transaction carried out:

Sl no.	Government related entities	Relation
1.	Indian Oil Corporation Limited	Central PSU
2.	GAIL (India) Limited	Central PSU
3.	Hindustan Petroleum Corporation Ltd	Central PSU
4.	Bharat Petroleum Corporation Ltd	Central PSU
5.	Chennai Petroleum Corporation Ltd	Central PSU
6.	Numaligarh Refinery Ltd	Central PSU
7.	Kochi Refineries Limited	Central PSU
8.	Bharat Heavy Electricals Limited	Central PSU
9.	United India Insurance Company Ltd	Central PSU
10.	Bharat Sanchar Nigam Limited	Central PSU
11.	Mahanagar Telephone Nigam Limited	Central PSU
12.	Balmer Lawrie & Co Ltd	Central PSU

45.3.2 Transactions with Government Related Entities

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products during year to:			
a) Indian Oil Corporation Limited	Sale of crude oil , C2-C3 , SKO & LPG	201,318.28	165,811.07
b) Hindustan Petroleum Corporation Ltd	Sale of crude oil C2-C3 & LPG	111,667.60	120,719.35
c) Bharat Petroleum Corporation Ltd	Sale of crude oil C2-C3, SKO, HSD & LPG	111,719.93	117,410.66
d) Chennai Petroleum Corporation Ltd	Sale of crude oil	42,674.79	47,070.20
e) Numaligarh Refinery Ltd	Sale of crude oil	16,251.43	13,665.09

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
f) Kochi Refineries Limited	Sale of crude oil	13,539.79	32,032.71
g) GAIL (India) Limited	Sale of Natural Gas	131,778.79	173,623.46
Purchase of product during year from:			
a) Indian Oil Corporation Limited	Purchase of Petrol Oil & lubricant	5,241.81	7,142.06
b) Hindustan Petroleum Corporation Ltd	Purchase of Petrol Oil & lubricant	3,240.87	4,447.19
c) Bharat Petroleum Corporation Ltd	Purchase of Petrol Oil & lubricant	2,200.61	3,231.57
d) GAIL (India) Limited	Purchase of LNG	11,226.89	6,113.28
e) Bharat Heavy Electricals Limited	Purchase of drilling rig related items including spares	1,891.08	193.56
Services Received from:			
a) United India Insurance Company Ltd	Insurance premium	1,338.81	1,687.44
b) Balmer Lawrie & Co Ltd	Travel expenses	1,155.12	809.15
Dividend Income received from:			
a) Indian Oil Corporation Limited	Dividend income	14,876.52	4,045.07
b) GAIL (India) Limited	Dividend income	704.48	336.92

(₹ in million)

Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amount receivable:				
a) Indian Oil Corporation Limited	Trade & other receivable	18,636.84	15,087.01	38,156.02
b) Hindustan Petroleum Corporation Ltd	Trade & other receivable	8,855.08	7,974.38	25,668.54
c) Bharat Petroleum Corporation Ltd	Trade & other receivable	10,362.91	4,726.40	27,591.03
d) Chennai Petroleum Corporation Ltd	Trade & other receivable	2,655.00	4,716.11	10,131.46
e) Numaligarh Refinery Ltd	Trade & other receivable	1,543.32	1,069.91	2290.76
f) GAIL (India) Limited	Trade & other receivable	8,387.40	8,466.87	14,676.87
g) United India Insurance Company Ltd	Claim receivable(net)	2.71	2.69	-
Amount payable:				
a) Indian Oil Corporation Limited	Trade & other payable	199.33	91.75	409.72
b) Hindustan Petroleum Corporation Ltd	Trade & other payable	326.39	12.17	184.99
c) Bharat Petroleum Corporation Ltd	Trade & other payable	237.14	120.73	233.88
d) GAIL (India) Limited	Trade & other payable	539.03	135.69	-
e) Bharat Heavy Electricals Limited	Trade & other payable	470.72	466.04	473.03
f) United India Insurance Company Ltd	Trade & other payable	-	-	0.56
g) Balmer Lawrie & Co Ltd	Trade payable	64.61	38.05	37.96

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

46. Financial instruments Disclosure

46.1 Capital Management

The Company's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

The Company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of total equity (Refer Note 21 & 22). The Company is not subject to any externally imposed capital requirements.

The Company's financial management committee reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

46.1.1 Gearing Ratio

The Company has no outstanding debt as at the end of reporting period. Accordingly, the Company has zero gearing ratio as at March 31, 2017 and March 31, 2016. Gearing ratio was 0.0096 as at April 1, 2015.

46.2 Categories of financial instruments

(₹ in million)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Financial assets			
Measured at fair value through profit or loss (FVTPL) (mandatorily measured)			
(a) Investment in mutual funds	36,343.29	30,032.38	-
Measured at amortised cost			
(a) Investment in GoI Special Bonds	1,975.08	1,975.08	1,975.08
(b) Trade and other receivables	64,762.06	54,314.23	137,022.72
(c) Cash and cash equivalents	426.59	139.27	1,185.36
(d) Other bank balances	94,681.25	99,427.17	26,415.32
(e) Deposit under Site Restoration Fund	145,386.91	135,591.83	125,443.80
(f) Loans	42,340.57	51,759.69	66,829.10
(g) Other financial assets	12,764.74	24,688.17	25,948.94
Measured at FVTOCI			
(a) Investments in equity instruments (designated on transition date)	289,573.52	153,414.81	146,997.47
Financial liabilities			
Measured at amortised cost			
(a) Short term borrowings	-	-	13,930.00
(b) Trade payables	51,548.43	51,264.49	55,611.27
(c) Other financial liabilities	94,844.03	95,680.28	83,294.54
Financial guarantee contracts	**2,707.57**	**2,326.06**	**2,437.96**

46.3 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

46.4 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are *commodity price risk, foreign currency risk and interest rate risk.*

The primary commodity price risks that the Company is exposed to include international crude oil prices that could adversely affect the value of the Company's financial assets or expected future cash flows. Substantial or extended decline in international prices of crude oil and natural gas may have an adverse effect on the Company's reported results.

46.5 Foreign currency risk management

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

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in million)

Particulars	Liabilities		Assets	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
USD	66,832.00	69,590.18	12,076.00	11,259.57
GBP	866.29	2,469.95	-	-
EURO	1,135.74	1,271.30	-	-
JPY	451.80	287.30	-	-
Others	47.30	132.40	-	-

46.5.1 Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in million)

USD sensitivity at year end	Year ended March 31, 2017	Year ended March 31, 2016
Assets:		
Weakening of INR by 5%	603.80	562.98
Strengthening of INR by 5%	(603.80)	(562.98)
Liabilites:		
Weakening of INR by 5%	(3,341.60)	(3,479.51)
Strengthening of INR by 5%	3,341.60	3,479.51

Sensitivity of profit or loss before tax to change in +/- 1 USD in prices of crude oil, natural gas & value added products (VAP) and +/- Re. 1 in exchange rate between INR-USD currency pair is presented as under:

(₹ in million)

Sensitivity of profit or loss before tax	2016-2017	2015-2016
i. Impact on profit or loss before tax for USD in prices of crude oil, natural gas & VAP	(+/-) 50,010.72	(+/-) 50,180.09
ii. Impact on profit or loss before tax for exchange rate	(+/-) 8,640.13	(+/-) 10,406.84

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

46.5.2 Forward foreign exchange contracts

The Company has not entered into any forward foreign exchange contracts during the reporting period.

46.6 Interest rate risk

The Company has not availed borrowings, hence is not exposed to interest rate risk.

46.7 Price risks

The Company's equity securities price risk arises from investments held and classified in the balance sheet either at fair value through OCI or at fair value through profit or loss. The Company's equity investments in IOC and GAIL are publicly traded.

Investment of short-term surplus funds of the Company in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

46.7.1 Price sensitivity analysis

The sensitivity of profit or loss in respect of investments in equity shares and mutual funds at the end of the reporting period for +/-5% change in price and net asset value is presented below:

- Profit before tax for the year ended March 31, 2017 would increase/decrease by ₹1,817.16 million (For the year ended March 31, 2016 would increase/decrease by ₹1,501.62 million) as a result of 5% changes in net asset value of investment in mutual funds; and
- Other comprehensive income for the year ended March 31, 2017 would increase/decrease by ₹14,478.68 million (for the year ended March 31, 2016 would increase/decrease by ₹7,670.74 million) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

46.8 Interest rate risk management

The Company invests the surplus fund generated from operations in term deposits with banks and mutual funds. Bank deposits are made for a period of upto 12 months carry interest rate as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk. Average interest earned on term deposit for the year ended March 31, 2017 was 7.74%.

46.9 Credit risk management

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Major customers, being public sector oil marketing companies (OMCs) and gas companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 3.19% (previous year 3.61%) of total monetary assets at any time during the yea

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/schemes are with public sector Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits.

Bank balances are held with reputed and creditworthy banking institutions.

The Company is exposed to default risk in relation to financial guarantees given to banks/vendors on behalf of subsidiaries/joint venture companies for the estimated amount that would be payable to the third party for assuming the obligation. The Company's maximum exposure in this regard as at March 31, 2017 is ₹443,308.48 million (As at March 31, 2016 is ₹326,089.32 million).

46.10 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in million)

	Less than 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31st, 2017					
Trade Payable	51,548.43	-	-	-	51,548.43
Security Deposits from Contractors	2,812.39	137.97	35.54	0.34	2,986.24
Other Financial Liabilities	91,159.61	-	-	-	91,159.61
Total	**145,520.43**	**137.97**	**35.54**	**0.34**	**145,694.28**
As at March 31st, 2016					
Trade Payable	51,264.49	-	-	-	51,264.49
Security Deposits from Contractors	3,752.05	63.42	42.87	0.82	3,859.16
Other Financial Liabilities	91,154.56	-	-	-	91,154.56
Total	**146,171.10**	**63.42**	**42.87**	**0.82**	**146,278.21**

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in million)

	Interest rate	Upto1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31st, 2017						
Fixed Deposits with Banks(including interest accrued)	7.74%	-	94,792.19	-	-	94,792.19
Oil Companies GOI Special Bonds	8.40%	-	-	-	1,975.08	1,975.08

	Interest rate	Upto1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
Loans to Subsidiaries – MRPL	8.12%	-	6,857.20	13,714.40	5,142.50	25,714.10
Loan to Employees	Nil - 5%	231.39	2,350.81	3,961.75	7,930.97	14,474.92
Loans to Subsidiaries - OVL	-	-	-	180.20		180.20
Trade Receivables	-	64,762.06	-	-	-	64,762.06
Security Deposits	-	2,367.07	2,613.02	78.90	31.32	5,090.31
Advances Recoverable	-	5,290.47	180.94	19.07	-	5,490.48
Other Financial Assets	-	4,673.07	-	165.83	-	4,838.90
Total		**77,324.06**	**106,794.16**	**18,120.15**	**15,079.87**	**217,318.24**
As at March 31st, 2016						
Fixed Deposits with Banks (including interest accrued)	8.03%	-	98,968.76	-	-	98,968.76
Oil Companies GOI Special Bonds	8.40%	-	-	-	1,975.08	1,975.08
Loans to Subsidiaries - MRPL	10.60%	-	6,857.20	13,714.40	11,999.70	32,571.30
Loans to Associates	10.80%	16.50	16.66	-	-	33.16
Loan to Employees	Nil - 5%	234.81	2,399.79	4,110.93	7,484.55	14,230.08
Loan to ONGC Videsh Limited	-	-	7,585.20		-	7,585.20
Trade Receivables	-	54,314.23	-	-	-	54,314.23
Security Deposits	-	882.31	32.53	10.11	98.60	1,023.55
Advance Recoverable	-	6,834.49	118.93	19.50	-	6,972.92
Other Financial Assets	-	7,375.01	-	165.82	-	7,540.83
Total		**69,657.35**	**115,979.07**	**18,020.76**	**21,557.93**	**225,215.11**

Night view of Mangalore Refinery and Petrochemicals Limited (MRPL).

The Company has access to committed credit facilities as described below, of which ₹Nil were unused at the end of the reporting period (as at March 31, 2016 ₹Nil). The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in million)

Unsecured bank overdraft facility, reviewed annually and payable at call:	As at March 31, 2017	As at March 31, 2016
amount used	-	-
amount unused	5,000.00	5,000.00

46.11 Fair value measurement

This note provides information about how the Company determines fair values of various financial assets.

46.12 Fair value of the Company's financial assets that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

(₹ in million)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2017	March 31, 2016		
Investment in equity instruments (quoted)	289,573.52	153,414.81	Level 1	Quoted bid prices from Stock exchange-NSE Ltd.
Investment in mutual funds	36,343.29	30,032.38	Level 2	NAV declared by respective Asset Management Companies.

46.13 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note 46.12 approximate their fair values.

47. Disclosure of Interests in Joint Arrangements and Associates:

47.1 Joint Operations

In respect of certain unincorporated PSC/NELP/CBM blocks, the Company's Joint Operation (JO) with certain body corporates have entered into Production Sharing Contracts (PSCs) with GoI for operations in India. As per signed PSC & JOA, Company's has direct right on Assets, liabilities, income & expense of blocks. Details of these Joint Operation Blocks are as under:

Sl. No.	Blocks	Company's Participating Interest			Others Partners and their PI in the JO/Operatorship*
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	
A	**Jointly Operated JOs**				
1	Panna, Mukta and Tapti	40%	40%	40%	BGEPIL 30%, RIL 30%
2	NK-CBM-2001/1	55%	55%	80%	IOC 20%, PEPL 25%
B	**ONGC Operated JOs**				
3	CB-OS/1 Development Phase (Note 47.1.1)	55.26%	55.26%	55.26%	TPL 6.70%, HOEC 38.04%

Sl. No.	Blocks	Company's Participating Interest			Others Partners and their PI in the JO/Operatorship*
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	
4	AA-ONN-2001/2	80%	80%	80%	IOC 20%
5	CY-ONN-2002/2	60%	60%	60%	BPRL 40%
6	KG-ONN-2003/1	51%	51%	51%	Cairn India-49%
7	CB-ONN-2004/1 (Refer Note 47.1.1)	60%	60%	60%	GSPC 40%,
8	CB-ONN-2004/2	55%	55%	55%	GSPC 45%
9	CB-ONN-2004/3	65%	65%	65%	GSPC 35%
10	CY-ONN-2004/2	80%	80%	80%	BPRL 20%
11	MB-OSN-2005-1	80%	80%	80%	GSPC 20%
12	Raniganj	74%	74%	74%	CIL 26%
13	Jharia	74%	74%	74%	CIL 26%
14	BK-CBM-2001/1	80%	80%	80%	IOC 20%
15	WB-ONN-2005/4	75%	75%	75%	OIL 25%
16	GK-OSN-2009/1	40%	40%	40%	AWEL 20%, GSPC 20%, IOC 20%
17	GK-OSN-2009/2	40%	40%	40%	AWEL 30%, IOC 30%
18	KG-OSN-2009/2	90%	90%	90%	APGIC 10%
19	KG-OSN-2009/4	50%	50%	50%	APGIC 10%, OIL 30%, NTPC 10%
20	CB-ONN-2009/4	50%	50%	50%	GSPC 50%
21	GK-OSN-2010/1	60%	60%	60%	OIL-30%, GAIL-10%
22	CB-ONN-2010/6	80%	80%	80%	IOC- 20%
23	MB-OSN-2005/3	70%	70%	-	EEPL-30%
C	**Operated by JO Partners**				
24	Ravva	40%	40%	40%	Cairn India (Operator) 22.5%, VIL 25%, ROPL 12.5%
25	CY-OS-90/1 (PY3)	40%	40%	40%	HEPI (operator) 18%, HOEC 21% TPL 21%
26	RJ-ON-90/1	30%	30%	30%	Cairn India (Operator) 35%, CEHL 35%
27	CB-OS/2 –Development Phase	50%	50%	50%	Cairn India (operator) 40% , TPL 10%
28	CB-ON/7	30%	30%	30%	HOEC (Operator) 35%, GSPC 35%
29	CB-ON/3 – Development Phase	30%	30%	30%	EOL (Operator)70%
30	AN-DWN-2003/2	45%	45%	45%	ENI (Operator) 40%, GAIL 15%
31	PR-OSN-2004/1	35%	35%	35%	Cairn India (Operator) 35%, TPL 30%
32	CB-ON/2- Development phase	30%	30%	30%	GSPC (Operator) 56%, Geo-Global Resources 14%

Sl. No.	Blocks	Company's Participating Interest			Others Partners and their PI in the JO/Operatorship*
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	
33	CY-OSN-2009/2	50%	50%	50%	OIL 50% (Operator)
34	AA-ONN-2010/2	30%	30%	30%	OIL -50%(Operator), GAIL-20%
35	AA-ONN-2010/3	40%	40%	40%	OIL-40%(Operator), BPRL-20%

Note: There is no change in previous year details unless otherwise stated.

47.1.1 Approval towards assignment of PI is awaited from GoI

Abbreviations:- APGIC- AP Gas Infrastructure Corporation Limited, AWEL- Adani Welspun Exploration Limited, BGEPIL- British Gas Exploration & Production India Limited, BPRL- Bharat Petro Resources Limited, Cairn India-Cairn India Limited, CEHL- Cairn Energy Hydrocarbons Limited, CIL- Coal India Limited, EEPL- Essar Exploration & production Limited, ENI- Ente Nazionale Idrocarburi, EOL-Essar Oil Limited, GAIL- Gas Authority of India Limited, GSPC- Gujarat State Petroleum Corporation Limited, HEPI- Hardy Exploration & Production India Limited, HOEC- Hindustan Oil Exploration Company Limited, IOC- Indian Oil Corporation Limited, NTPC- National Thermal Power Corporation Limited, OIL- Oil India Limited, PEPL-Prabha Energy Pvt Limited, RIL- Reliance Industries Limited, ROPL- Ravva Oil (Singapore) Private Limited, TPL- Tata Petrodyne Limited, VIL- Videocon Industries Limited

47.1.2 List of the blocks surrendered during the year are given below:

Sl. No.	Joint Operation/PSCs	Company's Participating Interest		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	VN-ONN-2004/1	100%	100%	100%
2	PA-ONN-2005/2	100%	100%	100%
3	GK-OSN-2010/2	90%	90%	90%
4	MN-DWN-98/3	100%	100%	100%
5	MN-OSN-2000/2	40%	40%	40%
6	AA-ONN-2009/4	50%	50%	50%

47.1.3 The financial statements of 125 (124 in FY 2015-16, 117 as on April 1, 2015) out of 135 (135 in FY 2015-16, 134 as on April 1, 2015) Joint operation (PSC/NELP/CBM blocks) have been incorporated in the accounts to the extent of Company's participating interest in assets, liabilities, income, expenditure and profit/(loss) before tax on the basis of statements certified in accordance with production sharing contract and in respect of balance 10 (11 in FY 2015-16, 17 as on April 1, 2015) Joint operation (PSC/NELP/CBM blocks), the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Financial statements of Joint operated blocks have been adjusted for changes as per Note No. 3.4. The financial positions of Company share of Joint operation (PSC/NELP/CBM blocks) are disclosed in note 47.1.4

47.1.4 Financial position of the Joint Operation – Company's share are as under:

The financial statements of 125 nos. (124 in FY 2015-16, 117 as on April 1, 2015) out of 135 nos. (135 in FY 15-16, 134 as on April 1, 2015) Joint operation block (JOs/NELP) have been incorporated in the accounts to the extent of Company's participating interest in assets, liabilities, income, expenditure and profit/(loss) before tax on the basis of statements certified in accordance with production sharing contract and in respect of balance 10 (11 in FY 2015-16, 17 as on April 1, 2015) Joint operation blocks (JOs/NELP), the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Both the figures have been adjusted for changes as per Note No. 3.4. The financial positions of JO/NELP are as under:-

As at March 31, 2017 (₹ in million)

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit or Loss from continuing operations	Other Comprehensive Income	Total Comprehensive Income
NELP-100% PI (14)	120.01	64,777.15	156.85	11.49	31.55	(2,635.55)	(0.82)	(2,636.37)
Block with other partner (35)	19,186.89	69,831.18	22,140.06	27,714.00	80,032.44	9,529.96	(0.12)	9,529.86
Surrendered (86)	2,005.72	43.51	12,917.39	59.07	262.81	(4,853.44)	(0.58)	(4,854.02)
Total (135)	**21,312.62**	**134,651.84**	**35,214.30**	**27,784.56**	**80,326.80**	**2,040.98**	**(1.52)**	**2,039.46**
Further Break-up of above blocks under :								
Audited (125)	20,084.08	131,281.00	30,242.16	25,057.99	75,613.44	2,362.11	(1.52)	2,360.58
Unaudited (10)	1,228.54	3,370.84	4,972.14	2,726.57	4,713.36	(321.13)	-	(321.12)
Total (135)	**21,312.62**	**134,651.84**	**35,214.30**	**27,784.56**	**80,326.80**	**2,040.98**	**(1.52)**	**2,039.46**

As at March 31, 2016 (₹ in million)

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit or Loss from continuing operations	Other Comprehensive Income	Total Comprehensive Income
NELP-100% PI (15)	124.93	62,250.73	153.14	12.41	15.82	3,926.23	-	3,926.23
Block with other partner (40)	16,968.43	69,402.18	28,572.89	15,563.70	84,192.37	10,815.51	-	10,815.51
Surrendered (80)	3,208.83	38.04	12,635.90	44.21	353.85	(784.16)	-	(784.16)
Total (135)	**20,302.19**	**131,690.95**	**41,361.93**	**15,620.32**	**84,562.04**	**13,957.58**	**-**	**13,957.58**
Further Break-up of above blocks under :								
Audited (124)	19,779.99	130,961.61	37,553.70	14,928.54	84,130.50	14,526.90	-	14,526.90
Unaudited (11)	522.20	729.34	3,808.23	691.78	431.54	(569.32)	-	(569.32)
Total (135)	**20,302.19**	**131,690.95**	**41,361.93**	**15,620.32**	**84,562.04**	**13,957.58**	**-**	**13,957.58**

As at April 1, 2015 **(₹ in million)**

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities
NELP-100% PI (16)	150.73	30,197.32	220.39	11.66
Block with other partner (48)	20,869.76	72,046.50	31,202.78	14,389.57
Surrendered (70)	4,665.92	14.53	12,324.12	39.14
Total (134)	**25,686.41**	**102,258.35**	**43,747.29**	**14,440.37**
Audited (117)	22,990.60	97,374.24	36,239.48	11,115.96
Unaudited (17)	2,695.81	4,884.11	7,507.81	3,324.41
Total (134)	**25,686.41**	**102,258.35**	**43,747.29**	**14,440.37**

47.1.5 Additional Financial information related to Joint Operation blocks are as under:

As at March 31, 2017 **(₹ in million)**

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense
NELP-100% PI (14)	0.02	89.74	12.61	0.06	0.88
Block with other partner (35)	1,453.27	17,093.31	14,753.48	530.80	1,195.82
Surrendered (86)	0.27	12,098.49	889.65	0.99	4.27
Total (135)	**1,453.56**	**29,281.54**	**15,655.74**	**531.85**	**1,200.97**
Audited (125)	1,450.26	25,252.55	14,365.56	321.76	934.83
Unaudited (10)	3.30	4,028.99	1,290.18	210.09	266.14
Total (135)	**1,453.56**	**29,281.54**	**15,655.74**	**531.85**	**1,200.97**

As at March 31, 2016 **(₹ in million)**

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense
NELP-100% PI (15)	0.02	89.75	21.38	0.08	0.69
Block with other partner (40)	1,251.01	23,079.83	13,560.48	537.68	1,177.00
Surrendered (80)	7.35	12,356.59	217.65	85.19	3.20
Total (135)	**1,258.38**	**35,526.17**	**13,799.51**	**622.95**	**1,180.89**
Audited (124)	1,207.75	31,959.78	13,660.56	578.35	1,123.64
Unaudited (11)	50.63	3,566.39	138.95	44.60	57.25
Total (135)	**1,258.38**	**35,526.17**	**13,799.51**	**622.95**	**1,180.89**

As at April 1, 2015 **(₹ in million)**

Particulars	Cash and Cash Equivalents	Current Financial Liabilities
NELP-100% PI (16)	0.11	157.36
Block with other partner (48)	1,178.67	23,358.88
Surrendered (70)	5.18	11,992.63
Total (134)	**1,183.96**	**35,508.87**
Audited (117)	1,150.91	29,327.50
Unaudited (17)	33.05	6,181.37
Total (134)	**1,183.96**	**35,508.87**

47.1.6 In respect of 6 NELP blocks (previous year 10) which have expired as at March 31, 2017, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to ₹1,167.54 million (previous year to ₹2,966.53 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 ₹1,167.54 million (previous year ₹2,966.53 million) is included in MWP commitment under Note no. 49.3.2.

47.1.7 As per the Production Sharing Contracts signed by the Company with the GoI, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) are payable for extension of time to complete MWP. Further, in case the Company does not complete MWP or surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI. LD (net of reversal) amounting to (-) ₹14.90 million (Previous year Nil) and cost of unfinished MWP (net of reversal) ₹965.69 million (Previous year ₹454.13 million), paid/ payable to the GoI is included in survey and wells written off expenditure respectively.

47.1.8 The Company has proposed to relinquish30% Participating Interest (PI) in SGL Field with future interest in block RJ-ON/6 Jaisalmer Basin Rajasthan to Focus Energy Limited (Operator) which is subject to approval from Government, 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.

47.1.9 In respect of Jharia CBM block, there are certain overlapping issues with Steel Authority of India Limited (SAIL). Due to overlap issue, operations (except incidental gas production) is suspended since June 2014. A Co-Development Plan/Agreement with SAIL is being finalised to commence the activity in the overlap area. Similarly, in Raniganj CBM Block, Airport City Project of Bengal Aerotropolis Projects Limited (BAPL) overlaps affecting both FDP and assessment areas of Raniganj CBM Block. The issue is being discussed with BAPL and Government of West Bengal. Techno-economics of the block is being re-worked.

47.1.10 The Company has approved the proposal for acquisition of the entire 80% Participating Interest (PI) of Gujarat State Petroleum Corporation Limited (GSPC) along with operatorship rights, at a purchase consideration of US$ 995.26 million (₹64,542.61 million) for Deen Dayal West (DDW) Field in the Block KG-OSN-2001/3. The Company shall also pay part consideration of US$ 200 million (₹12,970.00 million) to GSPC towards acquisition rights for discoveries other than DDW Field in the Block KG-OSN-2001/3 to be adjusted against the valuation of such fields based on valuation parameters agreed between the GSPC and ONGC. A Farm-in Agreement has been signed with GSPC on March 10,2017 with an economic date of March 31,2017 (23:59 Hrs – IST).

48. Disclosure under Indian Accounting Standard 36 – Impairment of Assets

48.1 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.

48.2 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.

48.3 In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 14.88 % (as at March 31, 2016- 19.06%) for Rupee transactions and 10.57 % (as at March 31, 2016- 13.37%) for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products have been computed using the future prices, on the basis of market-based average prices of dated Brent crude oil as per 'Platt's Crude oil market wire' and its Co-relations with benchmark crude and other petroleum products. Future cash flows from sale of natural gas 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 31.3)

48.4 The Company had provided for an impairment loss of ₹32,520.07 million in the previous year, mainly pertaining to on onshore CGU Sibsagar amounting to ₹29,972.00 million and ₹1,569.00 million in Pre NELP JO block RJ-ON-90/1 considering the major decrease in crude oil prices in the international market. However, there has been improvement in prices of crude oil and reduction in the Gas prices in the current financial year. Accordingly, the Company has assessed the impairment as at March 31, 2017 for its CGUs. As a result of the change in prices and other variables, there has been a reversal of an amount of ₹13,979.63 million (Previous year ₹254.22 million) mainly consisting of ₹12,203.54 million for onshore CGU Sibsagar and ₹1,569 million in Pre NELP JO block RJ-ON-90/1. Balance reversal of impairment loss amounting to ₹207.09 million pertains to other CGUs.

During the year ₹715.62 million has been provided for impairment loss mainly consisting of ₹468.11 million in respect of RJ ON 6 (Previous year ₹127.09 million) and ₹235.11 million in respect of onshore CGU Silchar and Jodhpur (Previous year ₹18.87 million). Balance impairment loss amounting to ₹12.41 million (Previous year ₹833.11 million) pertains to other CGUs.

48.5 The following 2P reserves for respective CGU were considered as a basis for the impairment testing:

Name of the CGU	Quantity of Reserves used for Impairment Assessment (In MMT)
G1 GS 15	8.97
Jodhpur Onshore Asset	1.06
Silchar Onshore Asset	0.31
RJ-ON-90/1 (Pre NELP PSC Block)	6.77
B-193	15.23
Sibsagar Onshore Asset	43.56
WO 16	12.32
Rajahmundry Onshore	13.99

48.6 Impairment testing of assets under exploratory phase (Exploratory wells in progress) has been carried out as on March 31, 2017 and an amount of ₹4,539.44 million (For the year ended March 31, 2016 ₹626.36 million) has been provided during the year 2016-17 as impairment loss. Further, ₹966.05 million (For the year ended March 31, 2016 ₹3,466.20 million) impairment losses has been reversed in the Standalone statement of Profit and Loss as exploratory phase assets have been transferred to Oil and Gas Assets.

49. Contingent liabilities, Contingent Assets and commitments (to the extent not provided for)Contingent Liabilities & Contingent Assets:

49.1 Claims against the Company/disputed demands not acknowledged as debt: **(₹ in million)**

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I	**In respect of Company**			
(i)	Income Tax	87,426.84	72,595.09	80,032.68
(ii)	Excise Duty	9,922.79	8,045.11	8,572.86
(iii)	Custom Duty	264.94	225.52	190.61
(iv)	Royalty (Note - 49.1.b)	496.81	149,219.29	117,738.83
(v)	Cess	6.57	6.57	6.57
(vi)	AP Mineral Bearing Lands (Infrastructure) Cess	2,704.18	2,543.98	2,371.76
(vii)	Sales Tax	14,311.27	27,539.80	24,776.47
(viii)	Service Tax	1,455.84	1,652.90	1,374.57
(ix)	Octroi and other Municipal Taxes	233.98	222.22	205.52
(x)	Specified Land Tax (Assam)	4,531.38	4,197.21	3,863.05
(xi)	Claims of contractors (Incl. LAQ) in Arbitration/Court	155,793.74	107,608.72	72,750.49
(xii)	Employees Provident Fund	66.35	66.35	66.35
(xiii)	Others	45,807.06	42,336.92	53,578.89
	Sub Total (A)	**323,021.75**	**416,259.68**	**365,528.65**
II	**In respect of Joint Operations**			
(i)	Income Tax	8.91	8.91	8.91
(ii)	Excise Duty	4.17	4.17	4.17
(iii)	Custom Duty	77.54	152.54	1,473.86
(iv)	Sales Tax and Service Tax	10,086.68	3,548.44	2,880.48
(v)	Claims of contractors in Arbitration/Court	319.45	5,662.05	5,356.90
(vi)	Others	7,759.32	1,366.37	867.31
	Sub Total (B)	**18,256.08**	**10,742.48**	**10,591.63**
	Total (A+B)	**341,277.82**	**427,002.16**	**376,120.28**

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 Central Government (GoI) and State Governments, on production of Crude Oil and Natural Gas from offshore fields and onshore fields, respectively. Since 2008-09, in terms of GoI directives, the Company had been paying royalty on crude oil at realized price which was net of discount (share of under-recovery of the OMCs as per GoI directives). On an application filed by the State of Gujarat, The Hon'ble High Court of Gujarat in its order dated November 30, 2013 had 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 April 1, 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 February 13, 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. February 1, 2014 onwards. Accordingly, w.e.f. February 1, 2014, the Company had started depositing royalty with the State of Gujarat on pre-discount prices in respect of crude oil production from Gujarat.

Government of Assam had also filed a Writ Petition in The Hon'ble High Court of Guwahati for payment of differential royalty on pre- discount sale price of crude oil for the period 2008-09 to 2013-14 which was pending adjudication. Government of Assam had also filed an Interlocutory Application seeking payment of royalty on pre-discount sale price of crude oil w.e.f. February 1, 2014 in terms of The Hon'ble Supreme Court order dated February 13, 2014.

In the meantime in terms of GoI order dated July 15, 2016, the Company paid royalty w.e.f. February 1, 2014 to other similarly placed states at pre-discount prices.

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) of ₹148,722.46 million on this account for the period from April, 2008 to March, 2016 had been considered as Contingent Liability as at March 31, 2016.

Differential royalty amounting to ₹24,444.27 million paid to the State Governments w.e.f. February, 2014 had been considered as deposit.

During the year, a settlement was made by GoI on February 17, 2017 amongst GoI, State of Gujarat/Assam and the Company wherein following was agreed:

i. The outstanding amount towards differential royalty would be paid by the GoI directly to the Government of Gujarat and Assam.

ii. Any payments already made to the State Governments by the Company shall not be re-opened and will not be reimbursed or paid by GoI.

iii. All other mutual claims and liabilities shall be extinguished on the basis of the agreement.

Subsequently, based on affidavits filed by the Petitioners, Hon'ble Supreme Court disposed the pending SLP with Supreme Court and Writ Petition with Guwahati High Court. In view of settlement and disposal of pending SLP, the Company has charged differential royalty amounting to ₹24,444.27 million paid to State Governments w.e.f. February 1, 2014 to Statement of Profit and Loss.

49.2 A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainities that surround the related events and circumstances.

49.3 Commitments

49.3.1 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account:-

i) In respect of Company: ₹110,082.89 million (Previous year ₹122,679.23 million).

ii) In respect of Joint Operations: ₹2,596.09 million (Previous year ₹20.52 million).

49.3.2 Other Commitments

(i) Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts' with Government of India/Nominated Blocks:

a) In respect of NELP blocks in which the Company has 100% participating interest: ₹3,325.69 million (Previous year ₹2,394.45 million).

b) In respect of NELP blocks in Joint Operations, Company's share: ₹7,576.08 million (Previous year ₹24,680.51 million).

(ii) In respect of ONGC Petro Additions Limited, A Joint Venture Company ₹480.50 million on account of subscription of Share Warrants with a condition to convert it to shares after a balance payment of ₹0.25/- per share.

(iii) The Company has entered into an arrangement on July 2, 2016 for backstopping support towards repayment of principal and cumulative coupon amount for three years for compulsory convertible debentures amounting to ₹56,150.00 Million issued by OPAL and interest for the year ending March 31, 2017 amounting to ₹3612.06 million

(iv) The Company has approved the proposal for acquisition of the entire 80% Participating Interest (PI) of Gujarat State Petroleum Corporation Limited (GSPC) along with operatorship rights, at a purchase consideration of US$ 995.26 million (₹64,542.61 million) for Deen Dayal West (DDW) Field in the Block KG-OSN-2001/3. The Company shall also pay part consideration of US$ 200 million (₹12,970.00 million) to GSPC towards acquisition rights for discoveries other than DDW Field in the Block KG-OSN-2001/3 to be adjusted against the valuation of such fields based on valuation parameters agreed between the GSPC and ONGC. A Farm-in Agreement has been signed with GSPC on March 10, 2017. (Note 47.1.10)

50. Quantitative Details

50.1 Production Quantities (Certified by the Management):

(₹ in million)

Products	Unit	Year ended March 31, 2017	Year ended March 31, 2016
Crude Oil	MT	25,534,312	25,927,483
Natural Gas	000 M^3	23,269,961	22,529,543
Liquified Petroleum Gas	MT	1,354,700	1,195,162
Ethane-Propane	MT	420,585	3,74,701
Ethane	MT	137,175	-
Propane	MT	90,511	28,796
Butane	MT	31,053	-
Naphtha	MT	1,101,231	1,042,624
SKO	MT	35,790	66,780
ATF	MT	2,539	3,119
LSHS	MT	26,263	21,586
HSD	MT	30,126	33,481
MTO	MT	3,620	2,075

Notes: a) Production includes internal consumption and intermediary losses.

b) Crude oil production includes condensate of 1.363 MMT (Previous year 1.285 MMT).

50.2 Purchases (Traded Products):

(₹ in million)

Products	Unit	Year ended March 31, 2017		Year ended March 31, 2016	
		Quantity	Amount	Quantity	Amount
High Speed Diesel	KL	418	16.83	1,150	41.34
Motor Spirit	KL	202	9.08	678	29.88
Others		-	0.10	-	0.29
Total			**26.01**		**71.51**

50.3 Raw Material Consumed:

For production of Liquefied Petroleum Gas, Ethane/Propane, Naphtha, Superior Kerosene Oil, Low Sulphur High Stock, Aviation Turbine Fuel and High Speed Diesel.

(₹ in million)

Particulars	Unit	Year ended March 31, 2017		Year ended March 31, 2016	
		Quantity	Value at cost	Quantity	Value at cost
Out of own production:					
Crude Oil	MT	85,354	1,066.41	77,808	827.91
Natural Gas	000M3	971,658	4,968.29	967,445	6,537.48
Gas Equivalent Condensate	000M3	404,619	1,976.68	399,779	2,094.32
Purchases					
Gas Equivalent Condensate	MT	-	-	9,689	236.11
Liquefied Natural Gas	MT	433,812	10,619.68	144,702	5,353.34

50.4 Consumption of Stores and Spare Parts:

(₹ in million)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Amount	%	Amount	%
Imported	12,947.76	25.79	10,138.23	21.44
Indigenous	37,247.13	74.21	37,156.28	78.56
Total	**50,194.89**	**100.00**	**47,294.51**	**100.00**

50.5 Value of Imports on CIF Basis:

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Capital items *	3,353.39	3,008.89
Stores and Spare Parts	18,284.11	10,243.11
Total	**21,637.50**	**13,252.00**

**Includes stage payments made against capital works.*

50.6 Expenditure in Foreign Currency:

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Services	184,538.36	216,331.01
Others	572.07	657.49
Total	**185,110.43**	**216,988.50**

50.7 Earnings in Foreign Currency:

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Services	87.94	20.96
FOB value of Sales	30,556.66	30,281.17
Others	84.06	29.93
Total	**30,728.66**	**30,332.06**

Integrating the slum children with those of Don Bosco through the Roshni Star Education Project as a part of ONGC's CSR project in Vadodara.

51. Disclosure under Guidance Note on Accounting for "Oil and Gas Producing Activities" (Revised)

51.1 Company's share of Proved Reserves on the geographical basis is as under:

Particular	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)*	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Offshore	**Opening**	200.76	208.13	176.306	187.882	377.05	396.00
	Addition	14.48	9.36	27.375	5.689	41.86	15.05
	Production	16.26	16.73	17.606	17.265	33.86	34.00
	Closing	**198.98**	**200.76**	**186.075**	**176.306**	**385.05**	**377.05**
Onshore	**Opening**	187.73	189.75	145.083	148.051	332.81	337.80
	Addition	3.91	6.33	2.864	2.002	6.77	8.33
	Production	8.34	8.35	5.364	4.970	13.70	13.32
	Closing	**183.30**	**187.73**	**142.583**	**145.083**	**325.88**	**332.81**
Total	**Opening**	388.49	397.88	321.389	335.933	709.88	733.81
	Addition	18.39	15.69	30.239	7.691	48.62	23.39
	Production	24.60	25.08	22.970	22.235	47.57	47.32
	Closing	**382.28**	**388.49**	**328.658**	**321.389**	**710.93**	**709.88**

Refer note no. 4.2 (d) for procedure of estimation of reserves.

51.2 Company's share of Proved Developed Reserves on the geographical basis is as under:

Particulars	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE)*	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Offshore	**Opening**	**146.61**	**154.48**	**113.525**	**122.693**	**260.14**	**277.17**
	Addition	3.73	8.86	16.622	8.097	20.35	16.97
	Production	16.26	16.73	17.606	17.265	33.87	34.00
	Closing	**134.08**	**146.61**	**112.541**	**113.525**	**246.62**	**260.14**
Onshore	**Opening**	**142.71**	**143.74**	**100.172**	**103.835**	**242.88**	**247.57**
	Addition	3.49	7.33	(0.370)	1.360	3.12	8.69
	Production	8.35	8.36	5.364	5.023	13.71	13.39
	Closing	**137.85**	**142.71**	**94.438**	**100.172**	**232.29**	**242.87**
Total	**Opening**	**289.32**	**298.22**	**213.697**	**226.528**	**503.02**	**524.75**
	Addition	7.22	16.19	16.252	9.457	23.47	25.66
	Production	24.61	25.09	22.970	22.288	47.58	47.39
	Closing	**271.93**	**289.32**	**206.979**	**213.697**	**478.91**	**503.02**

** 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.*

52. Disclosure pursuant to SEBI (Listing obligation and disclosure requirements) regulations 2015:

(₹ in million)

Particulars	Outstanding as at March 31, 2017	Maximum Amount Outstanding during the year 2016-17	Outstanding as at March 31, 2016	Maximum Amount Outstanding during the year 2015-16
(a) Loans to Subsidiaries:*		**59,865.20**	**57,585.20**	**67,500.00**
i) ONGC Videsh Limited (OVL) * (Note 52.1)	180.20			
ii) Mangalore Refinery and Petrochemicals Limited (MRPL) (Note 52.2)	25,714.10	32,571.30	32,571.30	39,428.50
(b) Loan to Associate: Pawan Hans Limited (formerly Pawan Hans Helicopter Limited) (PHL)	-	33.16	33.16	367.84
(c) In the nature of loans to Firms\ companies in which directors are interested:	Nil	Nil	Nil	Nil

** Excludes Current account transactionn.*

52.1 The loan is Interest free and unsecured. The loan has been granted to fund the OVL's overseas projects and is recoverable out of the surplus cash flows arising from the projects. However, Company has the right to demand loan by serving a notice period of 15 months. Pending the final approval of Government for conversion of loan into equity, loan to the extent of ₹50000.00 million has been re-classified as deemed equity as on April 1, 2015 & March 31, 2016 respectively based on approval of board. During the year, the Company has received Government approval for such conversion and accordingly the same has been converted into equity. The remaining loan has been fair valued based on effective interest rate (EIR) method as per Ind AS-32 and the same has been presented in balance sheet. The fair value of remaining OVL loan ₹163.45 million (previous year ₹6,687.64 million) base on effective interest rate 8.12% (previous year 10.60%) is included in note no. 12.

52.2 Loan to MRPL carries interest as G-Sec yield for 5-year tenor as on March 31, 2016 (as per FIMMDA) plus a spread of 40 (forty) basis points which amounts to 8.12% (7.72% + spread of 40 basis points) for financial year 2016-17 in place of present rate of SBAR with spread of minus 385 basis points. Interest rate shall be reset on 1 April every year by applying G-Sec yield for 5-year tenor, as per FIMMDA as on 31 March of the preceding financial year. Spread of 40 (forty) basis points over and above G-Sec yield for 5-year tenor shall continue to remain applicable for the entire tenure of the loan. The Loan is repayable quarterly in 28 equal installments. The repayment of loan had started from the last quarter of FY 2013-14. ONGC can call these loans on notice of 90 days. MRPL can prepay whole or part of the loan to ONGC as per its requirement.

52.3 The Company has not advanced any money to its employees for the purposes of investment in the securities of the Company.

52.4 Investments by the ONGC Videsh Limited (OVL), loanee:

Name of Subsidiary	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No of Shares	₹ in million	No of Shares	₹ in million	No of Shares	₹ in million
(a) ONGC Nile Ganga B.V.						
- Equity Shares						
- Class A	40	12,295.04	40	12,579.43	40	11,876.04
- Class B	100	28,339.75	100	28,995.26	100	27,373.97
- Class C	880	1,188.74	880	1,216.23	880	1,148.23
(b) ONGC Narmada Limited						
- Equity Shares	20,000,000	10.07	20,000,000	10.31	20,000,000	9.73
(c) ONGC Amazon Alaknanda Limited						
- Equity Shares	12,000	0.78	12,000	0.80	12,000	0.75
- Preference Shares	130,886,206	8,487.97	151,965,012	10,082.88	165,797,732	10,385.57
(d) Imperial Energy Limited (formerly Jarpeno Limited)						
- Equity Shares	1,450	20,362.99	1,450	20,833.99	1,450	19,669.04
- Preference Shares	192,210	124,648.19	192,210	127,531.34	192,210	120,400.34
(e) Carabobo One AB						
- Equity Shares	377,678	3,692.73	377,678	3,778.14	377,678	3,566.89
(f) ONGC (BTC) Limited						
- Equity Shares	1,021,044	384.76	1,237,502	477.12	7,398,001	2,692.80
(g) Beas Rovuma Energy Mozambique Limited	7,680	104,987.04	7,680	99,712.11	7,680	94,682.92
- Equity Shares						
(h) ONGC Videsh Rovuma Limited						
- Equity Shares	25,000	1.62	20,000	1.33	10,000	0.19
(i) ONGC Videsh Atlantic Limited						
- Equity Shares	2,040,000	132.29	2,040,000	135.35	40,000	2.51
(j) ONGC Videsh Singapore Pte. Ltd.						
- Equity Shares	10,000	0.65	-	-	-	-

53. Disclosure on Foreign currency exposures at the year-end that have not been hedged by derivative instrument or otherwise are given below

Particulars	As at March 31, 2017		As at March 31, 2016	
	Foreign Currency in million	Equivalent ₹ in million	Foreign Currency in million	Equivalent ₹ in million
Import Creditors				
AED	0.42	7.44	0.29	5.28
AUD	0.16	7.80	0.38	19.04
BHD	0.00	0.43	-	-
EUR	16.40	1,135.74	16.75	1,271.30
GBP	10.70	866.29	25.94	2,469.95
JPY	780.84	451.80	486.62	287.30
NOK	3.28	24.80	12.08	96.26
OMR	0.02	2.56	0.04	6.70
SEK	-	-	0.03	0.24
SGD	0.09	4.27	0.10	4.88

Particulars	As at March 31, 2017		As at March 31, 2016	
	Foreign Currency in million	Equivalent ₹ in million	Foreign Currency in million	Equivalent ₹ in million
USD	858.16	55,651.58	879.30	58,341.43
Total		**58,152.71**		**62,502.39**
Receivables				
USD	186.21	12,076.00	169.70	11,259.57
MWP Provision				
USD	169.04	10,962.34	169.47	11,244.39
Cash Call Payable				
USD	3.36	218.09	0.07	4.36
Cash Call Receivable				
USD	-	-	-	-

54. The Company has a system of physical verification of Inventory, Fixed assets and Capital Stores in a phased manner to cover all items over a period of three years. Adjustment differences, if any, are carried out on completion of reconciliation.

55.1 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

55.2 Further, some balances of Trade and other receivables, Trade and other payables and Loans are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.

Aerial view of ONGC's Uran Plant, Mumbai.

56 First time Ind AS adoption- Reconciliations

56.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015

(₹ in million)

Particular	Notes of 56.1.	As at March 31, 2016 (End of last period presented under Previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP #	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP #	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets							
1. Oil and Gas asset	1	947,741.56	(90,955.17)	856,786.39	915,026.32*	(65,876.14)	849,150.18
2. Other Property, Plant and Equipment	1 to 5	84,023.66	1,315.30	85,338.96	66,295.09 *	4,415.53	70,710.62
3. Capital work-in-progress							
(a) Oil and gas asset							
(b) Development wells in progress	1	35,577.77	(236.84)	35,340.93	35,950.29	(259.58)	35,690.71
(c) Oil and Gas facilities in progress		36024.21	-	36,024.21	49,808.63*	-	49,808.63
(d) Others	1 , 4	94,738.22	608.16	95,346.78	77,097.96	328.21	77,426.17
4. Intangible assets		665.40	-	665.40	696.04	-	696.04
5. Intangible assets under development							
(a) Exploratory wells in progress		172,246.11	-	172,246.11	122,935.00	-	122,935.00
6. Financial assets							
(a) Investments	6, 7, 8, 9	202,908.81	165,369.12	368,277.93	181,244.22	170,821.32	352,065.54
(b) Loans	3, 4, 6, 9, 11,12	96,521.10	(55,033.49)	41,487.61	124,387.79	(68,048.15)	56,339.64
(c) Deposit under site restoration fund		135,591.83	-	135,591.83	125,443.80	-	125,443.80
(d) Other financial assets		1,486.28	-	1,486.28	732.79		732.79
7. Non-Current Tax Assets (Net)		74,316.04	-	74,316.04	62,936.75	-	62,936.75
8. Other non - current asset	3,4	8,494.21	(389.78)	8,104.43	12,787.66	(1,212.56)	11,575.10
Total non-current assets		**1,890,335.60**	**20,677.30**	**1,911,012.90**	**1,775,342.34**	**40,168.63**	**1,815,510.97**
Current assets							
a) Inventories	1, 5	56,420.56	(164.89)	56,255.67	59,635.27	(12.32)	59,622.95
b) Financial assets							
(i) Investments		30,032.38	-	30,032.38	-	-	-
(ii) Trade Receivables		54,314.23	-	54,314.23	137,022.72	-	137,022.72
(iii) Cash and cash equivalents		139.27	-	139.27	1,185.36	-	1,185.36
(iv) Other Bank balances		99,427.17	-	99,427.17	26,415.32	-	26,415.32
(v) Loans	7, 8	10,280.58	(8.50)	10,272.08	10,489.46	-	10,489.46
(vi) Others financial assets	10	23,201.89	-	23,201.89	24,988.04	228.10	25,216.14
c) Other current assets	3,4	36,906.05	(2,816.89)	34,089.16	45,720.29	(3,511.68)	42,208.62
Asset classified as held for sale	5	-	23.74	23.74	-	23.74	23.74
Total current assets		**310,722.13**	**(2,966.54)**	**307,755.59**	**305,456.46**	**(3,272.16)**	**302,184.31**
Total assets		**2,201,057.73**	**17,710.76**	**2,218,768.49**	**2,080,798.80**	**36,896.48**	**2,117,695.28**

Particular	Notes of 56.1.	As at March 31, 2016 (End of last period presented under Previous GAAP)			As at April 1, 2015 (Date of transition)		
		Previous GAAP #	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP #	Effect of transition to Ind AS	As per Ind AS balance sheet
Equity and Liability							
Equity							
Equity share capital		42,777.60	-	42,777.60	42,777.60	-	42,777.60
Other Equity		1,475,749.40	139,219.76	1,614,969.16	1,403,232.15	103,416.97	1,506,649.12
Total equity		**1,518,527.00**	**139,219.76**	**1,657,746.76**	**1,446,009.75**	**103,416.97**	**1,549,426.72**
Non-current liabilities							
(a) Financial liabilities							
(i) Finance lease obligation	2	-	382.93	382.93	-	382.93	382.93
(ii) Other financial liabilities	7	43.69	1,886.33	1930.02	272.04	1,944.32	2,216.36
(b) Provisions	1, 15	275,614.22	(88,770.39)	186,843.83	253,632.11	(61,703.51)	191,928.60
(c) Deferred tax liabilities (Net)	13	195,355.80	(2,383.03)	192,972.77	177,331.54	(2,947.98)	174,383.56
(d) Other non-current liabilities	14	102.68	8.02	110.70	544.49	10.49	554.98
Total non-current liabilities		**471,116.39**	**(88,876.14)**	**382,240.25**	**431,780.18**	**(62,313.75)**	**369,466.43**
Current liabilities							
(a) Financial liabilities							
(i) Short Term Borrowings		-	-	-	13,930.00	-	13,930.00
(ii) Trade payables		51,264.49	-	51,264.49	55,611.27	-	55,611.27
(iii) Finance lease obligation	2	-	35.03	35.03	-	35.03	35.03
(iv) Other financial liabilities	7	95,242.78	415.57	95,658.35	82,644.86	453.33	83,098.19
(b) Other current liabilities		16,388.99	-	16,388.99	30,045.29	-	30,045.29
(c) Provisions	1, 15	40,126.78	(33,083.46)	7,043.32	12,212.25	(4,695.11)	7,517.15
(d) Current Tax Liabilities (Net)		8,391.30	-	8,391.30	8,565.20	-	8,565.20
Total current liabilities		**211,414.34**	**(32,632.85)**	**178,781.48**	**203,008.87**	**(4,206.74)**	**198,802.13**
Total liabilities	-	**682,530.73**	**(121,508.99)**	**561,021.73**	**634,789.05**	**(66,520.49)**	**568,268.56**
Total equity and liabilities	-	**2,201,057.73**	**17,710.76**	**2,218,768.49**	**2,080,798.80**	**36,896.48**	**2,117,695.28**

#Previous GAAP figures have been reclassified to conform with Ind AS presentation requirements for the purpose of this note.

**Reclassification of Oil and Gas Assets:* *Under Previous GAAP, the Company had reported an amount of ₹667,110.29 million as Oil and Gas Assets. During 2015-16, the Company made a reclassification of ₹247,915.37 million between Oil and Gas Assets and Other Property, Plant and Equipment (Refer Notes no.5.1 and 6.1) w.e.f. April 1, 2015. Accordingly, as at April 1, 2015, the reclassified figures have been presented under Previous GAAP.*

Explanatory Notes to Balance sheet Reconciliation:

56.1.1 **Adjustment to Oil and gas assets and Decommissioning Provisions:** Under the Previous GAAP, discounting of provisions was not required whereas under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. The Company has re-measured (as mentioned in note 4.2.a) decommissioning provisions at the transition date by availing optional exemption as per para D21 of Ind AS 101 'First time Adoption of Indian Accounting Standards'. This has resulted in decrease in decommissioning provision by ₹61,250.20 million and decrease in oil and gas assets by ₹65,876.14 million, CWIP-Development wells in progress by ₹259.58 million, CWIP-Other by ₹120.00 million, as at April 1, 2015.

Similarly, it has resulted in decrease in decommissioning provision by ₹88,388.01 million and decrease in oil and gas assets by ₹90,955.17 million**,** Other Property plant & equipment by ₹187.50 million, CWIP-Development wells in progress by ₹34.17 million, CWIP-Others by ₹1,222.70 million and Inventory by ₹164.89 million as at March 31, 2016. Further there is reduction in transfer from CWIP-Development wells in progress by ₹202.66 million.

The net effect of aforesaid changes is decrease in total equity by ₹5,005.26 million as at April 1, 2015 and ₹4,396.16 million as at March 31, 2016.

56.1.2 **Leasehold Land:** Under the Previous GAAP, leasehold land were accounted as part of fixed assets and amortized over the lease period (except for perpetual lease). Under Ind AS, leasehold land for perpetual period are considered as finance lease. As stated at note no. 3.16 the Company has carried the finance lease at transition date at the fair value amount of leasehold land on transaction date resulting in increase in carrying amount of leasehold land by ₹417.96 million with corresponding recognition of finance lease obligation of ₹417.96 million. Further, the lease rentals capitalized to leasehold land have been reversed resulting in decrease in total equity by ₹267.25 million as at April 1, 2015 and ₹267.25 million as at March 31, 2016.

56.1.3 **Reclassification of leasehold land** : Under Previous GAAP, leasehold land was shown as part of fixed assets, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore are shown as prepayments. Consequently, as on the transition date April 1, 2015 an amount of ₹3,276.90 million has been decapitalized and shown as prepayments under Ind AS. Similarly, an amount of ₹3,375.38 million has been shown as prepayments as at March 31, 2016. This reclassification has no impact on equity.

56.1.4 **Reclassification of Unamortized expenditure:** Under Previous GAAP, unamortized portion of dry dock expenses were shown a part of other current assets (₹3,574.22 million)/noncurrent assets (₹4,426.69 million). However, under Ind AS, as at transition date April 1, 2015, dry dock expenses of ₹7,552.79 million has been capitalized as a component of rigs/vessels as part of property plant & equipment and ₹448.21 million has been treated as Capital work in progress. Similarly, an amount of ₹4,727.46 million has been capitalized as component of rig/vessels and ₹1,830.87 million has been treated as Capital work in progress as at March 31, 2016. These reclassifications have no impact on equity.

56.1.5 **Reclassification of assets held for sale**: As at the transition date an amount of ₹11.42 million representing helicopters held for sale have been reclassified from Other Property plant & equipment to asset held for sale. Similarly, an amount of ₹12.32 million has been reclassified from Inventory to asset held for sale. These reclassifications have no impact on equity.

56.1.6 **Deemed Equity:** Under Previous GAAP interest free loan given to group companies were recorded at their transaction value. Under Ind AS, such loans are recognized at fair value on the date of disbursements and the fair value loss on respective transaction dates is recognized as deemed investment in subsidiary. Considering the management intention to convert an amount of ₹50,000.00 million into equity of ONGC Videsh limited, loan amount of ₹50,000.00 million has been considered as deemed equity and added to the carrying amount of investment in subsidiary. Accordingly, the balance loan outstanding of ₹16,142.28 million given to its wholly owned subsidiary ONGC Videsh Limited on respective dates of transaction have been fair valued. Consequently, the interest amount of ₹155.82 million has been adjusted to opening equity. Further on fair valuation on transition date, the fair valuation difference of ₹2,114.04 million has been treated as deemed equity and added to the carrying amount of investment in subsidiaries. Similarly, an amount of ₹2,053.95 million has been added to the cost of investment in subsidiaries as deemed equity at March 31, 2016 on account of disbursements/repayments of loan, there is a reduction in value of loan by ₹897.56 million on valuation of interest free loan resulting in increase in equity by ₹1,156.40 million.

56.1.7 **Financial Guarantees:** Under Ind AS, financial guarantee contracts are accounted as financial liabilities and measured initially at fair value and subsequently accounted as mentioned in note no. 3.30.a. Accordingly, an amount of ₹2,437.97 million has been recognized as deferred financial obligation as at April 1, 2015 with corresponding debit to deemed equity in the carrying amount of investment in subsidiaries. Similarly, an amount of ₹2,326.06 million has been recognized as financial guarantee obligation as on March 31, 2016, the corresponding amount along with the changes in the guarantee during 2015-16, aggregating to ₹2,779.39 million has been taken to deemed equity.

56.1.8 **Fair valuation of Investments in Equity Instruments:** Under the Previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under the Ind AS, investments in equity instruments of companies other than Subsidiaries, Associates & Joint Ventures are measured at fair value. As at the transition date, the Company has made irrevocable choice to account for these investments at fair value through other comprehensive income (OCI), resulting in increase in total equity by ₹104,118.44 million and ₹110,535.77 million as at April 1 2015 and March 31, 2016 respectively.

56.1.9 **Deemed Investment in ONGC Petro Additions Limited (OPaL) and ONGC Tripura Power Company Limited (OTPC):** The Company had extended Advances against equity pending for allotment as at the transition date, to Joint Venture Companies OPaL and OTPC for ₹7,505.52 million and ₹4,645.36 million respectively. As at the transition date, these have been treated as deemed investments in these companies and accordingly reclassified from Loans under Previous GAAP to Investments under Ind AS.

56.1.10 **Prior period items:** Under Previous GAAP, prior period items were reflected as part of current year expense or income in the statement of profit & loss. Under Ind AS, material prior period items are adjusted to the period to which they relate and in case they relate to the period earlier than period presented, these are adjusted against opening equity of the earliest period presented. Accordingly, the prior period items (net) of ₹228.10 million have been adjusted against equity as on the transition date i.e. April 1, 2015.

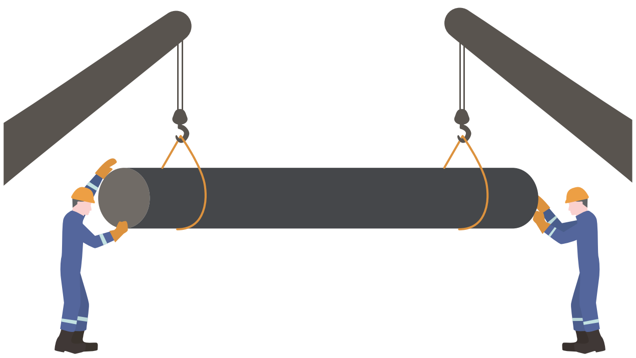
56.1.11 **Accounting of loans to employees on amortised cost method under effective rate of interest:** Under the Previous GAAP, loans to employees were recorded in the financial statements at transaction value. Under Ind AS, loans given to employees at concessional rate are required to be recognized at amortised cost method with Effective Interest Rate. The difference between the amortized cost of such loans and transaction value as on the transition date 1 April 2015, has been adjusted to retained earnings, resulting in decrease in total equity by ₹3,883.38 million. Subsequent to the transition date, such difference is charged against statement of profit & loss, resulting in decrease in profit before tax by ₹811.90 million for the year ended March 31, 2016. Further, the amortized cost accounting of such loan under the effective interest rate method, has resulted in increase in interest income by ₹593.20 million for the year ended March 31, 2016. The net effect of above is decrease in total equity by ₹4,102.06 million as at March 31, 2016.

56.1.12 **Accounting of other financial assets and liabilities on amortised cost method under effective rate of interest:** The adjustments on account of valuation of financial assets by applying amortised cost method using Effective Interest Rate as per requirements of Ind AS 109 'Financial Instruments' ₹55.67 million and liabilities ₹40.33 million as at transition date, has been adjusted to retained earnings resulting in decrease in to total equity by ₹15.34 million. Subsequent to the transition date, such valuation difference on financial assets and liabilities has been recognized in statement of profit & loss resulting in increase in other expenditure by ₹22.56 million and increase in other income by ₹15.25 million respectively for the year ended March 31, 2016. Further, the accounting of such financial assets and liabilities under the effective interest rate method, has resulted in increase in interest income by ₹24.60 million and increase in finance cost by ₹20.13 million for the year ended March 31st, 2016. The net effect of above is decrease in financial assets by ₹42.35 million, decrease in financial liabilities by ₹24.16 million and decrease in total equity by ₹18.19 million as at March 31, 2016.

56.1.13 **Deferred Tax:** Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an increase in equity by ₹2,948.00 million as at April 1, 2015 and ₹2,383.02 million as at March 31, 2016.

56.1.14 **Government Grant:** Under Previous GAAP grant received from government for fixed assets were shown as "Deferred Government Grant" under the head "Reserve and Surplus". Under Ind AS, the deferred government grant are required to be shown as non-current liability. The Company has reclassified the deferred government grant from reserve and surplus to non-current liability resulting in decrease in total equity by ₹10.49 million as at April 1, 2015 and by ₹8.01 million as at March 31, 2016.

56.1.15 **Proposed Dividend:** Under the Previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised as a provision in the financial statements. However, under Ind AS, such dividends are recognized when declared by shareholders in the annual general meeting. Accordingly, the provision for proposed dividend of ₹5,148.60 million as at April 1, 2015 included under provisions has been reversed with corresponding adjustment to retained earnings, this has been recognized during the year ended March 31, 2016. Similarly, the proposed dividend as at March 31, 2016 has also been reversed resulting in increase in total equity by an amount of ₹33,465.84 million as at March 31, 2016.



56.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

(₹ in million)

Particulars	Notes of 56.1.	As at March 31, 2016 (End of last period presented under Previous GAAP)	As at April 1, 2015 (Date of transition)
Total equity (shareholders' funds) under Previous GAAP		1,518,527.00	1,446,009.75
Adjustments:			
Dividends and related distribution tax not recognised as liability until declared under Ind AS	15	33,465.84	5,148.60
Remeasurement of decommissioning provisions	1	88,388.01	61,250.20
Effect of depletion on oil and gas assets due to re-measurement in existing decommissioning provision	1	(92,767.10)	(66,255.72)
Effect of lease rentals	2	(267.25)	(267.25)
Non-current liability accounted at amortised cost method under effective rate of interest	12	24.16	40.33
Non-current assets accounted at amortised cost method under effective rate of interest	12	(42.35)	(55.67)
Loan to OVL measured at accounted at amortised cost method under effective rate of interest	6	1,156.40	155.82
Amortisation of Financial Guarantee given to subsidiaries	7	453.33	-
Employee loans measured at EIR	11	(4,102.06)	(3,883.38)
Deferred government grant reclassified to non- current liability	14	(8.01)	(10.49)
Deferred tax on above adjustments	13	2,383.02	2,947.99
Sub total		**28,683.99**	**(929.57)**
Adjustment of Prior period income		-	228.10
Equity instruments measured at fair value	8	110,535.77	104,118.44
Total adjustment to equity		**139,219.76**	**103,416.97**
Total equity under Ind AS		**1,657,746.76**	**1,549,426.72**

56.3 Effect of Ind AS adoption on the Standalone Statement of Profit and Loss for the year ended March 31, 2016

(₹ in million)

Particulars	Notes of 56.3.	As per IGAAP	Ind AS Adjustments	As per Ind AS
Revenue From Operations	1	783,680.70	(6,263.17)	777,417.53
Other Income	2, 3, 4, 5, 8	61,921.70	8,171.83	70,093.53
Total Income		**845,602.40**	**1,908.66**	**847,511.06**
EXPENSES				
Purchase of Stock-in-Trade		71.51	-	71.51
Changes in inventories of finished goods, Stock-in-Trade and work-in progress	8	186.73	164.89	351.62
Production, Transportation, Selling and Distribution expenditure	1, 3, 4, 6, 7, 8, 13	403,386.64	(9,375.38)	394,011.26
Exploration Costs written off				
Survey Costs		15,286.09	(11.69)	15,274.40

Particulars	Notes of 56.3.	As per IGAAP	Ind AS Adjustments	As per Ind AS
Exploratory Well Costs		41,368.98	-	41,368.98
Depreciation, Depletion, Amortisation and Impairment	6, 7, 8	116,216.86	(5,217.62)	110,999.24
Finance costs	4, 7, 10	49.89	13,191.42	13,241.31
Provisions and Write Offs		3,938.45	-	3,938.45
Adjustment for prior period (net)	11	(228.10)	228.10	-
Total expenses		**580,277.05**	**(1,020.28)**	**579,256.77**
Profit/(loss) before exceptional items and tax		**265,325.35**	**2,928.94**	**268,254.29**
Exceptional Items	8, 9	(31,422.13)	(843.72)	(32,265.85)
Profit/(loss) before tax		**233,903.22**	**2,085.23**	**235,988.44**
Tax expense:				
(1) Current tax		57,200.00	-	57,200.00
(2) Earlier Years		(1,357.50)	-	(1,357.50)
(3) Deferred tax	12	18,024.24	722.38	18,746.62
Total tax expense		**73,866.74**	**722.38**	**74,589.12**
Profit/(loss) for the period		**160,036.46**	**1,362.86**	**161,399.32**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
(a) Remeasurement of the defined benefit plans (net of tax)	13	-	(297.39)	(297.39)
(b) Equity instruments through other comprehensive income	14	-	6,417.34	6,417.34
Total Other Comprehensive Income			**6,119.95**	**6,119.95**
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**160,036.46**	**7,482.81**	**167,519.27**

Notes to Profit Reconciliation for the year 2015-16:

56.3.1 Revenue from Operations:

Excise duty: Under Previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty and the excise duty paid is presented on the face of statement of profit and loss as part of expenses. This has resulted in an increase in total revenue and total expenses by ₹1,971.17 million for the year ended March 31, 2016.

Sales tax and Octroi: As per practice followed under Previous GAAP, revenue from sale of products was presented inclusive of sales tax and octroi with corresponding charge to the Statement of Profit and Loss. In terms of Para 8 of Ind AS 18 'Revenue' sale of goods has been presented net of sales tax and Octroi. This has resulted in a decrease in total revenue and total expenses by ₹8,234.34 million for the year ended March 31, 2016.

56.3.2 Loans to Subsidiaries accounted at amortised cost method under effective rate of interest: Interest free loan given to wholly owned subsidiary ONGC Videsh Limited has been valued by applying amortised cost method using Effective Interest Rate as per requirements of Ind AS 109 'Financial

Instruments' and resulting difference has been recognized as cost of investment in the subsidiary. As a result of accounting loan amount of ₹16,142.28 million (after considering ₹50,000.00 million as deemed equity) under effective interest rate method, interest income has increased by ₹1,000.58 million for the year ended March 31, 2016.

56.3.3 **Loans to employees accounted at amortised cost method under effective rate of interest:** Loans given to employees at concessional rate have been valued by applying amortised cost method using Effective Interest Rate as per requirements of Ind AS 109 'Financial Instruments'. The resulting fair value difference in respect of loans disbursed after the transition date has been recognized in statement of profit & loss, resulting in increase in other expenditure by ₹811.90 million for the year ended March 31, 2016. Further, the accounting of such loan under the effective interest rate method has resulted in increase in interest income by ₹593.20 million for the year ended March 31, 2016.

56.3.4 **Other financial assets and liabilities accounted at amortised cost method under effective rate of interest:** Financial assets and liabilities have been valued by applying amortised cost method using Effective Interest Rate as per requirements of Ind AS 109 'Financial Instruments'. Subsequent to transition date, the fair valuation difference on financial assets and liabilities has been recognized in statement of profit & loss, resulting in increase in other expenditure by ₹22.56 million and increase in other income by ₹15.25 million respectively for the year ended March 31, 2016. Further, the accounting of such financial assets and liabilities under the effective interest rate method has resulted in increase in interest income by ₹24.60 million and increase in finance cost by ₹20.13 million for the year ended March 31, 2016.

56.3.5 **Amortization of financial guarantees:** As stated at note 3.30.a, financial guarantees have been recognized as deferred financial guarantee obligation as at the transition date. Such guarantees have been amortized to statement of profit & loss over the guarantee period, resulting in increase in other income by ₹453.33 million during year ended March 31, 2016.

56.3.6 **Reclassification of Unamortized Dry dock:** Under Previous GAAP, the dry dock expenses were amortized and relevant portion was shown as other expenditure. However, under Ind AS, dry dock expenses have been capitalized as a component of rigs/vessels and charged as depreciation in the statement of profit & loss. This has resulted in decrease in other expenditure by ₹3,312.69 million and with corresponding increase in depreciation by ₹3,312.69 million.

56.3.7 **Reclassification of leasehold land** : Under Previous GAAP, leasehold land was shown as part of fixed assets and depreciated based on leasehold period, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore are shown as prepayments and amortized over the leasehold period. This reclassification resulted in decrease in depreciation expense by ₹69.71 million with corresponding increase in other expenditure.

Further, as stated at note no. 3.16 the Company has assessed a perpetual lease hold land as finance lease consequently annual finance lease charges amounting to ₹35.04 million has been accounted as finance cost.

56.3.8 **Depreciation, Depletion, Amortisation and Impairment:** As stated at note no. 56.1.1 Oil and gas assets were adjusted as on the transition date consequent to application of para D21 of Ind AS 101 on First time Adoption of Indian Accounting Standards. This has resulted in decrease in carrying value of oil and gas assets by ₹65,876.14 million as at the transition date. Accordingly, the depletion under Ind AS for the year ended 31 March 2016 has reduced by ₹8,460.62 million. Further impairment shown as exceptional item under IGAAP has reduced by ₹801.37 million on account of the same.

Further, as a result of decrease in depletion, the closing stock valuation has decreased by ₹164.89 million as at March 31, 2016

Any change in the present value of the estimated decommissioning expenditure other than the periodic unwinding of discount is adjusted to the decommissioning provision and the carrying value of the corresponding asset. In case reversal of provision exceeds the carrying amount of the related asset, the excess amount is recognized in the Statement of Profit and Loss. On remeasurement of decommissioning provision where the provision exceeded the carrying amount of the related assets, the excess provision of ₹6,084.86 million has been written back as other income during the year ended 31st March, 2016. Further there is a decrease in other expenditure amounting to ₹225.57 million due to foreign exchange difference on re-measurement of decommissioning provisions.

56.3.9 **Impairment**. As stated at note no. 3.34 as on transition date, the net book value of property plant & equipment has been carried forward as deemed cost consequent to para 7AA of Ind AS 101 on First time Adoption of Indian Accounting Standards. As a result of this, the accumulated impairment has been deemed to be subsumed in the net book value of property plant & equipment. Accordingly, impairment of ₹1,645.10 million written back and shown under exceptional items in IGAAP has been adjusted in the Ind AS accounts for the year ended 31st March, 2016.

56.3.10 **Unwinding of discount on Decommissioning Provisions:** Under the Previous GAAP, discounting of provisions was not required whereas under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. As a result, the unwinding of discount on decommissioning provisions has been recognized in the Statement of profit and loss as finance cost i.e. ₹13,136.26 million for the year ended March 31, 2016.

56.3.11 **Prior period items:** Under Previous GAAP, prior period items were reflected as part of current year expense or income in the statement of profit & loss. Under Ind AS, material prior period items are adjusted to the period to which they relate and in case they relate to the period earlier than period presented, these are adjusted against opening equity of the earliest period presented. Accordingly, the prior period items (net) of ₹228.10 million have been adjusted against equity as on the transition date i.e. April 1, 2015 resulting in increase in profit before tax for the year ended March 31, 2016.

56.3.12 **Deferred Tax:** Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an increase in deferred tax by ₹722.38 million during year ended March 31, 2016.

56.3.13 **Remeasurement of defined benefit plans**: Under Ind AS 19 Employee Benefits' Remeasurement i.e. actuarial gains and losses of defined benefit plans amounting to ₹454.78 million (deferred tax impact ₹157.39 million) have been recognised in other comprehensive income. Accordingly remeasurement for 2015-16 amounting to ₹443.09 million and ₹11.69 million have been adjusted from Production, Transportation, Selling & Distribution expenditure and Survey costs respectively resulted in corresponding increase in Net Profit after tax.

56.3.14 **Fair valuation of Investments in Equity Instruments:** As stated at note no.3.34 (viii), the Company has irrevocably elected to present the changes in fair value of equity instruments of companies other than Subsidiaries, Associates & Joint Ventures are measured at fair value in Other Comprehensive Income (OCI), as at April 1, 2015. Subsequent fair value changes have been recognized in Other Comprehensive Income (OCI). This has resulted in increase in other comprehensive income by ₹6,417.34 million during year ended March 31, 2016.

56.4 Reconciliation of total comprehensive income for the year ended March 31, 2016

(₹ in million)

Particulars	Notes nos. of 56.3.	Year ended March 31, 2016 (Latest period presented under Previous GAAP)
Profit as per Previous GAAP		**160,036.46**
Adjustments: Effect on		
Depletion of Oil and Gas assets due to adjustment of decommissioning provisions	8	8,460.62
Change in inventory due to change in depletion	8	(164.89)
Finance cost due to unwinding of discount on decommissioning provisions	10	(13,136.26)
Finance cost due to unwinding of discount on Financial liabilities	4	(20.13)
Other expenditure of measuring financial instruments at fair value	3, 4	(834.46)
Other income due to effective interest method on financial assets	2,3,4	1,633.62
Other income due to amortization of financial guarantees obligation in respect of guarantees given to Subsidiaries	5	453.33
Impairment Loss due to adjustment of decommissioning provisions	8, 9	(843.72)
Other income due to re-measurement of decommissioning provisions	8	6,084.86
Other expenditure due to foreign exchange difference on re-measurement of decommissioning provisions	8	225.57
Remeasurement of defined benefit plans taken to OCI	13	454.78
Adjustment of Prior Period items	11	(228.10)
Deferred tax impact on above adjustments	12	(722.36)
Total effect of transition to Ind AS		**1,362.86**
Net Profit for the year as per Ind AS		**161,399.32**
Remeasurement of defined benefit plans (net of tax)	13	(297.39)
Change in Fair Value of equity instrument	14	6,417.34
Total comprehensive income under Ind AS		**167,519.27**

Note: Under Previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the Previous GAAP.

56.5 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

(₹ in million)

Particulars	Notes of 56.5	Year ended March 31, 2016 (Latest period presented under Previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	1, 2, 3	397,250.98	1,687.48	398,938.46
Net cash flows from investing activities	1, 2, 3, 4	(295,107.22)	(31,719.86)	(326,827.09)
Net cash flows from financing activities		(73,157.46)	-	(73,157.46)
Net increase (decrease) in cash and cash equivalents	**4**	**28,986.30**	**(30,032.38)**	**(1046.08)**
Cash and cash equivalents at the beginning of the period		**1,185.35**	**-**	**1,185.35**
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	-	-
Cash and cash equivalents at the end of the period		**30,171.65**	**(30,032.38)**	**139.27**

56.6 Analysis of cash and cash equivalents as at March 31, 2016 and as at April 1, 2015 for the purpose of statement of cash flows under Ind AS

(₹ in million)

Particulars	Notes	As at March 31, 2016 (End of last period presented under Previous GAAP)	As at April 1, 2015 (Date of transition)
Cash and cash equivalents for the purpose of statement of cash flows as per Previous GAAP		**30,171.65**	**1,185.36**
Bank overdrafts which form an integral part of cash management system	-	-	-
Short term Investment in Mutual funds	4	(30,032.38)	-
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS		**139.27**	**1,185.36**

Notes to Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016:

56.6.1 Reclassification of Unamortized expenditure:

Under Previous GAAP, the unamortized portion of dry dock expenses was shown a part of other current/noncurrent assets. However, under Ind AS, these have been capitalized as a component of rigs/vessels as part of property plant & equipment. This has resulted in increase in Net cash flows from operating activities by ₹1,870.01 million with corresponding decrease in "Net cash flows from investing activities".

56.6.2 Reclassification of leasehold land: Under Previous GAAP, leasehold land was shown as part of fixed assets, whereas under Ind AS all leases are considered as operating leases (except perpetual leases) and therefore are shown as prepayments. This has resulted in decrease in Net cash flows from operating activities by ₹168.19 million with corresponding increase in "Net cash flows from investing activities".

56.6.3 Reclassification of Interest accrued on non-current deposits: Under Previous GAAP, interest accrued on non-current deposits was shown separately as interest accrued under noncurrent assets and accordingly the changes in interest accrued was shown as part of adjustment to interest received under cash flow from investment activities. Under Ind AS, these are shown as part of deposits against which interest has been accrued. This has resulted in decrease in Net cash flows from operating activities by ₹14.31 million with corresponding increase in "Net cash flows from investing activities".

56.6.4 Short term investment in mutual funds: Under previous GAAP, short term investments in mutual funds were shown as part of reconciliation to cash and cash equivalents for the purposes of Cash Flow Statement. Under Ind AS, these investments have been carried at fair value through profit and loss and hence have not been treated as part of cash and cash equivalents for the purposes of statement of cash flows. Accordingly, changes in investment in mutual funds amounting to ₹30,032.38 million have been reflected as part of "Net cash flows from investing activities" under Ind AS.

57 Approval of financial statements

The Standalone Financial Statements were approved by the Board of Directors on May 26, 2017.

FOR AND ON BEHALF OF THE BOARD

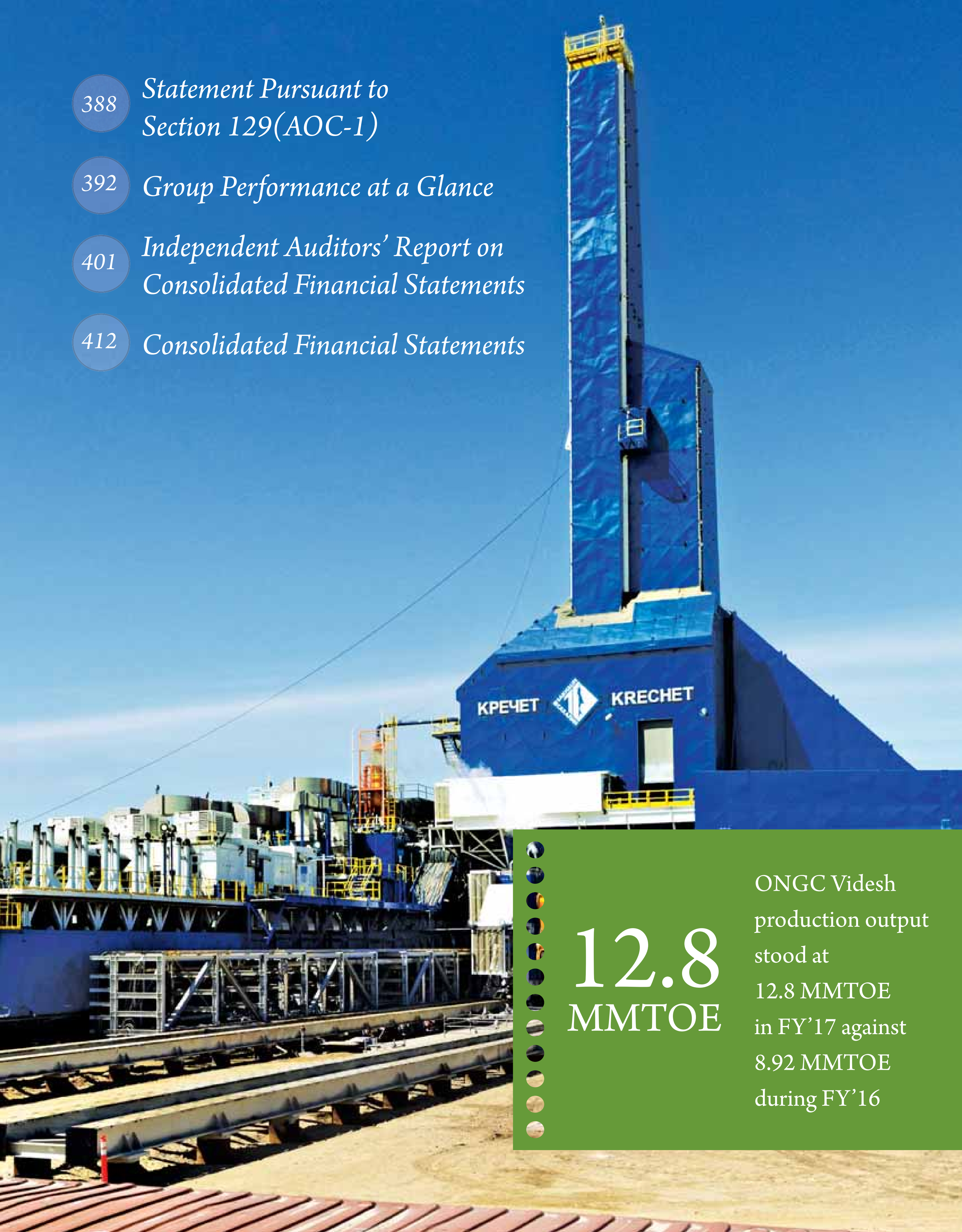
(V N Murthy) Company Secretary	(A K Srinivasan) Director (Finance) (DIN:07168305)	(D K Sarraf) Chairman & Managing Director (DIN: 00147870)

In terms of our report of even date attached

For P K F Sridhar &Santhanam LLP Chartered Accountants Firm Reg. No. 003990S/S200018	**For Lodha & Co.** Chartered Accountants Firm Reg. No.301051E	**For Khandelwal Jain & Co.** Chartered Accountants Firm Reg. No. 105049W
(Kothandaraman V) Partner (M. No. 025973)	(H K Verma) Partner (M. No. 055104)	(Narendra Jain) Partner (M. No. 048725)
For Dass Gupta & Associates Chartered Accountants Firm Reg. No. 000112N	**For K. C. Mehta & Co.** Chartered Accountants Firm Reg. No.106237W	**For MKPS & Associates** Chartered Accountants Firm Reg. No: 302014E
(Naresh Kumar) Partner (M.No. 082069)	(Vishal P.Doshi) Partner (M. No. 101533)	(Mahendra K. Agrawala) Partner (M.No. 051764)

New Delhi
May 26, 2017

ONGC plans to drill 3 development wells in S1 - Vashistha field in FY 2016-17.
Seen in the picture, Jack Bates Rig deployed at the location.



12.8 MMTOE

ONGC Videsh production output stood at 12.8 MMTOE in FY'17 against 8.92 MMTOE during FY'16

OIL AND NATURAL GAS CORPORATION LTD
CIN -L74899DL1993GOI054155
Form- AOC-1

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures as on 31.03.2017
(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 31.03.2017					For the year 2016-17						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Sl. No.	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary	Reporting currency and Exchange rate (note 4)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Total Compre-hensive Income (refer note 5)	Proposed Dividend	Extent of shareholding (percentage)
1	ONGC Videsh Limited	05.03.1965	31.03.2017	INR	150,000.00	167,332.40	805,858.88	488,526.48	281,844.34	73,324.63	26,412.37	8,918.57	17,493.80	18,403.04	2,102.95	100.00%
2	Mangalore Refinery & Petrochemicals Limited	30.03.2003	31.03.2017	INR	17,526.64	83,178.11	264,046.21	163,341.46	13,496.42	594,304.86	55,314.20	18,877.33	36,436.87	36,386.53	10,515.59	71.63%
3	ONGC Mangalore Petrochemicals Limited (note 4)	28.02.2015	31.03.2017	INR	18,776.26	(11,188.03)	81,005.28	73,417.05	4.80	52,565.68	(4,932.77)	(1,270.91)	(3,661.86)	(3,664.33)	-	85.53%
4	ONGC Nile Ganga B.V.	12.03.2003	31.03.2017	USD	4.52	186,711.18	201,177.67	14,461.98	50,884.02	10,148.62	(245.49)	688.57	(934.06)	-	-	100% for A&B and 77.491% for Class C
5	ONGC Campos Ltd.	16.03.2007	31.03.2017	BRL; 1 USD = BRL 3.1684 BS BRL 3.2978 P&L	26,182.99	(13,627.03)	67,579.27	55,023.31	-	11,288.60	(6,816.33)	(2,600.59)	(4,215.74)	-	-	100.00%
6	ONGC Nile Ganga (Cyprus) Limited *	26.11.2007	31.03.2017	USD	0.16	0.22	1.94	1.57	-	-	(1.06)	-	(1.06)	-		100.00%
7	ONGC Nile Ganga (San Cristobal) B.V.	29.02.2008	31.03.2017	USD	3.74	46,038.59	46,676.32	633.98	26,294.95	43.73	3.51	-	3.51	-	1,324.73	100.00%
8	ONGC Caspian E&P B.V.	07.06.2010	31.03.2017	USD	2.50	7,667.62	8,017.96	347.85	1,016.26	-	267.89	115.87	152.02	-	2,686.68	100.00%
9	ONGC Amazon Alaknanda Limited	08.08.2006	31.03.2017	USD	0.78	-	42,020.75	8,533.40	38,457.76	-	(1,566.04)		(1,566.04)	-	-	100.00%
10	ONGC Narmada Limited	07.12.2005	31.03.2017	USD	-	-	-	-	-	-	-	-	-	-	-	100.00%
11	ONGC (BTC) Limited	28.03.2013	31.03.2017	USD	66.21	(60.53)	5.69	0.01	-	300.88	294.45	62.35	232.10	-	-	100.00%
12	Carabobo One AB	05.02.2010	31.03.2017	Euro: 1 USD = 1.14 Euro	292.99	3,195.74	3,687.57	198.83	3,686.20	-	(1.74)	-	-	-	-	100.00%
13	Petro Carabobo Ganga B.V.	26.02.2010	31.03.2017	USD	1.39	11,111.65	11,309.59	196.55	580.00	83.58	13.95	-	-	-	-	100.00%
14	Imperial Energy Limited	12.08.2008	31.03.2017	USD	14.04	162,766.70	171,443.66	8,662.95	-	360.34	50.60	0.00	50.60	-	-	100.00%
15	Imperial Energy Tomsk Limited	13.01.2009	31.03.2017	USD	0.16	632.45	649.12	16.51	-	-	(1.25)	-	(1.25)	-	-	100.00%
16	Imperial Energy (Cyprus) Limited	13.01.2009	31.03.2017	USD	1.67	15,933.74	15,949.88	14.41	-	-	(1.23)	-	(1.23)	-	-	100.00%
17	Imperial Energy Nord Limited	13.01.2009	31.03.2017	USD	1.68	66,162.43	66,244.19	80.08	-	0.00	(1.22)	0.03	(1.19)	-	-	100.00%
18	Biancus Holdings Limited	13.01.2009	31.03.2017	USD	0.13	1,232.02	10,478.74	9,246.61	-	393.02	67.81	0.00	67.82	-	-	100.00%
19	Redcliffe Holdings Limited	13.01.2009	31.03.2017	USD	0.17	3,910.23	3,917.41	7.00	-	-	(1.26)	-	(1.26)	-	-	100.00%
20	Imperial Frac Services (Cyprus) Limited	13.01.2009	31.03.2017	USD	0.15	53.18	54.00	0.66	-	-	(2.09)	-	(2.09)	-	-	100.00%

					As at 31.03.2017					For the year 2016-17						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Sl. No.	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary	Reporting currency and Exchange rate (note 4)	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Total Compre-hensive Income (refer note 5)	Proposed Dividend	Extent of shareholding (percentage)
21	San Agio Investments Limited	13.01.2009	31.03.2017	USD	0.14	(68.34)	1,276.93	1,345.16	-	(0.34)	(56.83)	-	(56.83)	-	-	100.00%
22	LLC Sibinterneft	13.01.2009	31.03.2017	USD	0.12	(1,585.85)	0.01	1,585.75	-	-	(45.96)	-	(45.96)	-	-	55.90%
23	LLC Allianceneftegaz	13.01.2009	31.03.2017	USD	0.06	(5,761.97)	10,619.32	16,381.25	-	4,421.40	(475.48)	24.19	(451.29)	-	-	100.00%
24	LLC Nord Imperial	13.01.2009	31.03.2017	USD	0.35	15,033.45	17,763.15	2,729.38	-	2,388.15	149.13	0.00	149.13	-	-	100.00%
25	LLC Rus Imperial Group	13.01.2009	31.03.2017	USD	0.12	(511.80)	804.16	1,315.82	-	228.23	(139.83)	9.48	(130.35)	-	-	100.00%
26	LLC Imperial Frac Services	13.01.2009	31.03.2017	USD	0.01	468.92	527.02	58.13	-	593.33	(793.94)	43.07	(750.87)	-	-	50.00%
27	Beas Rovuma Energy Mozambique Ltd.	07.01.2014	31.03.2017	USD	46,813.55	(13,096.38)	33,865.91	148.74	16.21	0.04	(88.53)	-	(88.53)	-	-	60.00%
28	ONGC Videsh Rovuma Ltd.	24.03.2015	31.03.2017	USD	1.62	(1.83)	0.24	0.45	-	-	(0.70)	-	(0.70)	-	-	100.00%
29	ONGC Videsh Atlantic Inc.	14.08.2014	31.03.2017	USD	132.29	14.02	206.06	59.74	-	218.04	19.80	7.21	12.59	-	-	100.00%
30	ONGC Videsh Singapore Pte. Ltd.	15.04.2016	31.03.2017	USD	0.65	(10.71)	837.54	847.60	-	-	(11.08)	-	(11.08)	-	-	100.00%
31	ONGC Videsh Vankorneft Pte. Ltd.	18.04.2016	31.03.2017	USD	0.00	17,188.82	144,043.14	126,854.32	143,221.57	-	(2,505.46)	-	(2,505.46)	-	-	100.00%

Notes:

1. *Names of subsidiaries which are yet to commence operations : Nil*
2. *Names of subsidiaries which have been liquidated or sold during the year : Nil*
3. *Subsidiary under liquidation*
4. *Exchange Rate :*
   For Balance sheet items: 1 USD = 64.85₹
   For Profit & loss item: 1 USD = 67.0748₹
5. *Information to the extent avaiable*

For and on behalf of the Board

(V.N Murthy)
Company Secretary

(A K Srinivasan)
Director (Finance)
(DIN : 07168305)

(D.K.Sarraf)
Chairman & Managing Director
(DIN: 00147870)

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

(Kothandaraman V)
Partner (M. No. 025973)

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

(H K Verma)
Partner (M. No. 055104)

For M K P S & Associates
Chartered Accountants
Firm Reg. No.302014E

(Mahendra K Agrawala)
Partner (M.No. 051764)

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

(Naresh Kumar)
Partner (M.No. 082069)

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

(Vishal P. Doshi)
Partner (M. No. 101533)

New Delhi
May 26, 2017

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in million)

1	2	3	4	5	6	7	8	9	10	11	
Sl. No.	Name of the Joint Ventures/ Associates	Latest audited Balance Sheet Date	Date on which associate or joint venture was associated or acquired	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why Associate & JV not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet Considered in Consolidation	Profit / Loss for the year	
				No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in Consolidation
Joint Venture:-											
1	Petronet MHB Ltd (PMHBL)	31.03.2017	04.04.2003	179,511,020	1,839.32	32.72	Share holding more than 20%	NA	2,161.55	264.86	-
2	Mangalore SEZ Ltd (MSEZ) (note3)	31.03.2017	24.02.2006	13,000,000	130.00	26.82	Share holding more than 20%	NA	180.12	(16.05)	-
3	ONGC Petro Additions Ltd. (OPaL)	31.03.2017	15.11.2006	997,955,639	9,979.55	49.36	Share holding more than 20%	NA	23,472.83	(4,355.07)	-
4	ONGC Tripura Power Company Ltd. (OTPC)	31.03.2017	27.09.2004	560,000,000	5,600.00	50.00	Share holding more than 20%	NA	6,537.40	692.69	-
5	ONGC Teri Biotech Ltd. (OTBL)	31.03.2017	26.03.2007	24,990	0.25	49.98	Share holding more than 20%	NA	201.05	27.53	-
6	Dahej SEZ Limited (DSEZ)	31.03.2016	21.09.2004	23,025,000	230.25	50.00	Share holding more than 20%	NA	804.86	126.90	-
7	Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)	31.03.2017	11.03.2008	15,000,000	150.00	50.00	Share holding more than 20%	NA	415.87	49.13	-
8	ONGC Mittal Energy Limited	31.12.2014	26.03.2009	24,990,000	1,620.60	49.98	Share holding more than 20%	NA	-	-	-
9	Mansarovar Energy Colombia Limited	31.03.2017	20.09.2006	6,000	22,259.79	50.00	Share holding more than 20%		23,091.85	(1,564.40)	
10	Himalya Energy Syria BV	31.03.2017	07.11.2006	45,000	239.59	50.00	Share holding more than 20%		1.36	(21.70)	
Associates											
1	Petronet LNG Limited (PLL)	31.03.2017	02.04.1998	93,750,000	987.50	12.50	By virtue of shareholding agreement	NA	10,222.99	2,153.91	-
2	Pawan Hans Ltd. (PHL)	31.03.2016	15.10.1985	120,350	1,203.50	49.00	Share holding more than 20%	NA	2,764.51	176.81	-
3	Petro Carabobo S.A.	31.03.2017	12.05.2010	11,000	579.73	11.00	By virtue of shareholding agreement	NA	2,195.06	599.62	-
4	Carabobo Ingeniería y Construcciones, S.A.	31.03.2017	21.01.2011	275	0.27	37.93	Share holding more than 20%	NA	0.27	-	-
5	Petrolera Indovenezolana S.A.	31.03.2017	08.04.2008	40,000	26,294.95	40.00	Share holding more than 20%	NA	22,156.81	3,456.33	-

6	South-East Asia Gas Pipeline Company Limited	31.03.2017	25.06.2010	16,694	1,016.26	8.35	According to shares held	NA	3,316.26	900.41	-
7	Tamba B.V.	31.03.2017	01.11.2006	1,620	27,792.13	27.00	Share holding more than 20%	NA	23,998.42	4,027.85	-
8	JSC Vankorneft	31.03.2017	15% Acquistion - 31.05.2016 11% Acquistion - 28.10.2016	3,092,871	143,221.57	26.00	Share holding more than 20%	NA	76,125.30	7,501.93	-
9	Mozambique LNG1 Co. Pte. Ltd.	-	19.03.2017	500	32.43	20.00	By virtue of shareholding agreement	NA	-	-	-
10	SUDD Petroleum Operating Company,	-	30.04.2012	-	0.02	25.00	Share holding more than 20%	NA	-	-	-

Notes:

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: (a) Mangalam Retail Services Limited (MRSL) in which 31% equity stake were sold during the year resulting in loss of joint control over MRSL.*
3. *Includes holding of 0.96% by ONGC Mangalore Petrochemicals Limited*

For and on behalf of the Board

(V.N Murthy)
Company Secretary

(A K Srinivasan)
Director (Finance)
(DIN : 07168305)

(D.K.Sarraf)
Chairman & Managing Director
(DIN: 00147870)

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

(Kothandaraman V)
Partner (M. No. 025973)

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

(H K Verma)
Partner (M. No. 055104)

For M K P S & Associates
Chartered Accountants
Firm Reg. No.302014E

(Mahendra K Agrawala)
Partner (M.No. 051764)

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

(Naresh Kumar)
Partner (M.No. 082069)

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

(Vishal P. Doshi)
Partner (M. No. 101533)

New Delhi
May 26, 2017

ONGC Group Performance at a Glance

(₹ in million unless otherwise stated)	2016-17 *	2015-16 *
FINANCIAL		
Income form Operations	1,421,490	1,356,642
Other Non-operating Income	79,152	81,448
Total Revenue	**1,500,642**	**1,438,090**
Statutory Levies	379,778	318,823
Operating Expenses ^	571,547	584,655
Exchange Loss/(Gain)	(400)	1,033
Exploration costs written off	52,039	60,785
Profit Before Interest, Depreciation & Tax (PBIDT)	**497,678**	**472,794**
Depreciation, Depletion, Amortisation and Impairment	174,355	163,840
Profit Before Interest & Tax (PBIT)	**323,323**	**308,954**
Finance Costs	**29,534**	**37,656**
Profit before Tax and Exceptional Items	**293,789**	**271,298**
Exceptional item	5,910	(79,432)
Share of profit of Joint Ventures & Associates	10,702	8,657
Profit before Tax	**310,401**	**200,523**
Corporate Tax	95,617	69,507
Profit after Tax for the year	**214,784**	**131,016**
Profit attributable to Non Controlling interests	9,805	2,264
Group Profit after Tax	**204,979**	**128,752**
Dividend	95,180	49,194
Tax on Dividend	19,353	10,005
Share Capital	64,166	42,778
Net Worth (Equity)	2,211,895	1,978,137
Long-term Borrowings	456,545	402,292
Working Capital	5,631	38,978
Capital Employed	1,808,839	1,756,994
FINANCIAL PERFORMANCE RATIOS		
PBIDT to Turnover (%)	35.01	34.85
PBDT to Turnover (%)	32.93	32.07
Profit Margin (%)- incl. exceptional items	14.42	9.49
ROCE(PBIDT to Capital Employed) (%)	27.51	26.91
Net Profit to Equity (%)- incl. exceptional items	9.27	6.51
BALANCE SHEET RATIOS		
Current Ratio	1.09:1	1.13:1
Debt Equity Ratio	0.21	0.20
Debtors Turnover Ratio (Days)	23.96	34.27
PER SHARE DATA		
Earning Per Share (₹) #	15.97	10.03
Dividend (%)	121	170
Book Value Per Share (₹) (Restated)#	**172**	**154**

** As per Notification no. GSR 111 (E) dated 16-02-2015, issued by Ministry of Corporate affairs, Company has implemented Indian Accounting Standards (Ind AS) for the accounting periods begining on or after 1st April 2016 with the compratives for the periods ending on 31st March, 2016. Accordingly, the figures of FY 2016-17 and FY 2015-16 (restated Ind AS compliant) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956 and figures for FY 2007-08 to FY 2009-10 are as per old Schedule VI to the Companies Act, 1956.*

 # In accordance with Ind AS 33 'Earnings per Share', earnings per equity share have been adjusted for bonus issue and split for all years. The book value per share has also been adjusted post bonus & split.

^ includes (Accretion) / Decretion in stock, prior period items and provisions & write-offs

ONGC Group Performance at a Glance

(₹ in million unless otherwise stated)	2014-15	2013-14	2012-13	2011-12	2010-11
FINANCIAL					
Income form Operations	1,663,888	1,782,051	1,658,482	1,511,003	1,252,873
Other Non-operating Income	59,253	68,899	54,907	47,934	37,180
Total Revenue	**1,723,141**	**1,850,950**	**1,713,389**	**1,558,937**	**1,290,053**
Statutory Levies	306,836	299,174	284,369	269,402	247,631
Operating Expenses	824,585	901,110	824,465	639,629	488,606
Exchange Loss/(Gain)	(465)	(650)	4,206	11,925	42
Exploration costs written off	109,514	84,881	110,457	105,136	92,620
Profit Before Interest, Depreciation & Tax (PBIDT)	**482,671**	**566,435**	**489,892**	**532,845**	**461,154**
Depreciation, Depletion, Amortisation and Impairment	180,330	166,057	117,633	131,866	113,644
Profit Before Interest & Tax (PBIT)	**302,341**	**400,377**	**372,259**	**400,979**	**347,510**
Finance cost	**28,637**	**6,243**	**4,838**	**4,349**	**4,377**
Profit before Tax and Exceptional Items	**273,704**	**394,134**	**367,421**	**396,630**	**343,133**
Exceptional item	-	-	-	31,405	-
Profit before Tax	**273,704**	**394,134**	**367,421**	**428,035**	**343,133**
Corporate Tax	96,974	127,604	127,519	143,746	114,883
Profit after Tax	**176,730**	**266,530**	**239,902**	**284,289**	**228,250**
Share in Associates for the year	303	118	38	(11)	30
Profit relating to minority	(6,302)	1,583	(2,256)	2,842	3,720
Group Profit after Tax	**183,335**	**265,065**	**242,196**	**281,436**	**224,560**
Dividend	81,277	81,277	81,277	83,416	74,859
Tax on Dividend	16,317	13,842	13,053	13,611	12,528
Share Capital	42,778	42,778	42,778	42,778	42,778
Net Worth (Equity)	1,794,742	1,710,556	1,510,417	1,352,666	1,145,312
Long-term Borrowings	475,755	316,809	88,428	52,086	39,771
Working Capital	15,427	(44,857)	63,899	96,213	75,237
Capital Employed	1,781,995	1,447,991	1,183,203	1,003,223	909,267
FINANCIAL PERFORMANCE RATIOS					
PBIDT to Turnover (%)	29.01	31.79	29.54	35.26	36.81
PBDT to Turnover (%)	27.29	31.44	29.25	34.98	36.46
Profit Margin (%)- incl. exceptional items	11.02	14.87	14.60	18.63	17.92
ROCE(PBIDT to Capital Employed) (%)	27.09	39.12	41.40	53.11	50.72
Net Profit to Equity (%)- incl. exceptional items	10.22	15.50	16.04	20.81	19.61
BALANCE SHEET RATIOS					
Current Ratio	1.03:1	0.93:1	1.13: 1	1.21:1	1.21:1
Debt Equity Ratio	0.27	0.19	0.06	0.04	0.03
Debtors Turnover Ratio (Days)	38.22	32.83	33.88	28.31	29.05
PER SHARE DATA					
Earning Per Share (₹) #	14.29	20.65	18.87	21.93	17.50
Dividend (%)	190	190	190	195	175
Book Value Per Share (₹) (Restated)#	**140**	**133**	**118**	**105**	**89**

(₹ in million unless otherwise stated)	2009-10	2008-09	2007-08
FINANCIAL			
Income from Operations	1,085,787	1,105,621	1,036,483
Statutory Levies	213,391	229,963	240,025
Operating Expenses	407,693	430,150	374,072
Exchange Loss/(Gain)	(10,671)	11,716	1,018
Profit Before Interest Depreciation & Tax (PBIDT)	**475,374**	**433,792**	**421,368**
Recouped Costs	187,391	155,705	139,533
Operating Income (PBIT)	**287,983**	**278,087**	**281,835**
Interest(Net)	(16,431)	(32,950)	(27,375)
Profit before Tax and Extraordinary Items	**304,414**	**311,037**	**309,210**
Extraordinary Items- Excess of Insurance Claims over Book Value	-	658	-
Profit before Tax	**304,414**	**311,695**	**309,210**
Corporate Tax	107,138	110,094	106,999
Profit after Tax	**197,276**	**201,601**	**202,211**
Share in Associates for the year	78	99	21
Profit relating to minority	3,319	3,747	3,509
Group Profit after Tax	**194,035**	**197,953**	**198,723**
Dividend	70,583	68,444	68,444
Tax on Dividend	11,992	12,017	12,014
Share Capital	21,389	21,389	21,535
Net Worth (Equity)	1,005,653	915,729	774,127
Borrowings	51,769	13,091	9,427
Working Capital	192,787	172,257	240,202
Capital Employed	869,009	752,781	693,329
FINANCIAL PERFORMANCE RATIOS			
PBIDT to Turnover (%)	43.78	39.21	40.70
PBDT to Turnover (%)	45.29	42.18	43.27
Profit Margin(%)- incl. extraordinary items	17.87	17.89	19.16
ROCE(PBIDT to Capital Employed) (%)	54.70	57.63	60.77
Net Profit to Equity (%)- incl. extraordinary items	19.29	21.62	25.67
BALANCE SHEET RATIOS			
Current Ratio	1.38:1	1.31:1	1.75:1
Debt Equity Ratio	0.05	0.01	0.01
Debtors Turnover Ratio(Days)	24	24	25
PER SHARE DATA			
Earning Per Share (₹) - before extraordinary items #	15.12	15.39	15.49
Earning Per Share (₹)- after extraordinary items #	15.12	15.43	15.49
Dividend (%)	330	320	320
Book Value Per Share (₹) (Restated)#	**78**	**71**	**60**

Statement of Income and Retained Earnings of ONGC Group

(₹ in million)	2016-17 *	2015-16 *
REVENUES		
Sales #		
Crude Oil	574,448	561,145
Natural Gas	158,303	202,586
LPG	37,276	34,950
Naptha	30,455	30,609
Ethane/Propane	17,265	9,441
Superior Kerosene Oil	1,321	2,118
HSD	441	455
Motor Spirit	-	-
Others	595,170	506,774
Sub-Total	**1,414,679**	**1,348,078**
Traded Products	31	84
Other Operating Revenue	6,780	8,480
Total Revenue from Operations	**1,421,490**	**1,356,642**
Other Non-operating Income	79,152	81,448
Total Revenues	**1,500,642**	**1,438,090**
COST & EXPENSES		
Operating, Selling & General		
Statutory Levies		
(a) Royalties	125,242	99,152
(b) Cess	89,044	101,916
(c) Motor Spirit Cess	-	-
(d) Excise Duty	163,643	115,901
(e) Natural Calamity Contingent Duty - Crude Oil	1,129	1,137
(f) Sales Tax #	-	-
(g) Service Tax	366	384
(h) Education Cess	-	-
(i) Octroi & Port Trust Charges #	354	333
Sub-Total (a to i)	379,778	318,823
(Accretion) / Decretion in stock	(4,550)	7,560
Production, Transportation, Selling and Distribution Expenditure	572,744	569,416
Provisions and Write-offs	3,353	7,679
Exchange Loss	(400)	1,033
Adjustments relating to Prior Period (Net)	-	-
Exploration Costs Written off		
-Survey Costs	19,019	17,389
-Exploratory Well Costs	33,020	43,396
Profit Before Depreciation, Interest &Tax	**497,678**	**472,794**
Depreciation, Depletion, Amortisation and Impairment	174,355	163,840
Total Cost & Expenses	**1,177,319**	**1,129,136**
Operating Income Before Interest &Tax	**323,323**	**308,954**
Finance Costs	**29,534**	**37,656**
Profit before Tax and Exceptional item	**293,789**	**271,298**
Exceptional item	5,910	(79,432)
Share of profit of Joint Ventures & Associates	10,702	8,657
Profit before Tax	**310,401**	**200,523**
Corporate Tax (Net)	95,617	69,507
Profit after Tax for the year (A)	214,784	131,016
Other comprehensive income (B)	143,528	22,465
Total Comprehensive Income for the year (A) +(B)	358,312	153,481
Profit after tax for the year attributable to:		
- Owners of the Company	**204,979**	**128,752**
- Non-controlling interests	**9,805**	**2,264**
Other comprehensive income for the year		
- Owners of the Company	143,529	22,467
- Non-controlling interests	(1)	(2)
Total comprehensive income for the year attributable to:		
- Owners of the Company	348,508	151,219
- Non-controlling interests	**9,804**	**2,262**
Retained Earnings at beginning of the year *	**100,418**	**122,100**
Profit after tax for the year	**204,979**	**128,752**
Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	(3,052)	(299)
Other adjustments (including joint ventures & associates)	(150)	(24)
Dividend	95,180	49,194
Tax on Dividend	19,353	10,005
Transfer to legal Reserves	581	8,082
Transfer to general Reserve	64,691	76,067
Transfer to Debenture Redemption Reserve	17,482	6,763
Retained Earnings at end of the year	**104,908**	**100,418**

** As per Notification no. GSR 111 (E) dated 16-02-2015, issued by Ministry of Corporate affairs, Company has implemented Indian Accounting Standards (Ind AS) for the accounting periods begining on or after 1st April 2016 with the compratives for the periods ending on 31st March, 2016. Accordingly, the figures of FY 2016-17 and FY 2015-16 (restated Ind AS compliant) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956 and figures for FY 2007-08 to FY 2009-10 are as per old Schedule VI to the Companies Act, 1956.*

 # In terms of Para 8 of Ind AS 18 'Revenue' sale of goods has been presented net of sales tax and Octroi for 2016-17 and 2015-16.

(₹ in million)	2014-15	2013-14	2012-13	2011-12	2010-11
REVENUES					
Sales					
Crude Oil	662,845	654,029	621,576	640,041	558,993
Natural Gas	204,306	194,594	174,558	151,320	135,329
LPG	34,380	30,145	31,484	23,711	18,368
Naptha	50,835	75,743	76,805	72,167	56,342
Ethane/Propane	10,064	14,837	13,440	12,741	8,796
Superior Kerosene Oil	2,770	2,779	3,686	1,520	679
HSD	312	522	170	103	134
Motor Spirit	-	-	-	30	-
Others	679,914	796,713	727,355	599,982	447,972
Sub-Total	**1,645,426**	**1,769,362**	**1,649,074**	**1,501,615**	**1,226,613**
Traded Products	**60**	**44**	**43**	**34**	**172**
Other Operating Revenue	18,402	12,645	9,365	9,354	26,088
Total Revenue from Operations	**1,663,888**	**1,782,051**	**1,658,482**	**1,511,003**	**1,252,873**
Other Non-operating Income	59,253	68,899	54,907	47,934	37,180
Total Revenues	1,723,141	1,850,950	1,713,389	1,558,937	1,290,053
COST & EXPENSES					
Operating, Selling & General					
Statutory Levies					
(a) Royalties	141,451	150,102	137,210	155,316	126,529
(b) Cess	102,535	99,734	99,971	57,831	56,963
(c) Motor Spirit Cess	-	3			
(d) Excise Duty	52,669	37,432	34,732	37,427	51,544
(e) Natural Calamity Contingent Duty - Crude Oil	1,123	1,097	1,101	1,097	1,114
(f) Sales Tax	2,586	3,123	3,834	3,339	3,112
(g) Service Tax	298	439	353	8,337	2,018
(h) Education Cess	91	2,348	3,111	1,871	1,828
(i) Octroi & Port Trust Charges	6,083	4,896	4,057	4,184	4,523
Sub-Total (a to i)	306,836	299,174	284,369	269,402	247,631
(Accretion) / Decretion in stock	17,229	(5,285)	(11,205)	(4,641)	(8,917)
Production, Transportation, Selling and Distribution Expenditure	793,345	898,504	813,428	632,912	487,776
Provisions and Writ-offs	10,876	10,315	22,243	11,599	9,635
Exchange Loss	(465)	(650)	4,206	11,925	42
Adjustments relating to Prior Period (Net)	3,135	(2,423)	(1)	(241)	112
Exploration Costs Written off					
-Survey Costs	**20,835**	**17,471**	**18,078**	**14,947**	**19,542**
-Exploratory Well Costs	88,679	67,410	92,379	90,189	73,078
Profit Before Depreciation, Interest &Tax	482,671	566,435	489,892	532,845	461,154
Depreciation, Depletion, Amortisation and Impairment	180,330	166,057	117,633	131,866	113,644
Total Cost & Expenses	1,420,800	1,450,573	1,341,130	1,157,958	942,543
Operating Income Before Interest &Tax	302,341	400,377	372,259	400,979	347,510
Interest Payment	**28,637**	**6,243**	**4,838**	**4,349**	**4,377**
Profit before Tax and Exceptional item	**273,704**	**394,134**	**367,421**	**396,630**	**343,133**
Exceptional item	-	-	-	31,405	-
Profit before Tax	273,704	394,134	367,421	428,035	343,133
Corporate Tax (Net)	96,974	127,604	127,519	143,746	114,883
Profit after Tax	**176,730**	**266,530**	**239,902**	**284,289**	**228,250**
Share in Associates for the year	303	118	38	(11)	30
Profit relating to minority	(6,302)	1,583	(2,256)	2,842	3,720
Group Profit after Tax	183,335	265,065	242,196	281,436	224,560
Profit & Loss Account Balance b/f	**233,115**	**205,773**	**179,959**	**144,332**	**116,377**
Adjustments due to change in share holding /other adjustment	1	46	59	44	(137)
Transfer to Capital Redemption Reserve	-	-	46	46	-
Dividend	81,277	81,277	81,277	83,416	74,859
Tax on Dividend	16,317	13,842	13,053	13,611	12,528
Transfer to Self Insurance Reserves	4	-	-	-	-
Transfer to CSR Reserves	-	-	-	-	-
Transfer to general Reserve	80,755	132,250	117,757	144,461	104,773
Transfer to Debenture Redemption Reserve	24,003	10,400	4,308	4,319	4,308
Retained Earnings at Close	**214,095**	**233,115**	**205,773**	**179,959**	**144,332**

(₹ in million)	2009-10	2008-09	2007-08
REVENUES			
Sales			
Crude Oil	527,312	491,127	543,631
Natural Gas	81,405	82,835	78,560
LPG	21,924	22,752	20,169
Naptha/Aromatic Rich Naptha	47,137	48,406	43,848
Ethane/Propane	10,249	9,890	9,291
Superior Kerosene Oil	3,255	16,701	10,775
HSD	156	61,910	48,621
Motor Spirit	27	11,062	9,159
Others	370,250	349,257	254,297
Sub- Total	**1,061,715**	**1,093,940**	**1,018,351**
Write Back of Excess Liability			
Pipeline Revenue	3,126	5,267	4,644
Other Receipts	**17,217**	**9,858**	**12,387**
Accretion / (Decretion) in stock	3,729	(3,444)	1,101
Total Revenues	1,085,787	1,105,621	1,036,483
COST & EXPENSES			
Operating, Selling & General			
(a) Royalties	103,561	111,574	121,057
(b) Cess/ Excise Duty	98,831	103,571	108,838
(c) Natural Calamity Contingent Duty - Crude Oil	1,062	1,081	1,127
(d) Sales Tax	3,734	7,823	2,947
(e) Education Cess	1,719	1,784	1,861
(f) Octroi & Port Trust Charges	4,484	4,130	4,195
(g) VAT	816	800	685
Sub-total (a to f)	**213,391**	**229,963**	**240,025**
Pipeline Operations (Excluding Depreciation)	**11,967**	**10,725**	**10,343**
Other Operating Costs	395,726	419,425	363,729
Exchange Loss/(Gain)	(10,671)	11,716	1,018
Recouped Costs			
(a) Depletion	62,242	55,883	49,259
(b) Depreciation	20,767	21,822	27,874
(c) Amortisation	104,815	81,110	62,837
(d) Impairment	(433)	(3,110)	(437)
Sub-Total (a to d)	187,391	155,705	139,533
Total Cost & Expenses	**797,804**	**827,534**	**754,648**
Operating Income Before Interest &Tax	287,983	278,087	281,835
Interest			
-Payments	5,564	2,386	1,135
-Receipts	21,995	35,336	28,510
-Net	(16,431)	(32,950)	(27,375)
Profit before Tax and Extraordinary Items	**304,414**	**311,037**	**309,210**
Extraordinary Items- Excess of Insurance Claims over Book Value	-	**658**	-
Profit before Tax	**304,414**	**311,695**	**309,210**
Corporate Tax (Net)	107,138	110,094	106,999
Profit after Tax	**197,276**	**201,601**	**202,211**
Share in Associates for the year	78	99	21
Profit relating to minority	3,319	3,747	3,509
Group Profit after Tax	**194,035**	**197,953**	**198,723**
Profit & Loss Account Balance b/f	93,335	58,990	28,795
Adjustments	(21)	(107)	-
Dividend	70,583	68,444	68,444
Tax on Dividend	11,992	12,017	12,014
Retained Earnings For The Year	**204,774**	**176,375**	**147,060**

Statement of Financial Position of ONGC Group

(₹ in million)	2016-17 *	2015-16 *
RESOURCES		
A. Own		
1. Net Worth		
(a) Equity		
i) Share Capital	64,166	42,778
ii) Other Equity		
- Reserve for equity instruments through other comprehensive income (OCI)	246,694	110,536
-Others	1,901,035	1,824,823
Total other equity	**2,147,729**	**1,935,359**
Net worth #	**2,211,895**	**1,978,137**
B. Long-term Borrowings	456,545	402,292
C. Deferred Tax Liability (Net)	290,991	264,456
D. Non-Controlling interests	41,243	26,518
TOTAL RESOURCES (A+B+C+D)	**3,000,674**	**2,671,403**
DISPOSITION OF RESOURCES		
A. Non-current assets		
1. Block Capital (Net)		
i) Other Property Plant & Equipment ^	304,165	309,498
ii) Oil and Gas Assets ^	1,294,230	1,198,915
iii) Intangible assets	1,463	1,054
Total Block Capital	**1,599,858**	**1,509,467**
2. Goodwill on consolidation	141,737	153,301
3. Financial asssets		
a) Trade receivables	13,630	11,695
a) Loans	17,969	21,188
b) Deposit with Bank Under Site Restoration Fund Scheme	145,943	135,986
c) Others	9,392	9,660
Total Financial assets	**186,934**	**178,529**
4. Non-current tax assets	97,179	83,615
5. Other non-current Assets (Excluding Capital Advance)	16,118	15,362
6. Sub-Total (A) = (1+2+3+4+5)	**2,041,826**	**1,940,274**
B. Less: Non-current Liabilities & Provision		
a) Financial liabilities	1,460	1,538
b) Provisions	229,305	220,487
c) Other non current liabilities	7,853	233
Sub-Total (B)	**238,618**	**222,258**
Net Non Current Asset (C)=(A)-(B)	**1,803,208**	**1,718,016**
D. Net Working Capital		
1. Current Assets		
i) Inventories	113,641	99,181
ii) Financial assets		
a) Trade Receivables	103,296	83,317
b) Cash & Bank Balances	130,136	246,890
c) Loans	7,446	3,406
c) Others	71,859	79,004
iii) Others Current Assets	21,988	42,804
Sub-Total (1)	**448,366**	**554,602**
Less:		
II. Current Liabilities		
a) Financial liabilities		
i) Short-term borrowings	100,274	43,185
ii) Trade payables	143,386	297,780
iii) Others	139,980	130,660
b) Other current liabilities	23,916	21,244
c) Short-term provisions	25,916	12,309
d) Current tax liabilities (net)	9,263	10,446
Sub-Total (II)	**442,735**	**515,624**
Net Working Capital (D)= (1) - (II)	**5,631**	**38,978**
E. Capital Employed	**1,808,839**	**1,756,994**
F. Investments		
i) Non-current Investments	575,254	303,836
ii) Current Investments	36,343	30,032
G. Capital Works in Progress (Including Capital Advance)	**313,426**	**329,976**
H. Exploratory/Development Wells in Progress	**266,812**	**250,565**
TOTAL DISPOSITION (C+D+E+F)	**3,000,674**	**2,671,403**

** As per Notification no. GSR 111 (E) dated 16-02-2015, issued by Ministry of Corporate affairs, Company has implemented Indian Accounting Standards (Ind AS) for the accounting periods begining on or after 1st April 2016 with the compratives for the periods ending on 31st March, 2016. Accordingly, the figures of FY 2016-17 and FY 2015-16 (restated Ind AS compliant) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956 and figures for FY 2007-08 to FY 2009-10 are as per old Schedule VI to the Companies Act, 1956.*

 # Includes reserve for equity instruments through other comprehensive income

^ Note: As on transition date 1st April 2015, carrying value of assets pertaining to production & allied facilities has been regrouped from other Property Plant and Equipment to "Oil and Gas Assets" to reflect the aggregate amount of Oil and Gas Assets.

(₹ in million)	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
ii)Reserves & Surplus	1,761,766	1,678,738	1,482,498	1,321,614	1,110,495
Sub-Total	**1,804,544**	**1,721,516**	**1,525,276**	**1,364,392**	**1,153,273**
(b) Less: Miscellaneous Expenditure	9,802	10960	14,859	11,726	7,961
Net Worth	**1,794,742**	**1,710,556**	**1,510,417**	**1,352,666**	**1,145,312**
B. Long-term Borrowings	**475,755**	**316,809**	**88,428**	**52,086**	**39,771**
C. Deferred Tax Liability (Net)	**181,759**	**178,635**	**142,251**	**121,846**	**111,526**
D. Minority Interest	**24,731**	**29,120**	**19,466**	**22,240**	**19,891**
TOTAL RESOURCES (A+B+C+D)	**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	686,712	462,254	406,745	306,080	266,924
ii) Oil and Gas Assets/Producing Properties	910,049	912,681	705,395	608,004	571,896
iii) Intangible assets	1,169	754	1,041	1,364	1,735
Total Block Capital	**1,597,930**	**1,375,689**	**1,113,181**	**915,448**	**840,555**
2. Goodwill on consolidation	**201,399**	**183,545**	**83,255**	**77,976**	**89,928**
3. Long-term Loans and Advances(Excluding Capital Advance)	**94,164**	**83,077**	**67,002**	**51,029**	**58,250**
4. Deposit with Bank Under Site Restoration Fund Scheme	**136,424**	**120,830**	**106,349**	**94,753**	**81,262**
5. Other non-current Assets (Excluding DRE)	**71,270**	**53,474**	**19,642**	**20,302**	**5,619**
6. Sub-Total= (1+2+3+4+5)	**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	7,625	18,467	17,163	10,758	9,731
b. Provision for Abandonment Cost	298,198	274,266	207,255	203,982	198,469
c. Long Term Provisions	28,796	31,034	45,707	37,758	33,384
Sub-Total (7)	**334,619**	**323,767**	**270,125**	**252,498**	**241,584**
Net Non Current Asset (A)=(6)-(7)	**1,766,568**	**1,492,848**	**1,119,304**	**907,010**	**834,030**
B. Net Working Capital					
1. Current Assets					
i) Inventories	106,198	148,015	127,726	131,680	85,676
ii) Trade Receivables	188,158	160,290	153,956	117,181	99,730
iii) Cash & Bank Balances	160,969	244,801	196,190	278,914	208,158
iv) Short-term Loans & Advances	100,174	66,317	59,766	52,210	40,124
v) Others Current Assets (Excluding DRE)	9,635	8,135	9,082	19,643	5,955
Sub-Total (1)	**565,134**	**627,558**	**546,720**	**599,628**	**439,643**
Less:					
2. Current Liabilities					
i) Short-term borrowings	53,448	139,073	115,271	100,538	20,843
ii) Trade payables	304,660	306,803	186,148	176,036	155,863
iii) Other current liabilities	168,205	217,039	170,869	202,917	176,615
iv) Short-term provisions	23,394	9,500	10,533	23,924	11,085
Sub-Total (2)	**549,707**	**672,415**	**482,821**	**503,415**	**364,406**
Net Working Capital	**15,427**	**(44,857)**	**63,899**	**96,213**	**75,237**
C. Capital Employed	**1,781,995**	**1,447,991**	**1,183,203**	**1,003,223**	**909,267**
D. Investments					
i) Non-current Investments	47,470	47,205	20,453	20,412	28,920
ii) Current Investments	22	254	829	8,795	2,080
E. Capital Works in Progress (Including Capital Advance)	**435,533**	**557,603**	**419,676**	**399,855**	**273,854**
F. Exploratory/Development Wells in Progress	**211,967**	**182,067**	**136,401**	**116,553**	**102,379**
TOTAL DISPOSITION (C+D+E+F)	**2,476,987**	**2,235,120**	**1,760,562**	**1,548,838**	**1,316,500**

Statement of Financial Position of ONGC Group

(₹ in million)	2009-10	2008-09	2007-08
RESOURCES			
A. Own			
1. Net Worth			
(a) Equity			
i) Share Capital	21,389	21,389	21,535
ii) Reserves & Surplus	992,677	900,846	759,331
Sub-Total	**1,014,066**	**922,235**	**780,866**
(b) Less: Miscellaneous Expenditure	8,413	6,506	6,739
Net Worth	**1,005,653**	**915,729**	**774,127**
2. Long Term Liabilities			
Net Deferred Tax Liability	102,912	92,231	87,376
Total Own Funds (1 + 2)	**1,108,565**	**1,007,960**	**861,503**
B. Minority Interest	16,432	14,113	11,448
C. Outside			
1. Unsecured Loans			
a) Indian Loans	34,550	6,015	2,079
b) Foreign Loans	10,260	1,492	1,458
Total Unsecured Loans	**44,810**	**7,507**	**3,537**
2. Secured Loans	6,959	5,584	5,890
Total Outside Resources	**51,769**	**13,091**	**9,427**
TOTAL RESOURCES (A+ B+C)	**1,176,766**	**1,035,164**	**882,378**
DISPOSITION OF RESOURCES			
A. Goodwill on consolidation	**95,385**	**114,039**	**25,777**
B. Block Capital			
1. Fixed Assets	243,762	184,956	193,961
2. Producing Properties (Gross)	511,665	452,980	362,714
Less: Libility for Abandonment Cost	174,590	171,451	129,325
Total Block Capital	**580,837**	**466,485**	427,350
C. Working Capital			
a) Current Assets			
i) Inventories	82,400	65,424	72,985
ii) Debtors (Net of Provision)	71,424	71,814	70,469
iii) Cash & Bank Balances	149,704	156,331	186,525
iv) Deposit with Bank Under Site Restoration Fund Scheme#	74,138	69,624	64,034
v) Loans & Advances and Others	127,998	143,953	81,332
Sub-Total	**505,664**	**507,146**	**475,345**
Less			
(b) Current Liabilities and Provisions			
and Short Term Loans	312,877	334,889	235,143
Working Capital	**192,787**	**172,257**	240,202
D. CAPITAL EMPLOYED	**869,009**	**752,781**	**693,329**
E. INVESTMENTS	**51,593**	**34,803**	**44,821**
F. CAPITAL WORKS IN PROGRESS	**176,039**	**165,222**	**86,351**
G. EXPLORATORY/DEVELOPMENT WELLS IN PROGRESS	**80,125**	**82,358**	**57,877**
TOTAL DISPOSITION	**1,176,766**	**1,035,164**	**882,378**
# Excluded for Current Ratio.			

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Independent Auditors' Report

To the Members of Oil and Natural Gas Corporation Limited

1. Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Oil and Natural Gas Corporation Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), associates and joint ventures, which comprise the consolidated Balance Sheet as at 31st March 2017, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate and Joint Ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its Associates and Joint Ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and joint ventures and for preventing and detecting frauds and other irregularities; 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraph 5(vi) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, its associates and joint ventures as at 31st March 2017 and their consolidated financial performance including other comprehensive income, consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

5. Other Matters

i. The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor joint auditors whose report for the year ended 31st March, 2016 and 31st March, 2015 dated 26th May, 2016 and 28th May, 2015 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us. For the purpose of the comparative financial information for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 in respect of subsidiaries, joint ventures and associates as referred to in Para 5(iv) to 5(viii) below, we have relied on the comparative financial information included in their standalone / consolidated financial statements, as applicable, as at 31st March, 2017 and audited by other auditors or certified by the management.

ii. The consolidated Ind AS 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 Operations (JOs) accounts for exploration and production out of which 5 NELPs / JOs accounts have been certified by other Chartered Accountants and 10 NELP / JOs have been certified by the management in respect of NELPs / JOs operated by other operators. Our opinion is based solely on the certificate of the other Chartered Accountants and management certified accounts.

iii. 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.

iv. We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets and total net assets as at 31st March, 2017, total revenues and net cash inflow/(outflow) for the year ended on that date considered as under in the statement based on financial statements audited by other auditors:

(₹in million)

Name of the Subsidiary	Total Assets as at 31st March, 2017#	Total Net Assets as at 31st March, 2017#	Total Revenue for the year ended 31st March, 2017#	Net Cash Inflow/(Outflow)#
ONGC Videsh Limited (OVL)	1,102,897.42	460,246.64	118,131.72	(2,238.06)
Mangalore Refinery and Petrochemicals Limited (MRPL)$	328,397.34	95,022.35	604,126.67	(11,091.65)

 # As per the consolidated financial statements of OVL/MRPL.

$ Consolidated financial statements of MRPL includes its subsidiary, ONGC Mangalore Petrochemicals Limited (OMPL), which is an indirect Subsidiary of the Holding Company.

v. The consolidated Ind AS financial statement also includes the group share of net profit including other comprehensive income for the year ended 31st March, 2017 considered as under in the consolidated Ind AS financial statement based on financial statements not audited by us:

Joint Ventures and Associate **(₹in million)**

Name of the Company	Group share in Net Profit for the year ended 31st March, 2017	Group share in Net Other Comprehensive Income for the year ended 31st March, 2017	Group share – Total
Joint Ventures			
ONGC Teri Biotech Limited $	27.53	(0.03)	27.50
Petronet MHB Limited $	253.96	(0.05)	253.91

ONGC Tripura Power Company imited *	692.69	(0.24)	692.45
ONGC Petro additions Limited $	(4354.22)	(0.85)	(4,355.07)
Mangalore SEZ Limited *	(16.05)	(0.39)	(16.44)
Associate			
Petronet LNG Limited *	2,153.91	(2.24)	2,151.67

$ As per the standalone financial statements. ** As per the consolidated financial statements.*

vi. The financial statements referred in para 5(iv) and 5(v) have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and an associate, is based solely on the reports of the other auditors.

vii. The consolidated Ind AS financial statement also includes the group share of net profit of ₹230.89 million for the year ended 31st March, 2017, as considered in the financial statements, in respect of Dahej SEZ Limited, a Joint Venture whose financial information has not been audited by us. This financial information is unaudited and has been furnished to us by the management and our opinion on the consolidated Ind AS financial statement in so far as it relates to the amounts and disclosures included in respect of this joint venture, 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.

viii. The consolidated Ind AS financial statement also includes the group share of net profit of ₹1,214.37 million for the year ended 31st March, 2017, as considered in the financial information, in respect of Pawan Hans Limited, an associate whose financial information has not been audited by us. This financial information which has been furnished to us by the management is unaudited and has not been prepared as per Ind AS in terms of requirements of Companies Act, 2013 and our opinion on the consolidated Ind AS financial statement in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such 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.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

6. **Report on Other Legal and Regulatory Requirements**

i. Based on the comments in the auditors' reports of the Holding company and the subsidiary companies as referred to in para 5(iv) 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. Accordingly, we give a report on the directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act in **Annexure 1**.

ii. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of other auditors on separate financial statements and on the other financial information of subsidiaries, associates and joint ventures, as noted in 'other matter' paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. 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 one subsidiary company of MRPL (OMPL) which is an indirect subsidiary of Holding Company, on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors of the Company incorporated in India, none of the directors of the Company incorporated in India are disqualified as on 31st March 2017 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. 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 Ind AS financial statements have disclosed the impact of the pending litigations on its financial position of the Group, its associates and the Joint Ventures. – Refer Note 52.1 to the consolidated Ind AS financial statements;

   ii. According to information and explanations given to us, the Group, its associates and Joint Ventures have made provision for material foreseeable losses in respect of long term contract including derivatives contracts.

   iii. In case of Holding company there has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company in case of Dividend declared on 18th December, 2009 where the unpaid amount aggregating to ₹13.79 million was transferred on 9th March, 2017 as against the due date of 17th January, 2017; and

iv. the Group has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the other auditors' report and management representation, we report that the disclosures are in accordance with the books of accounts maintained by the Group. Refer Note 21.3 to the consolidated Ind AS financial statements.

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

(Prashant Khandelwal)
Partner (M.No.056652)

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

(Sanjay Jain)
Partner (M. No. 086784)

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

(Narendra Jain)
Partner (M. No. 048725)

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

(Vishal P. Doshi)
Partner (M. No.101533)

For PKF Sridhar & Santhanam LLP
Chartered Accountants
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(S Narasimhan)
Partner (M. No 206047)

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

(Naresh Kumar)
Partner (M. No.082069)

New Delhi
26th May, 2017

Testing and Innovation go hand in hand at ONGC.

Annexure 1 to Independent Auditors' Report on Consolidated Ind AS Financial Statements (Referred to in paragraph 6(i) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Directions/ additional sub directions issued by the Comptroller and Auditors General of India in terms of section 143 (5) of the Act

Holding Company:

a. On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records with the books of account and considering the voluminous nature and various locations, we report that the title/lease deeds for free hold/lease hold land are held in the name of Company except for the following where the title deeds are not available with the Company:

(₹ in million)

Nature	Number of assets	Gross Block	Net Block
Lease hold land	14	632.03	399.87
Free hold land	36	88.89	88.89
Total	**50**	**720.92**	**488.76**

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 as under

S.No.	Reasons	₹ in million
1	Bad debts / Claims written off	7.37
2	Write off of Outstanding Inter Corporate Loan	30.00
3	Advance written off	23.67
Total		**61.04**

c. According to information and explanations given to us, the Company has maintained adequate records in respect of inventories lying with third parties and assets received by the Company as gift/grants from Government or other authorities.

Subsidiaries:

S.No.	Particulars	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?	No adverse comments.	Leasehold land costing to the extent of ₹28.82 million which is in the possession of the holding company towards which formal lease deeds are yet to be executed.	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.	Trade receivables written off – ₹59.37 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.

Additional Sub Directions applicable in case of OVL:

S.No.	Particulars	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.	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.	The employees of the company are deputed from the parent company Oil and Natural Gas Corporation Limited and governed as per parent company policy for employee benefit. All the schemes relating to employee benefits are administered by the parent company and accordingly the year end provisions of employee benefits for the current year are settled by transfer to the parent company.

Annexure - A to Independent Auditors' Report on Consolidated Ind AS Financial Statements (Referred to in paragraph 6 (ii) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2017, 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, Associates and Joint Ventures which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, associates and joint ventures which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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, associates and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies, an associate and five joint ventures which are companies incorporated in India, is based on the corresponding standalone / consolidated reports of the auditors, as applicable, of such companies incorporated in India.

Our aforesaid reports under Section 143(3) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting does not include in respect of one associate and one joint venture, which are companies incorporated in India whose audit reports are not available. In our opinion and according to information and explanations given to us by the Management, these financial information is not material to the Group.

Our opinion is not modified in respect of these matters.

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

(Prashant Khandelwal)
Partner (M.No.056652)

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

(Sanjay Jain)
Partner (M. No. 086784)

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

(Narendra Jain)
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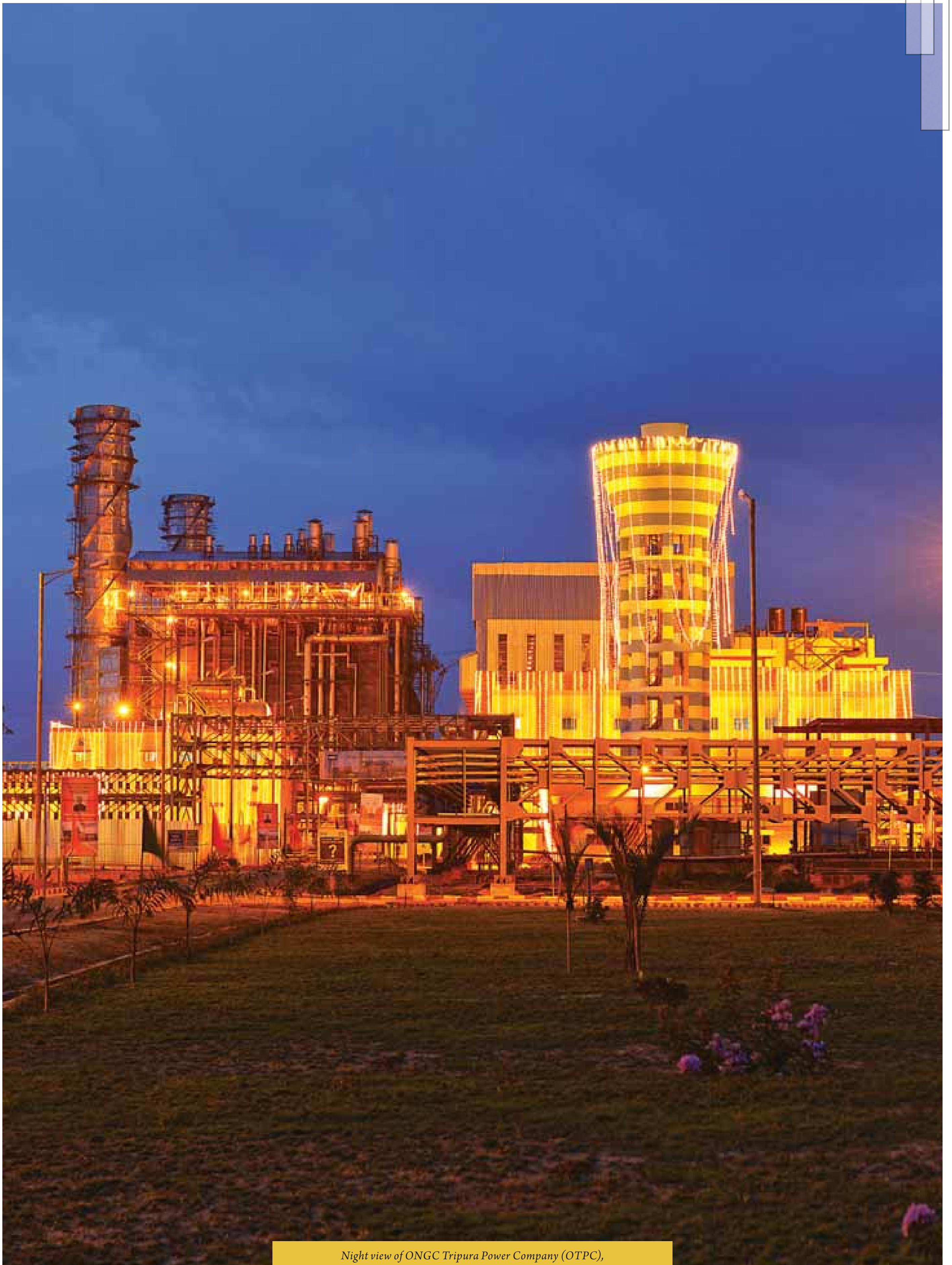
Chartered Accountants
Firm Reg. No. 000112N

(Naresh Kumar)
Partner (M. No.082069)

New Delhi
26th May, 2017

ONGCian carrying out tests in a laboratory at Institute of Reservoir Studies, Ahmedabad.



Night view of ONGC Tripura Power Company (OTPC), natural gas based 726.6 MW Power project at Palatana, Tripura.

Consolidated Balance Sheet as at March 31, 2017

(₹ in million)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1 , 2015
ASSETS				
Non-current assets				
(a) Property, plant and equipment				
(i) Oil and gas assets	6	1,294,229.86	1,198,914.76	1,187,130.30
(ii) Other property, plant and equipment	7	304,165.33	309,497.60	289,634.06
(b) Capital work-in-progress	8			
(i) Oil and gas assets				
a) Development wells in progress		40,286.78	43,413.78	53,484.00
b) Oil and gas facilities in progress		64,767.72	75,889.89	75,358.25
(ii) Others		90,675.84	99,740.76	92,818.22
(c) Goodwill (including Goodwill on Consolidation)	9	141,736.71	153,300.56	162,117.25
(d) Other intangible assets	10	1,462.70	1,054.34	892.74
(e) Intangible assets under development	11			
(i) Exploratory wells in progress		226,525.27	207,151.30	155,098.53
(ii) Acquisition cost		149,437.21	150,489.11	152,091.64
(f) Financial assets				
(i) Investments	12	575,253.83	303,836.12	274,370.85
(ii) Trade receivables	13	13,630.08	11,695.42	6,891.76
(iii) Loans	14	17,969.70	21,187.74	23,282.23
(iv) Deposit under site restoration fund	15	145,942.72	135,985.52	125,650.29
(v) Finance lease receivables	16	-	-	-
(vi) Others	17	9,391.84	9,660.70	7,698.69
(g) Deferred tax assets (net)	30	20,029.11	16,571.55	9,867.76
(h) Non-current tax assets (net)	33	97,178.87	83,614.73	74,800.10
(i) Other non-current assets	18	24,663.34	19,218.20	21,437.62
Total non-current assets		**3,217,346.91**	**2,841,222.08**	**2,712,624.29**
Current assets				
(a) Inventories	19	113,640.82	99,180.68	104,542.60
(b) Financial assets				
(i) Investments	20	36,343.29	30,032.38	-
(ii) Trade receivables	13	103,296.23	83,317.09	171,436.95
(iii) Cash and cash equivalents	21	11,128.17	18,323.27	27,677.09
(iv) Other bank balances	22	119,008.17	228,567.17	122,568.20
(v) Loans	14	7,445.36	3,405.58	3,310.01
(vi) Others	17	71,858.89	79,004.43	76,858.85
(c) Current Tax Assets (net)	33	-	2.57	13.01
(d) Other current assets	18	21,910.44	42,699.33	52,254.18
		484,631.37	**584,532.50**	**558,660.89**
Assets classified as held for sale	23	77.96	101.70	101.70
Total current assets		**484,709.33**	**584,634.20**	**558,762.59**
Total assets		**3,702,056.24**	**3,425,856.28**	**3,271,386.88**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	24	64,166.32	42,777.60	42,777.60
(b) Other equity	25	2,147,728.56	1,935,358.82	1,845,994.45
Equity attributable to owners of the Company		**2,211,894.88**	**1,978,136.42**	**1,888,772.05**
Non-controlling interests	26	41,242.96	26,518.09	23,780.27
Total Equity		**2,253,137.84**	**2,004,654.51**	**1,912,552.32**

Consolidated Balance Sheet as at March 31, 2017

(₹ in million)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	27	456,545.49	402,291.80	395,210.99
(ii) Others	28	1,459.28	1,538.05	1,445.23
(b) Provisions	29	229,305.46	220,487.28	221,646.46
(c) Deferred Tax liabilities (net)	30	311,020.07	281,028.29	255,435.22
(d) Other non-current liabilities	31	7,853.20	232.66	645.74
Total non-current liabilities		**1,006,183.50**	**905,578.08**	**874,383.64**
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	27	100,273.36	43,184.72	32,760.92
(ii) Trade payables	32	143,386.25	297,780.26	272,466.90
(iii) Others	28	139,980.41	130,660.35	119,944.39
(b) Other current liabilities	31	23,915.31	21,243.71	38,450.08
(c) Provisions	29	25,916.20	12,308.92	9,688.83
(d) Current Tax Liabilities (net)	33	9,263.37	10,445.73	11,139.80
Total current liabilities		**442,734.90**	**515,623.69**	**484,450.92**
Total liabilities		**1,448,918.40**	**1,421,201.77**	**1,358,834.56**
Total equity and liabilities		**3,702,056.24**	**3,425,856.28**	**3,271,386.88**
Accompanying notes to the Consolidated Financial Statements	1- 57			

FOR AND ON BEHALF OF THE BOARD

(V N Murthy)
Company Secretary

(A K Srinivasan)
Director (Finance)
(DIN: 07168305)

(D K Sarraf)
Chairman & Managing Director
(DIN: 00147870)

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

(Prashant Khandelwal)
Partner (M. No. 056652)

For Khandelwal Jain & Co.
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(Narendra Jain)
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(Naresh Kumar)
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For K. C. Mehta & Co.
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Firm Reg. No.106237W

(Vishal P. Doshi)
Partner (M. No. 101533)

For M K P S & Associates
Chartered Accountants
Firm Reg. No: 302014E

(Sanjay Jain)
Partner (M.No. 086784)

May 26, 2017
New Delhi

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(All amounts are in ₹ millions unless otherwise stated)

	Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from operations	34	1,421,489.57	1,356,642.14
II	Other income	35	79,152.52	81,447.99
III	**Total income (I+II)**		**1,500,642.09**	**1,438,090.13**
IV	**Expenses**			
	Changes in inventories of finished goods, stock-in-trade and work-in progress	36	(4,550.37)	7,560.23
	Production, transportation, selling and distribution expenditure	37	952,122.57	889,271.21
	Exploration costs written off			
	(a) Survey costs		19,019.31	17,389.10
	(b) Exploration well costs		33,020.11	43,396.46
	Finance costs	38	29,534.37	37,655.83
	Depreciation,depletion, amortisation and impairment of PPE	39	174,354.45	163,840.59
	Other impairment and write offs	40	3,352.65	7,678.86
	Total expenses (IV)		**1,206,853.09**	**1,166,792.28**
V	**Profit before exceptional items and tax (III-IV)**		**293,789.00**	**271,297.85**
VI	Exceptional items	41	5,910.13	(79,432.68)
VII	Share of profit of associates		1,782.19	690.24
VIII	Share of profit of joint ventures		8,919.44	7,967.08
IX	**Profit before tax (V+VI+VII+VIII)**		**310,400.76**	**200,522.49**
X	**Tax expense**	**42**		
	(a) Current tax		65,291.59	65,428.53
	(b) Earlier Years		(5,461.59)	(1,719.07)
	(c) Deferred tax		35,787.27	5,797.50
	Total tax expense (X)		**95,617.27**	**69,506.96**
XI	**Profit for the year (IX-X)**		**214,783.49**	**131,015.53**
XII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Remeasurement of the defined benefit plans		(4,667.11)	(457.71)
	- Income tax relating to above		1,615.20	158.38
	(b) Equity instruments through other comprehensive income		136,161.71	6,417.54
	- Income tax relating to above		-	0.02
	(c) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss		(3.80)	0.42
	- Income tax relating to above		(0.46)	(0.01)
	(d) Gain on Bargain purchase recognised as Capital Reserve		2,897.24	-
	B (i) Items that will be reclassified to profit or loss			
	Exchange differences in translating the financial statement of foreign operation		11,240.93	25,073.52
	- Income tax relating to above		(3,715.23)	(8,726.85)
	Total other comprehensice income (XII)		**143,528.48**	**22,465.31**

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

(All amounts are in ₹ millions unless otherwise stated)

	Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
XIII	**Total Comprehensive Income for the year (XII+XIII)**		**358,311.97**	**153,480.84**
	Profit for the year attributable to:			
	- Owners of the Company		204,978.73	128,752.12
	- Non-controlling interests		9,804.76	2,263.40
			214,783.49	**131,015.52**
	Other comprehensive income for the year			
	- Owners of the Company		143,529.69	22,467.16
	- Non-controlling interests		(1.21)	(1.85)
			143,528.48	**22,465.31**
	Total comprehensive income for the year			
	- Owners of the Company		348,508.42	151,219.28
	- Non-controlling interests		9,803.55	2,261.56
			358,311.97	**153,480.84**
	Earnings per equity share:			
	(a) Basic (₹) (restated)	43	**15.97**	**10.03**
	(b) Diluted (₹) (restated)		**15.97**	**10.03**

Accompanying notes to the Consolidated Financial Statements – 1 to 57

FOR AND ON BEHALF OF THE BOARD

(V N Murthy)
Company Secretary

(A K Srinivasan)
Director (Finance)
(DIN: 07168305)

(D K Sarraf)
Chairman & Managing Director
(DIN: 00147870)

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP
Chartered Accountants
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For Lodha & Co.
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Partner (M. No. 206047)

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Chartered Accountants
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For M K P S & Associates
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(Naresh Kumar)
Partner (M.No. 082069)

(Vishal P. Doshi)
Partner (M. No. 101533)

(Sanjay Jain)
Partner (M.No. 086784)

May 26, 2017
New Delhi

Consolidated Statement of Changes in Equity for the year ended March 31, 2017

(i) Equity share capital

(All amounts are in ₹ millions unless otherwise stated)

Particulars	Amount
Balance as at April 1, 2015	**42,777.60**
Changes during the year	-
Balance as at March 31, 2016	42,777.60
Changes during the year – Issue of bonus shares (refer to note no. 24.3)	21,388.72
Balance as at March 31, 2017	**64,166.32**

(ii) Other Equity

(₹ in million)

Particulars	Reserves and Surplus						Exchange difference on translating the financial statements offoreign operations	Equity Instruments through Other comprehen-sive Income	Attributable to owners of the parent	Non Con-trolling interest	Total
	Capital reserve	Capital Redemp-tion Reserve	Deben-ture re-demption reserve	General reserve	Legal reserve	Retained earnings					
Balance at April 1, 2015	**618.89**	**91.86**	**28,675.17**	**1,450,259.60**	**30,934.67**	**122,099.58**	**109,196.25**	**104,118.44**	**1,845,994.45**	**23,780.27**	**1,869,774.72**
Profit/(loss) for the year	-	-	-	-	-	128,752.12	-	-	**128,752.12**	2,263.40	**131,015.52**
Remeasurement of defined benefit plans (net of tax)	-	-	-	-	-	(299.33)	-	-	**(299.33)**		**(299.33)**
Other comprehensive icome for the year (net of tax)	-	-	-	-	-	-	16,346.67	6,417.34	**22,764.01**	(1.85)	**22,762.16**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**128,452.79**	**16,346.67**	**6,417.34**	**151,216.80**	**2,261.55**	**153,478.35**
Investment in Joint Venture and associates	-	-	-	-	-	(47.80)	-	-	**(47.80)**	-	**(47.80)**
Other adjustments	-	-	-	(2,629.34)	-	23.93	-	-	**(2,605.40)**	476.27	**(2,129.13)**
Payment of dividends	-	-	-	-	-	(49,194.18)	-	-	**(49,194.18)**	-	**(49,194.18)**
Tax on dividends	-	-	-	-	-	(10,005.05)	-	-	**(10,005.05)**	-	**(10,005.05)**
Transfer from / to General reserve	-	-		76,066.75	-	(76,066.75)	-	-	**-**	-	**-**
Transfer from / to legal reserve	-	-	-	-	8,081.52	(8,081.52)	-	-	**-**	-	**-**
Transfer From to DRR	-	-	30,039.12	(23,275.70)	-	(6,763.42)	-	-	**0.00**	-	**0.00**
Net fair value gain on investments in equity instruments at FVTOCI	-	-	-	-	-	-	-		**-**	-	**-**
Balance at March 31, 2016	**618.89**	**91.86**	**58,714.29**	**1,500,421.31**	**39,016.19**	**100,417.58**	**125,542.92**	**110,535.78**	**1,935,358.82**	**26,518.09**	**1,961,876.91**
Profit for the year	-	-	-	-		204,978.73	-	-	**204,978.73**	9,804.76	**214,783.49**
Remeasurement of defined benefit plans (net of tax)	-	-	-	-		(3,051.91)	-	-	**(3,051.91)**		**(3,051.91)**
Other comprehensive icome for the year (net of tax)	-	-	-	-	-	-	7,525.71	136,158.71	**143,684.42**	(1.21)	**143,683.21**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**201,926.82**	**7,525.71**	**136,158.71**	**345,611.24**	**9,803.55**	**355,414.79**

Particulars	Capital reserve	Capital Redemption Reserve	Debenture redemption reserve	General reserve	Legal reserve	Retained earnings	Exchange difference on translating the financial statements of foreign operations	Equity Instruments through Other comprehensive Income	Attributable to owners of the parent	Non Controlling interest	Total
Investment in Joint Venture and associates	-	-	-	-	-	(61.65)	-	-	**(61.65)**	-	**(61.65)**
Other adjustments	-	-	-	(92.38)	-	(87.92)	-	-	**(180.30)**	(98.12)	**(278.42)**
Recognition of share-based payments	-	-	-	-	-	-	-	-	-	-	-
Payment of dividends	-	-	-	-	-	(95,179.88)	-	-	**(95,179.88)**	-	**(95,179.88)**
Tax on Dividends	-	-	-	-	-	(19,353.50)	-	-	**(19,353.50)**	-	**(19,353.50)**
Transfer from / to general reserve	-	-	-	64,690.79	-	(64,690.79)	-	-	-	-	-
Transfer from / to legal reserve	-	-	-	-	581.13	(581.13)	-	-	-	-	-
Transfer from / to DRR	-	-	20,460.91	(2,978.96)	-	(17,481.95)	-	-	-	-	-
Bonus share issued	-	-	-	(21,388.72)	-	-	-	-	**(21,388.72)**	-	**(21,388.72)**
Due to acquisition	2,922.55	-	-	-	-	-	-	-	**2,922.55**	5,019.44	**7,941.99**
Net fair value gain on investments in equity instruments at FVTOCI	-	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2017	**3,541.44**	**91.86**	**79,175.20**	**1,540,652.04**	**39,597.32**	**104,907.58**	**133,068.63**	**246,694.49**	**2,147,728.56**	**41,242.96**	**2,188,971.52**

FOR AND ON BEHALF OF THE BOARD

(V N Murthy)
Company Secretary

(A K Srinivasan)
Director (Finance)
(DIN: 07168305)

(D K Sarraf)
Chairman & Managing Director
(DIN: 00147870)

In terms of our report of even date attached

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018

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

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

(S Narasimhan)
Partner (M. No. 206047)

(Prashant Khandelwal)
Partner (M. No. 056652)

(Narendra Jain)
Partner (M. No. 048725)

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

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

For M K P S & Associates
Chartered Accountants
Firm Reg. No: 302014E

(Naresh Kumar)
Partner (M.No. 082069)

(Vishal P. Doshi)
Partner (M. No. 101533)

(Sanjay Jain)
Partner (M.No. 086784)

May 26, 2017
New Delhi

Consolidated Statement of Cash Flows for the year ended March 31, 2017

(₹ in million)

	Particulars	Year ended March 31, 2017		Year Ended March 31, 2016	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit for the year		**214,783.49**		**131,015.53**
	Adjustments For:				
	-Income Tax Expense	95,617.27		69,506.96	
	-Share of profit of joint ventures	(10,701.64)		(8,657.32)	
	-Exceptional Items	(5,910.13)		79,432.68	
	- Depreciation, Depletion, Amortisation & Impairment	174,354.44		163,840.59	
	-Exploratory Well Costs Written off	33,020.11		43,396.46	
	-Finance cost	29,534.37		37,655.83	
	- Unrealized Foreign Exchange Loss/(Gain)	(1,701.68)		7,582.17	
	-Other impairment and Write offs	3,352.66		7,678.87	
	-Excess Provision written back	(22,299.62)		(24,163.36)	
	Provision for decommisioning	(242.03)		(137.93)	
	-Other non cash expenditure written off	(76.99)		3,032.62	
	-Interest Income	(24,825.69)		(30,255.88)	
	- Fair value loss (net)	1,071.18		819.21	
	-Amortization of Operating leasold land and others	9.83		10.15	
	-Liabilities no longer required written back	(1,794.48)		(1,226.18)	
	-Amortization of Government Grant	(0.55)		(2.48)	
	-Profit on sale of investment and property, plant & equipment	(70.32)		(1,066.48)	
	-Dividend Income	(17,545.74)		(10,252.28)	
	-Remeasurement of Defined benefit plans	(4,587.58)		(455.29)	
	-Gain on foreign exchange, forward contract and mark to market	96.49	**247,299.90**	(77.38)	**336,660.96**
	Operating Profit before Working Capital Changes		**462,083.39**		**467,676.49**
	Adjustments for:-				
	-Receivables	(21,519.81)		78,352.03	
	-Loans and Advances	(1,175.29)		1,448.78	
	-Other Assets	128,686.45		(18,633.82)	
	-Inventories	(13,638.25)		4,910.54	
	-Trade Payable and Other Liabilities	(115,480.42)	**(23,127.32)**	5,786.84	**71,864.37**
	Cash generated from Operations		**438,956.07**		**539,540.86**
	Direct Taxes Paid (Net of tax refund)		**(74,672.07)**		**(76,616.00)**
	Net Cash generated from Operating Activities 'A'		**364,284.00**		**462,924.86**
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Payments for Property, plant and equipment		(145,939.59)		(151,197.91)
	Proceeds from disposal of Property, plant and equipment		1,357.44		260.04
	Exploratory and Development Drilling		(158,047.92)		(150,046.64)
	Investments in Term deposits with maturity 3 to 12 months		4,832.05		(72,902.90)
	Investment in Mutual funds		(6,307.97)		(30,032.38)
	Investment in Joint Controlled Entities and associates		(126,864.40)		(9,871.69)
	Sale of Investment in Joint Controlled Entities and associates		33.16		2,788.54
	Loan to Associates		-		334.68
	Deposit in Site Restoration Fund		(15,119.35)		(11,331.57)
	Dividend Received from Associates and Joint Ventures		883.10		3,593.06
	Dividend Received from Other Investments		16,950.06		6,659.22
	Interest Received		23,971.25		28,920.10
	Net Cash (Used in)/ Generated by Investing Activities 'B'		**(404,252.17)**		**(382,827.45)**

Consolidated Statement of Cash Flows for the year ended March 31, 2017

(₹ in million)

	Particulars	Year ended March 31, 2017	Year Ended March 31, 2016
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Proceeds from Short Term Borrowings	66,310.57	24,134.43
	Repayment of Short Term Borrowings	-	(13,930.00)
	Change in Equity	22,558.76	(4,856.33)
	Proceeds from Long Term Borrowings	81,486.43	17,244.54
	Repayment of Long Term Borrowings	(9,706.46)	(29,393.31)
	Dividend Paid on Equity Share	(95,168.51)	(49,168.68)
	Tax paid on Dividend	(19,353.50)	(10,005.30)
	Interest Paid	(19,186.40)	(23,985.88)
	Payment of other non current financial liability	(15.11)	240.56
	Net Cash used in Financing Activities 'C'	**26,925.79**	**(89,719.97)**
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	**(13,042.38)**	**(9,622.57)**
	Cash and Cash Equivalents as at the beginning of the year	**18,323.27**	**27,677.09**
	Add: Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currency	5,847.29	268.75
	Cash and Cash Equivalents as at the end of year	**11,128.18**	**18,323.27**

FOR AND ON BEHALF OF THE BOARD

(V N Murthy)
Company Secretary

(A K Srinivasan)
Director (Finance)
(DIN: 07168305)

(D K Sarraf)
Chairman & Managing Director
(DIN: 00147870)

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 Lodha & Co.
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For Khandelwal Jain & Co.
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Firm Reg. No.106237W

(Vishal P. Doshi)
Partner (M. No. 101533)

For M K P S & Associates
Chartered Accountants
Firm Reg. No: 302014E

(Sanjay Jain)
Partner (M.No. 086784)

May 26, 2017
New Delhi

1. Corporate information

Oil and Natural Gas Corporation Limited ("ONGC" or "the Company") is a public limited company domiciled and incorporated in India having its registered office at Pandit Deendayal Upadhyaya Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi – 110070. The Company's shares are listed and traded on Stock Exchanges in India. The Consolidated Financial Statements relate to the Company, its Subsidiaries, Joint Venture Entities and Associates. The Group (comprising of the Company and its subsidiaries), Joint Venture Entities and Associates are mainly engaged in exploration, development and production of crude oil, natural gas and value added products in India and acquisition of oil and Gas acreages outside India for exploration, development and production, downstream (Refinery and Petrochemicals), Power Generation, LNG supply, Pipeline Transportation, SEZ development and Helicopter services.

2. Application of new Indian Accounting Standards (Ind AS)

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

2.1. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the Consolidated Financial Statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

As the Group has not issued any stock option plans, hence this amendment will have no effect on the Group's financial statements.

3. Significant Group Accounting Policies

3.1. Statement of compliance

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

The Consolidated Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and Guidance Note on Accounting for Oil and Gas Producing Activities (Ind AS) issued by the Institute of Chartered Accountants of India. These are the Group's first Ind AS Consolidated Financial Statements. The date of transition to Ind AS is April 1, 2015. The mandatory exceptions and optional exemptions availed by the Group on First-time adoption have been detailed in Note 3.39.

Previous period figures in the Consolidated Financial Statements have been restated in compliance to Ind AS.

Up to the year ended March 31, 2016, the Group had prepared the Consolidated Financial Statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles (Previous GAAP) applicable in India, applying 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.

In accordance with Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), the Group has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at March 31, 2016, and April 1, 2015 and of the Net Profit as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2016.

3.2. Basis of preparation

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Consolidated Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal million except otherwise stated.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

3.3. Principles of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiaries (collectively referred as "the Group"). The Group has investments in joint ventures and associates which are accounted using equity method in these Consolidated Financial Statements. Refer note 3.7 for the accounting policy of investment in joint ventures and associate in the Consolidated Financial Statements.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.

The Consolidated Financial Statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Standalone Financial Statements except otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The Consolidated Financial Statements have been prepared by combining the financial statements of the company and its subsidiaries on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income, expenses and cash flow after eliminating in full intra-group assets, liabilities, equity, income, expenses and cash flow relating to intra-group transactions and unrealized profits. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Such unrealized profit/ losses are fully attributed to the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the consolidated statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3.4. Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognised in consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively;
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained by the Group during the 'measurement period' about facts and circumstances that existed at the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period recognising additional assets or liabilities (if any) to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.5. Non-controlling interests

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders.

Non-controlling interests are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

3.6. Goodwill on consolidation

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the Profit and Loss.

3.7. Investments in Associates and Joint Ventures

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated in the Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognize the Group's share of profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduces the carrying amount of investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has legal or constructive obligations or made payments on behalf of the associate or joint venture.

Loans advanced to Joint Venture and Associate, that have the characteristics of financing through equity are also included in the investment of the Group's consolidated balance sheet. The Group's share of amounts recognized directly in equity by Joint Venture and Associate is recognized in the Group's consolidated statement of changes in equity.

Unrealized gains on transactions between the group and its Joint venture and Associates are eliminated to the extent of the Group's interest in Joint venture and Associates. Unrealized losses are also eliminated to the extent of Group's interest unless the transaction provides evidence of an impairment of the asset transferred.

If an associate or a joint venture uses accounting policies other than those of the Group accounting policies for like transactions and events in similar circumstances, adjustments are made to make the associate's or joint venture's financial statemetns confirm to the Group's accounting policies before applying the equity method, unless, in case of an associate where it is impracticable do so.

An investment in an Associate or a Joint Venture is accounted for using the equity method from the date on which the investee becomes an Associate or a Joint Venture. On acquisition of the investment in an Associate or a Joint Venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then Group recognise impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 'Financial Instruments'. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to the consolidated statement of profit and loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to the consolidated statement of profit and loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to the consolidated statement of profit and loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to the consolidated statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3.8. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group has Joint Operations in the nature of Production Sharing Contracts (PSC) with the Government of India/other countries and various body corporates for exploration, development and production activities.

The Group's share in the assets and liabilities along with attributable income and expenditure of the Joint Operations is merged on line by line basis with the similar items in the Consolidated Financial Statements and adjusted for leases, depreciation, overlift/ underlift, depletion, survey, dry wells, decommissioning provision, impairment and sidetracking in accordance with the accounting policies of the Group.

The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Group.

Gain or loss on sale of interest in a joint operation, is recognized in the Consolidated Statement of Profit and Loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the Group has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that block.

3.9. Non-current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment (PPE) and intangible assets are not depreciated or amortized once classified as held for sale.

3.10. Government Grant

Government grants, including non-monetary grants at fair value, are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in Consolidated Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets and non-monetary grants are recognised and disclosed as 'deferred income' as non-current liability in the Consolidated Balance Sheet and transferred to the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a rate below the market rate of interest is treated as a government grant, and is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.11. Property Plant and Equipment (other than Oil and Gas Assets)

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Freehold land and land under perpetual lease are not depreciated.

Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management and decommissioning cost as per note 3.17. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components. Expenditure on dry docking of rigs and vessels are accounted as component of relevant assets.

Depreciation of these PPE commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹5,000/- which are fully depreciated at the time of addition of Asset related to operations in India and items not exceeding USD 100 which are fully depreciated at the time of addition of Asset related to operations outside India.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated Statement of Profit and Loss.

Depreciation of these PPE commences when the assets are ready for their intended use.

The Group and its Joint venture entities and Associates account for their depreciation on following basis:-

(a) Depreciation – PPE of Exploration & Production (E&P) (other than freehold land, Oil and Gas Assets and properties under construction)

Depreciation is provided on the cost of PPE of E&P operations less their residual values, using the written down value method (except for components of dry docking capitalised) over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on technical assessment by the Company. Estimated useful lives of these assets are as under:

Description	Useful life in years
Building & Bunk Houses	3 to 60
Plant & Machinery	3 to 40
Furniture and Fixtures	3 to 10
Vehicles	3 to 20
Office Equipment	3 to 20

Depreciation on refurbished/revamped PPE which are capitalized separately is provided for over the reassessed useful life which is not more than the life specified in Schedule II to the Companies Act, 2013.

Depreciation on expenditure on dry docking of rigs and vessels capitalized as component of relevant rig/vessels is charged over the dry dock period on straight line basis.

Depreciation on PPE including support equipment and facilities used for exploratory/development drilling is initially capitalised as part of drilling cost and expensed/depleted as per Note 3.15. Depreciation on equipment/assets deployed for survey activities is charged to the Consolidated Statement of Profit and Loss.

(b) Depreciation – PPE of Refinery, Petrochemical, Crude oil Transportation and LNG operation business (other than freehold land and properties under construction)

Depreciation is provided on the cost of PPE less their residual values of asset associated with Refinery, Petrochemical, Crude oil Transportation and LNG operation business, using Straight Line Method, over the useful life as specified in Schedule II to the Companies Act, 2013, except in case of certain components of the Plant and Equipment whose useful lives are determined based on technical evaluation. Useful lives are as follows:-

Asset categories	Useful life in years
Buildings	1-60
Plant & Machinery	2-40
Furniture	3-10
Office equipment	3-15
Vehicles	4-8

Expenditure on overhaul and repairs on account of planned shutdown which are of significant value (5% of the value of particular assets) is capitalized as component of relevant items of PPE and is depreciated over the period till next shutdown on straight line basis. Catalyst whose life is more than one year is capitalised as property, plant and equipment and depreciated over the guaranteed useful life as specified by the supplier when the catalyst is put to use.

(c) Depreciation – PPE of Rate regulated business:

Depreciation on asset relating to generation of electricity associated with rate regulated business is charged on Straight Line Method following the rates and methodology provided under CERC Tariff regulation, 2014 as notified by the central Electricity Regulatory Commission except for IT equipment (including software) on which depreciation is charged at rate of 30%.

Useful life of the assets relating to generation and distribution of electricity is determined as per CERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

OPAL – One of the biggest downstream integration projects in India commissioned in FY'17.

Depreciation on leasehold improvements has been provided on a straight line basis for the lease period or estimated useful life, whichever is less.

(d) Depreciation – PPE of SEZ business:

Depreciation is provided on the cost of PPE less their residual values of asset associated with SEZ business, using Straight Line Method, over the useful life as specified in Schedule II to the Companies Act, 2013, except in case of certain components of the Plant and Equipment whose useful lives are determined based on technical evaluation. Useful lives are as follows:-

Asset	Useful life in years
Plant & Machinery	7-30

3.12. Intangible Assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life not exceeding ten years from the date of capitalization. Intangible assets in form of right to use is amortised on straight line basis over the useful life of underlying asset. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate being accounted for prospectively and tested for impairment. Intangible assets with indefinite useful lives that are acquired separately are not subject to amortisation and are carried at cost less accumulated impairment losses, if any.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Consolidated Statement of Profit and Loss, when the asset is derecognised.

(ii) Intangible assets under development - Exploratory Wells in Progress

All exploration and evaluation costs incurred in drilling and equipping exploratory and appraisal wells, are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets on completion as per note no. 3.15 or expensed as exploration and evaluation cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

Cost of drilling exploratory type stratigraphic test wells are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets as per note no. 3.15 or expensed as exploration and evaluation cost (including allocated depreciation) as when determined to be dry or the petroleum exploration license/field/project is surrendered.

Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress has been made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per the policy of the Group.

3.13. Impairment of tangible and intangible assets other than goodwill

The Group reviews the carrying amount of its tangible and intangible assets (Oil and Gas Assets, Development Wells in Progress (DWIP), and Property, Plant and Equipment (including Capital Works in Progress) of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of impairment loss are recognized in the Consolidated Statement of Profit and Loss.

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.

3.14. Exploration & Evaluation, Development and Production Costs

(i) Pre-acquisition cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

(ii) Acquisition cost

Acquisition costs of an Oil and Gas Asset are costs related to right to acquire mineral interest and are accounted as follows:-

Exploration and development stage

Acquisition cost relating to projects under exploration or development are initially accounted as Intangible Assets under development - exploratory wells in progress or Oil & Gas Assets under development - development wells in progress respectively. Such costs are capitalized by transferring to Oil and Gas Assets when a well is ready to commence commercial production. In case of abandonment / relinquishment of Intangible Assets under development - exploratory wells in progress, such costs are written off.

Production stage

Acquisition costs of a producing Oil and Gas Assets are capitalized as proved property acquisition cost under Oil and Gas Assets and amortized using the unit of production method over proved reserves of underlying assets.

(iii) Survey cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

(iv) Oil & Gas asset under development - Development Wells in Progress

All costs relating to Development Wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil and Gas Assets' on "completion".

(v) **Production costs**

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

(vi) **Impairment of Acquisition costs relating to participating rights**

For the purposes of impairment testing, acquisition cost is allocated to each of the Group's CGUs (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which acquisition cost has been allocated is tested for impairment annually when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any acquisition cost allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognised for acquisition cost is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable carrying amount of acquisition cost is included in the determination of the profit or loss on disposal.

3.15. Oil and Gas Assets

Oil and Gas Assets are stated at historical cost less accumulated depletion and impairment losses. These are created in respect of an area / field having proved developed oil and gas reserves, when the well in the area / field is ready to commence commercial production.

Cost of temporary occupation of land, successful exploratory wells, all development wells (including service wells), allied facilities, depreciation on support equipment used for drilling and estimated future decommissioning costs are capitalised and classified as Oil and Gas Assets.

Oil and Gas Assets are depleted using the "Unit of Production Method". The rate of depletion is computed with reference to an area covered by individual lease / license / asset /field /project / amortization base by considering the proved developed reserves and related capital costs incurred including estimated future decommissioning / abandonment costs net of salvage value. Acquisition cost of Oil and Gas Assets is depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee of the Company, which follows the International Reservoir Engineering Procedures.

3.16. Side tracking

In the case of an exploratory well, cost of side-tracking is treated in the same manner as the cost incurred on a new exploratory well. The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploration cost written off.'

In the case of development wells, the entire cost of abandoned portion and side tracking is capitalized.

In the case of producing wells and service wells, if the side-tracking results in additional proved developed oil and gas reserves or increases the future economic benefits therefrom beyond previously assessed standard of performance, the cost incurred on side tracking is capitalised, whereas the cost of abandoned portion of the well is depleted in the normal way. Otherwise, the cost of side tracking is expensed as 'Work over Expenditure.'

3.17. Decommissioning costs

Decommissioning cost includes cost of restoration. Provision for decommissioning costs are recognized when the Group has a legal or constructive obligation to plug and abandon a well, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated 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 or Property, Plant and Equipment are installed.

The amount recognized is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk free discount rate.

An amount equivalent to the decommissioning provision is recognized along with the cost of exploratory well or Property, Plant and Equipment. The decommissioning cost in respect of dry well is expensed as exploratory well cost.

Any change in the present value of the estimated decommissioning expenditure other than the periodic unwinding of discount is adjusted to the decommissioning provision and the corresponding carrying value of the related asset. In case reversal of decommissioning provision exceeds the corresponding carrying amount of the related asset, the excess amount is recognized in the Consolidated Statement of Profit and Loss. The unwinding of discount on provision is charged in the Consolidated Statement of Profit and Loss as finance cost.

Provision for decommissioning cost in respect of assets under Joint Operations is considered as per participating interest of the Group.

3.18. Inventories

(a) Raw material and Stock in Process – Refinery & Petrochemicals

Raw material and Stock in Process is valued at lower of cost or net realizable value. Raw material is valued based on First in First Out (FIFO) basis. Cost of Stock in Process comprises of raw material cost and proportionate Conversion cost.

(b) Finished Goods and semi-finished :-

(i) Exploration and Production Operation (E&P)

Finished goods (other than Sulphur) including inventories in pipelines / tanks and carbon credits are valued at cost or net realisable value whichever is lower. Cost of finished goods is determined on absorption costing method. Sulphur is valued at net realisable value. The value of inventories includes excise duty, royalty (wherever applicable) but excludes Cess.

Crude oil in semi-finished condition at Group Gathering Stations (GGS) is valued at cost on absorption costing method or net realisable value whichever is lower.

Crude oil in unfinished condition in flow lines up to GGS / platform is not valued as the same is not measurable. Natural Gas is not valued as it is not stored.

(ii) Refinery & Petrochemicals

Cost of finished goods is determined based on raw material cost, conversion cost and excise duty.

Cost of semi-finished goods is determined based on raw material cost and proportionate conversion cost.

Duty credit scrips which are generated and are intended to be sold in ordinary course of business are classified as inventory. Inventories in respect to duty credit scrips are subsequently measured at the lower of cost and net realisable value.

(c) Store & Spares

Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Wherever, weighted average cost or net realisable value is not available, the cost made available by the operator is considered for valuation of Stores and Spares. Provisions are made for obsolete and non-moving inventories.

Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

3.19. Revenue recognition

Revenue arising from sale of products is recognized when the significant risks and rewards of ownership have passed to the buyer, which is at the point of transfer of custody to customers, and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group.

Revenue from services is recognized when the outcome of services can be estimated reliably and it is probable that the economic benefits associated with rendering of services will flow to the Group, and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, service tax and sales tax / VAT etc. Any retrospective revision in prices is accounted for in the year of such revision.

Sales are inclusive of all related expenses of the Group that may be paid by the government based on the provisions under agreements governing Group's activities in the respective field / project.

Any difference as of the reporting date between the entitlement quantity minus the quantities sold in respect of crude oil (including condensate), if positive (i.e. under lift quantity) the proportionate production expenditure is treated as prepaid expenses and, if negative (i.e. over lift quantity), a liability for the best estimate of the Group's proportionate share of production expenses as per the Joint Operating Agreement (JOA) / Production Sharing Agreement (PSA) is created in respect of the quantity of crude oil to be foregone in future period towards settlement of the overlift quantity of crude oil with corresponding charge to the consolidated Statement of Profit and Loss.

Any payment received in respect of short lifted gas quantity for which an obligation exists to supply such gas in subsequent periods is recognised as Deferred Revenue in the year of receipt. The same is recognised as revenue in the year in which such gas is actually supplied or in the year in which the obligation to supply such gas ceases, whichever is earlier.

The Group has entered into certain "take or pay" arrangements with its customers which requires the Group to deliver specified quantities as per the arrangement. In the event of short lifting by the customer as per the terms of the arrangement, the Group is entitled to receive revenue in respect of the short lifted quantities. Revenue in respect of short lifted quantities under take or pay arrangements is recognised when the Group's obligation to supply short-lifted quantity ceases as per the arrangement and it is probable that the economic benefits will flow to the Group.

Sale of crude oil and natural gas (net of levies) produced from Intangible assets under development – Exploratory Wells in Progress / Oil & Gas assets under development – Development Wells in Progress is deducted from expenditure on such wells.

Revenue in respect of the following is recognized when there is a reasonable certainty regarding ultimate collection:

- Surplus from Gas Pool Account
- Interest on delayed realization from customers
- Liquidated damages from contractors/suppliers

As per the Production Sharing Contracts for extracting the Oil & Gas Reserves with Government of India, out of the earnings from the exploitation of reserves after recovery of cost, a part of the revenue is paid to Government of India which is called Profit Petroleum is reduced from the revenue from Sale of Products as Government of India's Share in Profit Petroleum.

Finance income in respect of assets given on finance lease is recognised based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

Interest income from financial assets is recognised, when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable on initial recognition.

3.20. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Group. All other leases are classified as operating leases.

Land under perpetual lease are accounted as finance leases which are recognized at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual leases are treated as operating lease payments.

Operating lease payments are recognized as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

3.21. Foreign Exchange Transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Indian Rupees (₹), which is the Company's functional currency and the Group's presentation currency.

Transactions in currencies other than the respective entities' functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using mean exchange rate prevailing on the last day of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transaction.

Exchange differences on monetary items are recognised in the consolidated Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange differences on monetary items are recognised in the consolidated statement of profit and loss in the period in which they arise except for exchange differences on monetary item that forms part of a Group's net investment in a foreign operation are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items.

Exchange difference arising in respect of long term foreign currency monetary items is recognised in the statement of profit and loss except for the exchange difference related to long term foreign currency monetary items recognized as at March 31, 2016, in so far as, these related to the acquisition of depreciable assets, are adjusted against the cost of such assets and depreciate the said adjustment, over the balance life of asset and in other cases amortised over the balance period of the long term foreign currency monetary assets or liabilities.

Exchange differences on monetary items are recognised in the consolidated statement of profit and loss in the period in which they arise except for exchange differences on monetary item that forms part of a Group's net investment in a foreign operation are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the consolidated statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated statement of profit and loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of foreign operation and translated at rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Entities with functional currency other than presentation currency are translated to the presentation currency in Indian Rupees (₹). The Group has applied the following principles for translating its results and financial position from functional currency to presentation currency (₹):-

- Assets and liabilities (excluding equity share capital and other equity) for each balance sheet presented (i.e. including comparatives) has been translated at the closing rate at the date of that balance sheet;
- Equity share capital including equity component of compound financial instruments have been translated at exchange rates at the dates of transaction. Capital reserve has been translated at exchange rate at the dates of transaction. Other reserves have been translated using average exchange rates of the period to which it relates;
- Income and expenses for each consolidated statement of profit and loss presented have been translated at exchange rates at the dates of transaction except for certain items average rate for the period is used;

3.22. Employee Benefits

Employee benefits include salaries, wages, provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

Defined contribution plans

Employee Benefit under defined contribution plans comprising provident fund, Post Retirement benefit scheme, Employee Pension Scheme - 1995, composite social security scheme etc. is recognized based on the undiscounted amount of obligations of the Group to contribute to the plan. The same is paid to a fund administered through a separate trust.

Defined benefit plans

Defined retirement benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted.

Remeasurement of defined retirement benefit plans except for leave encashment towards un-availed leave and compensated absences, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The Group contributes all ascertained liabilities with respect to gratuity to the respective Gratuity Fund Trust. All ascertained liabilities for un-availed leave are funded with Life Insurance Corporation of India (LIC) except in case of some subsidiaries. Other defined benefit schemes are unfunded.

The retirement benefit obligation recognised in the Consolidated Financial Statements represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

Other long term employee benefits

Other long term employee benefit comprises of leave encashment towards un-availed leave and compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted for either as current employee cost or included in cost of assets as permitted.

Re-measurements of leave encashment towards un-availed leave and compensated absences are recognized in the Statement of profit and loss except those included in cost of assets as permitted in the period in which they occur.

3.23. Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Consolidated Statement of Profit and Loss when incurred.

3.24. General Administrative Expenses

General administrative expenses which are directly attributable are allocated to activities and the balance is charged to Consolidated Statement of Profit and Loss.

3.25. Insurance claims

The Group accounts for insurance claims as under:-

In case of total loss of asset, by transferring either the carrying cost of the relevant asset or insurance value (subject to deductibles), whichever is lower under the head "Claims Recoverable - Insurance" on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to consolidated Statement of Profit and Loss.

In case of partial or other losses, expenditure incurred/payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as "Claims Recoverable-Insurance". Insurance Policy deductibles are expensed in the year the corresponding expenditure is incurred.

As and when claims are finally received from the insurer, the difference, if any, between Claims Recoverable-Insurance and claims received is recognised in the Consolidated Statement of Profit and Loss.

3.26. Research and Development Expenditure

Expenditure of capital nature are capitalised and expenses of revenue nature are charged to the Consolidated Statement of Profit and Loss, as and when incurred.

3.27. Income Taxes

Income tax expense represents the sum of the current tax expense and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are presented separately in Consolidated Balance sheet except where there is a right of set-off within fiscal jurisdictions and an intention to settle such balances on a net basis.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiaries and associate and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such interests are recognised only to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Consolidated Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

(iii) Current and deferred tax for the year

Current and deferred tax expense is recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.28. Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss.

3.29. Rig Days Costs

Rig movement costs are booked to the next location drilled/planned for drilling. Abnormal Rig days' costs are considered as un-allocable and charged to the Consolidated Statement of Profit and Loss.

3.30. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Consolidated Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

3.31. Financial instruments

Financial assets and financial liabilities are recognised when Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss.

3.32. Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(i) Classification as debt or equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Compound financial instruments

The component parts of compound financial instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method

3.33. Financial assets

(i) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

(ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

(iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

(v) Impairment of financial assets

The Group assesses at each Consolidated Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 'Financial Instruments' requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

(vi) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Consolidated Statement of Profit and Loss.

3.34. Financial liabilities

(i) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

(ii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

3.35. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 'Financial Instruments' are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit & Loss (FVTPL).

3.36. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.37. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

3.38. Segment Reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. The geographical segments are based on assets as primary segments and business segments as secondary segments.

3.39. First-time adoption – mandatory exceptions and optional exemptions

(i) Overall principle:

The Group has prepared the opening balance sheet as per Ind AS as at April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Group as detailed below.

(ii) Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

(iii) Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the facts and circumstances that existed as of the transition date.

(iv) Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 "Financial Instrument" retrospectively; however, as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard", it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

(v) Deemed cost for Property, Plant and Equipment, Oil and Gas assets and intangible assets

The Group (except for ONGC Videsh Ltd where there has been a change in functional currency due to which this exemption is not available as per para D7AA of Ind AS 101) has elected to continue with the carrying value of all of its Property, Plant and Equipment, Oil and Gas assets and intangible assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning liabilities.

(vi) Determining whether an arrangement contains a lease

The Group has applied 'Appendix C' of Ind AS 17 "Leases" for determining whether an arrangement contains a Lease at the transition date on the basis of facts and circumstances existing at that date.

(vii) Equity investments at fair value through other comprehensive income (FVTOCI)

The Group has designated investments in equity shares as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

(viii) Assessment of embedded derivatives

The Group has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

(ix) Investments in joint ventures and associates

The Group has elected to recognise investment in joint ventures at the aggregate of the carrying amount of the assets and liabilities that the group has proportionately consolidated under previous GAAP on the transition date, including any goodwill arising from acquisition.

(x) Decommissioning costs

The Group has availed optional exemption available with respect to decommissioning costs included in the Oil and Gas Assets. Accordingly, the Group has measured the decommissioning provision in accordance with Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' as at transition date. The Group has computed the estimate of the amount that would have been included in the cost of the related Oil and Gas Assets by discounting the decommissioning provision computed at transition date using its best estimate of the historical risk adjusted discount rate to the date when decommissioning liability first arose. Thereafter, the Group has computed depletion / depreciation on Oil and Gas assets on the aforesaid estimated amount using the accounting policy mentioned in Note No 3.15 above.

(xi) Business combinations

The Group has elected to not to apply Ind AS 103 'Business Combinations' retrospectively to past business combinations that occurred before the transition date.

(xii) Government Loans

The Group has applied the exception available and accordingly carried the amount pertaining to government loans at the carrying amount under Previous GAAP at the transition date.

(xiii) Long term foreign currency monetary items

The Group has adopted the same accounting policy as per Previous GAAP for the treatment of exchange differences arising from translation of long-term foreign currency monetary items (including assets under finance leases) recognized in the Consolidated Ind AS Financial Statements for the year ended March 31, 2016.

(xiv) Non-current assets held for sale

The Group has measured non-current assets held for sale at the lower of carrying value and fair value less cost to sell at the date of transition to Ind ASs in accordance with Ind AS 105.

(xv) Foreign Currency Translation Reserve

The Group has elected to continue with the carrying value of Foreign Currency Translation Reserve, recognized as of April 1, 2015 (transition date) measured as per the Previous GAAP and adjusted for changes in foreign currency on account of translation from functional currency to presentation currency.

(xvi) Non-controlling interest

The Group has elected to continue with the carrying value of non-controlling interest, recognized as of April 1, 2015 (transition date) measured as per the Previous GAAP and adjusted for changes in equity under Ind AS.

4. The consolidated financial statements represents consolidation of accounts of "Oil and Natural Gas Corporation Limited", its subsidiaries, Joint venture entities and Associates as detailed below:

S. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest as at		Status of Audit as on 31.03.2017
			March 31, 2017	March 31, 2016	
A	**Subsidiaries**				
1	ONGC Videsh Limited (OVL)	India	100%	100%	Audited
1.1	ONGC Nile Ganga B.V.	The Netherlands	Class A : 100% Class B : 100% Class C : 77.491%	Class A : 100% Class B : 100% Class C : 77.491%	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. (liquidated w.e.f. February 1, 2016)	The Netherlands	-	-	Audited
1.1 (v)	ONGC Caspian E&P B.V.	The Netherlands	100%	100%	Audited
1.2	ONGC Narmada Limited	Nigeria	100%	100%	Unaudited
1.3	ONGC Amazon Alaknanda Limited	Bermuda	100%	100%	Audited
1.4	Imperial Energy Limited	Cyprus	100%	100%	Audited
1.5	Imperial Energy Tomsk Limited	Cyprus	100%	100%	Audited
1.5 (i)	Imperial Energy (Cyprus) Limited	Cyprus	100%	100%	Audited
1.5 (ii)	Imperial Energy Nord Limited	Cyprus	100%	100%	Audited

1.5 (iii)	Biancus Holdings Limited	Cyprus	100%	100 %	Audited
1.5 (iv)	Redcliffe Holdings Limited	Cyprus	100%	100%	Audited
1.5 (v)	Imperial Frac Services (Cyprus) Limited	Cyprus	100%	100%	Audited
1.5 (vi)	San Agio Investments Limited	Cyprus	100%	100%	Audited
1.5 (vii)	LLC Sibinterneft	Russia	55.90%	55.90%	Audited
1.5(viii)	LLC Allianceneftegaz	Russia	100%	100%	Audited
1.5 (ix)	LLC Nord Imperial	Russia	100%	100%	Audited
1.5 (x)	LLC Rus Imperial Group	Russia	100%	100%	Audited
1.5 (xi)	LLC Imperial Frac Services	Russia	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
1.11	ONGC Videsh Singapore Pte Ltd. (incorporated on April 15, 2016)	Singapore	100%	-	Audited
1.11 (i)	ONGC Videsh Vankorneft Pte Ltd. (incorporated on April 18, 2016)	Singapore	100%	-	Audited
2	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	India	71.63%	71.63%	Audited
3	ONGC Mangalore Petrochemicals Ltd. (OMPL)	India	85.53%	85.53%	Audited
B	**Joint Ventures**				
1	Petronet MHB Ltd (PMHBL)	India	32.72%	28.77%	Audited
2	Mangalore SEZ Ltd (MSEZ)	India	26.82%	26.82%	Audited
3	ONGC Petro Additions Ltd. (OPaL)	India	49.36%	49.36%	Audited
4	ONGC Tripura Power Company Ltd. (OTPC)	India	50.00%	50.00%	Audited
5	ONGC Teri Biotech Ltd. (OTBL)	India	49.98%	49.98%	Audited
6	Dahej SEZ Limited (DSEZ)	India	50.00%	50.00%	Unaudited
7	ONGC Mittal Energy Limited (OMEL) (through OVL)	Cyprus	49.98%	49.98%	unaudited
8	Mansarovar Energy Colombia Ltd. (through OVL)	Colombia	50.00%	50.00%	Audited
9	Himalaya Energy Syria BV (through OVL)	Syria	50.00%	50.00%	Audited
10	Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)	India	50.00%	50.00%	Audited
11	Mangalam Retail Services Ltd (through MRPL) (up to 16th January, 2017)	India	-	49.98%	Audited
12	North East Transmission Company Ltd. (NETC) (through OTPC)	India	13.00%	13.00%	Audited
13	Mangalore STP Limited (through MSEZ)	India	18.78%	18.78%	Audited
14	MSEZ Power Ltd (through MSEZ)	India	26.82%	26.82%	Audited

15	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
2	Petronet LNG Limited (PLL)	India	12.50%	12.50%	Audited
3	SUDD Petroleum Operating Company(through OVL)	Mauritius	25.00%	25.00%	
4	JSC Vankorneft(through OVL)	Russia	26.00%	-	Audited
5	Tamba BV(through OVL)	Netherland	27.00%	27.00%	Audited
6	South East Asia Gas Pipeline Company Limited(through OVL)	Hong Kong	8.35%	8.35%	Audited
7	Petrolera Indovenezolana Sa (through OVL)	Venezuela	40.00%	40.00%	Audited
8	Petro Carabobo SA(through OVL)	Venezuela	11.00%	11.00%	Audited
9	Carabobo Ingenieria Y Construcciones, S.A (through OVL)	Venezuela	37.93%	37.93%	Audited
10	Mozambiquae LNG1 co pte Ltd. (through OVL)	Singapore	16%	-	unaudited

5. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Consolidated Ind AS Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Consolidated Ind AS Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of functional currency, Oil and Gas reserves, impairment, useful lives of Property, Plant and Equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

5.1 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 5.2), that the Management have made in the process of applying the Group's accounting policies and that have the significant effect on the amounts recognized in the Consolidated Ind AS Financial Statements.

(a) Determination of functional currency

Currency of the primary economic environment in which the Group's entities operates ("the functional currency") is Indian Rupee (₹) in which the entities primarily generates and expends cash. However, primary economic environment in which OVL group (ONGC Videsh Ltd and its subsidiaries) is US Dollar which is the currency in which it primarily generates and expends cash and accordingly the functional currency of OVL group has been assessed as US Dollar.

(b) Classification of investment

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Company may obtain control, joint control or significant influence over the entity or arrangement. Transactions which give the Company control of a business are business combinations. If the Company obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If the Company has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then classified as an associate.

(i) In ONGC Petro additions Limited as joint venture (OPAL)

The Company has 49.36% equity interest in OPAL. The Company has also subscribed for 1,922 million share warrants on August 25, 2015 entitling the Company to exchange each warrant with an equity share of face value of ₹10 each against which ₹9.75 has been paid.

Further the Company has also entered into an arrangement on July 2, 2016 for backstopping support towards repayment of principal and cumulative coupon amount for compulsory convertible debentures amounting to ₹56,150 Million and cumulative interest thereon amounting to ₹3,612.06 Million issued by OPAL.

The Management has however evaluated the interest in OPAL to be in the nature of joint venture as the shareholder agreement between all the shareholders provides for sharing of control of the decisions of relevant activities that require the unanimous consent of all the parties sharing control. The Company has 49.36% equity interest in OPAL.

The Management has however evaluated the interest in OPAL to be in the nature of joint venture as the shareholder agreement between all the shareholders provides for sharing of control of the decisions of relevant activities that require the unanimous consent of all the parties sharing control.

(ii) In associates despite participating share being less than 20%

Considering the power to participate in the financial and operating policy decisions of the investees exercised by the Group in accordance with the applicable agreements and/or otherwise, the following entities ae considered associates of the Group despite the participating interest/shareholding percentage/ right percentage being less than 20%:

- JSC Vankorneft (shareholding of the Group was 15% for the period May 31, 2016 to October 28, 2016; shareholding of the Group increased to 26% from October 28, 2016)
- South East Asia Gas Pipeline (shareholding of the Group 8.347%)
- Petro Carabobo S.A., Venezuela (shareholding of the Group 11%)

The Company has 12.50% equity interest in PLL. It was classified as Joint Venture in Previous GAAP, however, in terms of Para 7 of Ind AS 111 "Joint Arrangements", unanimous consent of all promoters is not required in relevant activities in PLL and therefore PLL is not classified as Joint Venture. The Company has significant influence on PLL by way of having right to appoint a director in PLL and participate in its business decisions, therefore the same has been classified as an Associate of the Company.

(c) Determining whether an arrangement contain leases and classification of leases

The group enters into service/hiring arrangements for various assets/services. The determination of lease and classification of the service/hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

(d) Evaluation of indicators for impairment of Oil and Gas Assets

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Oil and Gas Assets.

(e) Oil & Gas Accounting

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas and are in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin, and where the economic viability of that major capital expenditure depends on the successful completion of further exploration work in the area, remain capitalized on the consolidated balance sheet as long as additional exploration or appraisal work is under way or firmly planned.

It is not unusual to have exploration wells and exploratory-type stratigraphic test wells remaining suspended on the consolidated balance sheet for several years while additional appraisal drilling and seismic work on the potential oil and natural gas field is performed or while the optimum development plans and timing are established. All such carried costs are subject to regular technical, commercial and management review on at least an annual basis to confirm the continued intent to develop, or otherwise extract value from, the discovery. Where this is no longer the case, the costs are immediately expensed.

(f) Deferred tax liability / deferred tax asset in respect of undistributed profits/losses of subsidiaries, branches, investments in associates and joint ventures

The management exercises judgement in accounting for deferred tax liability / deferred tax asset in respect of Group's investments in respect of undistributed profits/losses of subsidiaries, branches, investments in associates and joint ventures. In the judgement of the management, in respect of undistributed profits/losses of subsidiaries, branches, investments in joint ventures, the management is able to control the timing of the reversal of the temporary differences and the temporary differences will not be reversed in the foreseeable future.

Accordingly, the Group does not recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and interests in joint ventures.

5.2. Assumptions and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

a) Estimation of provision for decommissioning

The Group estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil & Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the removal events occur involve uncertainty. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed at the end of each reporting period, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows. The economic life of the Oil & Gas assets is estimated on the basis of long term production profile of the relevant Oil & Gas asset.

b) Impairment of assets

Determination as to whether, and by how much, a CGU is impaired involves Management estimates on uncertain matters such as future prices, the effects of inflation on operating expenses, discount rates, production profiles for crude oil, natural gas and value added products. For Oil & Gas assets, the expected future cash flows are estimated using Management's best estimate of future crude oil and natural gas prices, production and reserves volumes.

The company's present values of cash flows are determined by applying pre tax-discount rates for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products are computed using the future prices, on the basis of market-based average prices of the Dated Brent crude oil as per assessment by 'Platt's Crude Oil Market wire' and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of the notification issued by the Government of India and discounted applying the rate applicable to the cash flows measured in USD in view of the new pricing guidelines issued by GoI.

Further, the subsidiary company ONGC Videsh Ltd, present values of cash flows are determined by applying pre tax-discount rates that reflects current market assessments of time value of money and the risks specific to the liability in respect of each of the CGUs. Future cash inflows from sale of crude oil are computed using the future prices, on the basis of market-based forward prices of the Dated Brent crude oil as per assessment by Bloomberg and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of the prices determined in accordance with the respective agreements and / or market forecast.

The discount rate used is based upon the cost of capital from an established model.

The Value in use of the producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under circumstances where the further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use.

The discount rates applied in the assessment of impairment calculation are re-assessed each year.

c) Estimation of reserves

Management estimates production profile (proved and developed reserves) in relation to all the Oil and Gas Assets based on the policies and procedures determined by the Reserves Estimation Committee of the Company (REC). The estimates so determined are used for the computation of depletion and impairment testing.

The year-end reserves of the Group have been estimated by the REC which follows international reservoir engineering procedures consistently. The Company has adopted deterministic approach for reserves estimation and is following Society of Petroleum Engineers (SPE) – 1997 guidelines which defines reserves as "estimated volumes of crude oils, condensate, natural gas, natural gas liquids and associated substances anticipated to be commercially recoverable from known accumulations from a given date forward, under existing economic conditions, by established operating practices, and under current Government regulations." Volumetric estimation is the main procedure in estimation, which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it. As the field gets matured with reasonably good production history available then performance methods such as material balance, simulation, decline curve analysis are applied to get more accurate assessments of reserves.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New in- place Volume and Ultimate Reserves are estimated for new field discoveries or new pool discoveries in already discovered fields. Also, appraisal activities lead to revision in estimates due to new sub-surface data. Similarly, reinterpretation exercise is also carried out for old fields due to necessity of revision in petro-physical parameters, updating of static and dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitate revision in estimation of reserves.

The Group uses the services of third party agencies for due diligence and it gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation.

d) **Determination of cash generating unit (CGU)**

The Group is engaged mainly in the business of oil and gas exploration and production in Onshore and Offshore. In case of onshore assets, the fields are using common production/transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields in India is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

e) **Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

6. Oil and gas assets

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Gross Cost		
Opening Balance (Refer Note 6.1 and 6.2)	1,598,096.64	1,398,746.19
Transfer from Intangible assets under development- Exploratory wells in progress	10,398.14	7,392.87
Transfer from Development Wells-in-Progress	116,740.10	113,193.63
Increase/(Decrease) in estimated decommissioning costs	9,274.54	(9,549.85)
Additions during the year	120,200.72	76,873.73
Deletion/Retirement during the year	(13,315.20)	(10,942.78)
Other Adjustments	(12,175.83)	(6,167.53)

Foreign currency translation adjustment (Refer Note 6.3)	(9,508.57)	28,550.38
Total	**1,819,710.54**	**1,598,096.64**
Less: Accumulated Depletion & Impairment		
Depletion		
Opening Balance (Refer Note 6.1 and 6.2)	356,453.81	211,615.89
Depletion for the year (Refer Note 39)	158,910.07	139,088.70
Deletion / retirement during the year	(1,208.94)	-
Other Adjustments	(15,532.49)	(3,506.81)
Foreign currency translation adjustment (Refer Note 6.3)	(4,108.85)	9,256.03
Total	**494,513.60**	**356,453.81**
Accumulated Impairment		
Opening Balance (Refer Note 6.2)	42,728.07	-
Impairment provided during the year	1,253.54	42,490.05
Write back of Impairment	(12,578.70)	-
Foreign currency translation adjustment (Refer Note 6.3)	(435.83)	238.02
Total	**30,967.08**	**42,728.07**
Carrying amount of Oil and Gas Assets	**1,294,229.86**	**1,198,914.76**

6.1. Includes assets pertaining to production and allied facilities as on April 1, 2015 classified as "Oil and Gas Assets" under Property, Plant and Equipment in terms of EAC opinion issued by the Institute of Chartered Accountants of India (ICAI).

6.2. The Company has elected to continue with the carrying value of its Oil and Gas Assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Oil and Gas Assets which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards' (Note 3.39 (v)).

6.3. The subsidiary company ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21, 3.39 (v) and 5.1 (a).

6.4. In respect of subsidiary, OVL, BC-10, Brazil (an un-incorporated joint operation of the Group) has long-term finance lease agreement with Tamba BV. Netherlands (a joint venture company of the group), wherein the latter is providing major oil field equipments like floating production storage and offloading vessel (FPSO) and other sub-sea assets to the former. The foreign exchange gain/loss arising on account of revaluation of non-current finance lease liability is capitalized to Oil and Gas assets and depleted using unit of production method. The details of Oil and Gas assets remaining to be amortised in respect of the long-term finance lease agreement is as below:

Exchange differences arising on reporting of long-term foreign currency monetary items relating to depreciable assets:

₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Amount remaining to be amortised at the beginning of the year	5,711.73	5,454.66
Add: Exchange loss/(gain) arising during the year	(2,935.67)	1,473.46
Less: Depletion charged to the statement of profit and loss for the year	537.53	554.54
Add: Effect of exchange differences (note 6.3)	562.11	(661.85)
Amount remaining to be amortised at the end of the year	**2,800.64**	**5,711.73**

7. Other Property, Plant and Equipment

(₹ in million)

Carrying amount of:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Freehold Land (Refer Note 7.2.1 and 7.2.2)	7,062.35	6,403.50	4,691.65
Perpetual Leasehold Land (Refer Note 7.3.1 and 7.3.2)	5,139.19	5,207.74	5,034.65
Building & bunk Houses	23,649.49	19,418.96	16,304.02
Plant & equipment (Refer Note 7.3.3)	260,119.07	270,473.43	252,395.60
Furniture & fixtures	1,934.79	2,097.93	2,496.44
Office equipments	2,482.75	2,114.23	2,714.73
Vehicles*	3,777.69	3,781.81	5,996.97
Total	**304,165.33**	**309,497.60**	**289,634.06**

(₹ in million)

Cost or deemed cost	Freehold Land	Perpetual Leasehold Land	Buildings & Bunk Houses	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
Balance at April 1, 2015 (Refer Note 7.1)	4,691.65	5,034.65	19,367.88	298,542.22	7,679.03	8,518.00	7,551.24	351,384.67
Additions	1,714.23	3.29	5,175.80	50,808.00	766.83	627.49	1,689.89	60,785.53
Disposals/adjustments	2.38	-	63.65	17,522.38	173.39	99.35	3,529.94	21,391.09
Effect of exchange difference (Refer Note 7.4.1)	-	169.80	473.78	3,026.30	297.66	389.64	29.92	4,387.10
Balance at March 31, 2016	**6,403.50**	**5,207.74**	**24,953.81**	**334,854.14**	**8,570.13**	**9,435.78**	**5,741.11**	**395,166.21**
Additions	689.27	-	6,556.02	18,970.49	900.45	1,681.77	1,383.47	30,181.47
Disposals/adjustments	30.33	-	42.89	2,533.08	439.08	149.53	(330.37)	2,864.54
Effect of exchange difference (Refer Note 7.4.1)	(0.09)	(68.55)	(232.47)	(978.10)	(98.00)	(175.33)	62.89	(1,489.65)
Balance at March 31, 2017	**7,062.35**	**5,139.19**	**31,234.47**	**350,313.45**	**8,933.50**	**10,792.69**	**7,517.84**	**420,993.49**

Accumulated depreciation and impairment	Freehold Land	Perpetual Leasehold Land	Buildings & Bunk Houses	Plant & Equipments	Furniture & Fixtures	Office Equipments	Vehicles	Total
Balance at April 1, 2015 (Refer Note 7.1)	-	-	3,063.86	46,146.62	5,182.59	5,803.27	1,554.27	61,750.61
Depreciation expense	-	-	1,963.32	28,629.57	1,003.35	1,226.90	922.34	33,745.48
Impairment loss recognised in profit or loss	-	-	370.92	(12,806.70)	11.36	(29.46)	(28.49)	(12,482.37)
Eliminated on disposal/ adjustments of assets	-	-	32.94	121.03	2.36	25.35	485.79	667.47
Effect of exchange difference (Refer Note 7.4.1)	-	-	169.69	2,532.25	277.26	346.19	(3.03)	3,322.36
Balance at March 31, 2016	**-**	**-**	**5,534.85**	**64,380.71**	**6,472.20**	**7,321.55**	**1,959.30**	**85,668.61**
Depreciation expense	-	-	2,226.07	27,039.23	867.68	1,213.49	1,823.02	33,169.49
Impairment loss recognised in profit or loss	-	-	300.15	888.39	(3.85)	23.26	36.05	1,244.00

Eliminated on disposal/ adjustments of assets	-	-	0.50	1,259.51	236.08	90.82	132.41	1,719.32
Impairment loss written back during the year	-	-	399.96	(20.78)	8.15	3.12	3.82	394.27
Effect of exchange difference (Refer Note 7.4.1)	-	-	(75.63)	(875.22)	(93.09)	(154.42)	58.01	(1,140.35)
Balance at March 31, 2017	-	-	**7,584.98**	**90,194.38**	**6,998.71**	**8,309.94**	**3,740.15**	**116,828.16**

**Vehicles include Survey Ships and Crew Boats.*

7.1. Except for subsidiary OVL , the Group has elected to continue with the carrying value of its other Property Plant and Equipment (PPE) recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning provisions included in the cost of other PPE which has been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards' [Refer Note 3.39(v)]. The deemed cost is further reduced for the unamortised transaction cost on borrowings as at April 1, 2015, which were earlier capitalised with PPE.

7.2. In respect of the Company,

7.2.1. Land includes 36 numbers (Previous year 158 numbers) of lands in respect of certain units amounting to ₹88.89 million (Previous year ₹184.61 million) for which execution of conveyance deeds is in process.

7.2.2. Registration of title deeds in respect of 12 numbers (Previous year 12 numbers) buildings is pending execution having carrying amount of ₹61.10 million (Previous year ₹64.94 million).

7.2.3. Building includes cost of undivided interest in land.

7.2.4. Carrying value of Assets pertaining to production and allied facilities as on April 1, 2015 has been regrouped from other Property Plant and Equipment to "Oil and Gas Assets" to reflect the aggregate amount of Oil and Gas Assets.

7.3. In respect of subsidiary, MRPL,

7.3.1. Leasehold lands are considered as finance lease in nature as the ownership will be transferred to the company at the end of the lease period. These leasehold lands are not depreciated.

7.3.2. Land under lease includes land value ₹28.82 million (as at March 31, 2016 ₹28.82 million; as at April 1, 2015 ₹28.82 million), which is in possession of the Company towards which formal lease deeds are yet to be executed.

7.3.3. Plant and equipment includes ₹39.15 million (as at March 31, 2016 ₹39.15 million; as at April 1, 2015 ₹39.15 million) being Company's share of an asset jointly owned with another company.

7.3.4. External commercial borrowing and loan availed from Oil Industry Development Board (OIDB) are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future. Working capital borrowings from consortium banks are secured by way of hypothecation of Company's stocks of raw material, finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property, plant and equipment both present and future [Refer Note 27.9].

7.3.5. Additions to property, plant and equipment includes (₹1,102.75) million (for the year ended March 31, 2016 ₹3,702.43 million) in relation to foreign exchange differences and Nil (For the year ended March 31, 2016 ₹124.17 million) borrowing costs capitalised. Asset class wise addition details are disclosed below:

(₹ in million)

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
Asset class	**Exchange Differences**	**Borrowing Costs**	**Exchange Differences**	**Borrowing Costs**
Buildings	(7.97)	-	18.17	2.11
Plant and equipment	(1,094.78)	-	3,684.26	122.06
Total	**(1,102.75)**	-	**3,702.43**	**124.17**

7.3.6. The rate used to determine the amount of borrowing costs eligible for capitalisation was NIL (for the year ended March 31, 2016 was 6.94 % p.a.) which is the effective interest rate on borrowings.

7.3.7. Under the Previous GAAP, the Company reported an amount of ₹ 138,226.10 million as carrying amount of plant and equipment as at March 31, 2015. During the year ended March 31, 2016 the Company made an adjustment of ₹ 499.67 million to comply with requirements of Schedule II of the Companies Act, 2013. The same amount is taken in the opening balance of plant and equipment with corresponding adjustment to retained earnings as at April 1, 2015. Accordingly, an amount of ₹ 137,726.43 million (₹ 138,226.10 million minus ₹ 499.67 million) has been considered as deemed cost on transition date. Deferred tax impact was ₹ 172.93 million on account of this adjustment.

7.3.8. The Company is eligible for certain economic benefits such as exemptions from entry tax, custom duty, etc. on import/local purchase of capital goods in earlier years amounting to ₹ 3,622.28 million. The Company has not made adjustment to the value of the respective property, plant and equipment as they are in the nature of Government assistance rather than Government grant as defined in Ind AS 20. The Subsidiary of MRPL i.e. OMPL, operates in special economic zone (SEZ) in Mangalore, accordingly is eligible for certain economic benefits such as exemptions from custom duty, excise duty, service tax , value added tax, entry tax, etc. which are in the nature of government assistance. These benefits are subject to fulfillment of certain obligations by the company.

7.3.9. In respect of subsidiary company OMPL, External commercial borrowings and non-convertible debentures (NCD) are secured by first pari passu charge over immovable property, plant and equipment. Working capital loan from a bank is secured by way of hypothecation of Company's current assets both present and future. Working capital lenders are to be secured by second ranking pari passu charge over Company's immovable property, plant and equipment both present and future on receipt of No Objection Certificate from NCD holders.

7.4. In respect of subsidiary, OVL,

7.4.1. Subsidiary company ONGC Videsh Limited has determined its functional currency as USD. Adjustments includes net effect of exchange differences of ₹ (349.30) million as at March 31, 2017 (₹ 1,064.97 million as at March 31, 2016) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21, 3.39.(v) and 5.1 (a).

7.4.2. The Company carries on its business in respect of exploration, development and production of hydrocarbons under agreements with host Governments directly or in consortium with other partners (Consortium). Several of these agreements, governing Company's activities in the fields / projects, provide that the title to the property, plant and equipment and other ancillary installations shall pass to host Government or its nominated entities either upon acquisition / first use of such assets or upon 100% recovery of such costs through allocation of "Cost Oil" and "Cost Gas" or upon relinquishment of the relevant contract areas or termination of the relevant agreement. However, as per the terms of the agreements, the Consortium and / or operator 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 Company during the currency of the respective agreements.

8. Capital Work in Progress

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
A) Oil and Gas Assets		
(i) Development Wells in progress		
Opening Balance (Refer Note 8.1 and 8.2)	44,606.86	53,588.20
Expenditure during the year	109,499.58	101,066.28
Depreciation during the year	3,586.15	3,216.13
Transfer to Oil and Gas Assets	(116,740.10)	(113,193.63)
Foreign currency translation adjustment (Refer Note 8.7)	(12.38)	608.17
Other adjustments	37.92	(678.29)
Total	**40,978.03**	**44,606.86**
Less:Accumulated Impairment		
Opening balance (Refer Note 8.5)	1,193.08	104.20
Provision for the year	1.34	1,082.71
Write back during the year	(298.01)	-
Foreign currency translation adjustment (Refer Note 8.7)	(2.50)	6.17
Other adjustments	(202.66)	-
Total	**691.25**	**1,193.08**
Carrying amount of Development wells in progress	**40,286.78**	**43,413.78**

(ii) Oil and Gas facilities in progress

(₹ in million)

Oil and gas facilities (Refer Note 8.1, 8.2 and 8.6)	64,792.48	75,861.30
Acquisition Costs- Exploration and Production Asset	28.59	28.59
Impairment during the year	(53.35)	-
Carrying amount of Oil and gas facilities in progress	**64,767.72**	**75,889.89**

B) Other Capital Works-in-Progress

(₹ in million)

Acquisition Costs - Exploration and production asset (Refer Note 8.1 and 8.2)		
Land and Buildings	3,224.25	7,816.67
Plant and equipment	89,697.55	95,005.58
Capital stores (including in transit)	3,237.15	2,957.77
Impairment for Non-Moving Items	(43.83)	(57.89)
Total	**96,115.12**	**105,722.13**

Less: Accumulated Impairment		
Opening Balance	5,981.37	-
Provided for the year	47.04	6,058.65
Other adjustments	120.85	(77.28)
Written back during the year	(709.98)	-
Total	**5,439.28**	**5,981.37**
Carrying amount of capital work in progress	**90,675.84**	**99,740.76**

8.1. The Group (Except for OVL) has elected to continue with the carrying value of its Capital Works-in-Progress recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Capital Works-in-Progress which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards' [Refer Note 3.39 (v)].

8.2. Includes ₹ 7,156.89 million (Previous year Nil) in respect of Tapti A series assets and facilities which were a part of the assets of PMT Joint Operation (JO) and surrendered by the JV to the Government of India as per the terms and conditions of the JV Agreement. During the year these assets and facilities have been transferred by Government of India to the Company free of cost as its nominee. The Company has assessed the fair value of the said assets and facilities at ₹ 7,156.89 million based on the valuation report by a third party agency, which has been accounted as Capital work-in-progress with a corresponding liability as Deferred Government Grant (Note 31.1).

While transferring these assets to the Company, the decommissioning obligation has been delinked by Government of India. The same will be considered as decided by the Government of India. However decommissioning provision towards 40% share being partner in the JV is being carried in the consolidated financial statements.

8.3. In respect of subsidiary MRPL, additions to CWIP includes exchange differences amounting to ₹ Nil (for the year ended March 31, 2016 ₹ 5.26 million) and includes borrowing costs amounting to ₹ Nil (for the year ended March 31, 2016 ₹ 2.61 million) and allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalisation was Nil (for the year ended March 31, 2016 was 6.94% p.a.) which is the effective interest rate on borrowings.

8.4. In respect of subsidiary MRPL, CWIP includes ₹ Nil (for the year ended March 31, 2016: ₹ 0.42 million) in relation to depreciation capitalised during construction period.

8.5. In respect of subsidiary OVL, the company has 60% participating interest in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since April 29, 2012. In view of the same, impairment had been made in respect of development wells in progress amounting to ₹ Nil million (year ended March 31, 2016 ₹ Nil). The cumulative impairment as at March 31, 2017 is ₹ 107.87 million (as at March 31, 2016 ₹ 110.37 million) in respect of the project.

8.6. In respect of subsidiary OVL, borrowing cost amounting to ₹ 101.79 million has been capitalised under the Oil and Gas facilities in progress during the year ended March 31, 2017 (for the year ended March 31, 2016 ₹ 92.83 million). The weighted average capitalization rate on funds borrowed is 2.23% per annum (during the year ended March 31, 2016 2.56% per annum).

8.7. Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

9. Goodwill (including Goodwill on consolidation)

9.1. Goodwill on asset purchased

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying Cost (Refer Note 9.2)	4.04	4.04	4.04
Accumulated impairment losses	-	-	-
Carrying amount of goodwill (A)	**4.04**	**4.04**	**4.04**

9.2. Goodwill represents excess of consideration paid over net assets acquired for acquisition of nitrogen plant.

9.3. Goodwill on consolidation

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Cost or deemed cost		
Opening balance	209,866.64	201,876.14
Additions during the year	-	-
Effect of exchange differences	(4,637.74)	7,990.50
Total	**205,228.90**	**209,866.64**
Less: Accumulated amortisation		
Opening balance	56,570.12	39,762.93
Additions during the year	8,486.50	14,263.36
Effect of exchange differences	(1,560.39)	2,543.83
Total	**63,496.23**	**56,570.12**
Carrying amount of goodwill on consolidation (B)	**141,732.67**	**153,296.52**
Carrying amount of total goodwill (A+B)	**141,736.71**	**153,300.56**

9.4. Allocation of goodwill on consolidation to cash generating units is carried out in accordance with the accounting policy mentioned at note 3.6.

9.5. Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

10. Other intangible assets

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Cost or deemed cost		
Opening balance (Refer Note 10.1)	1,865.18	1,347.94
Additions during the year	848.56	485.06
Adjustments	3.51	(5.04)
Foreign currency translation adjustment (Refer Note 10.2)	(30.62)	37.22
Total	**2,686.63**	**1,865.18**
Less: Accumulated amortisation and impairment		
Accumulated amortisation		
Opening balance (Refer Note 10.1)	805.45	455.20
Provision for the year	424.23	326.44
Adjustments	4.18	(3.72)

Foreign currency translation adjustment (Refer Note 10.2)	(15.43)	27.53
Total	**1,218.43**	**805.45**
Accumulated Impairment		
Opening balance (Refer Note 10.1)	5.39	-
Provision for the year	0.10	5.39
Adjustments	0.01	-
Total	**5.50**	**5.39**
Carrying amount of Other Intangible Assets	**1,462.70**	**1,054.34**

10.1. Except for OVL, the Group has elected to continue with the carrying value of its other intangible assets, recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 'First –time Adoption of Indian Accounting Standards' Standards' [Refer Note 3.39 (v)].

10.2. Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

11. Intangible assets under development

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
(i) Exploratory wells in progress		
Cost or deemed cost		
Opening balance	218,303.81	184,272.04
Expenditure during the year (Refer Note 11.2.4)	62,138.55	80,224.14
Sale proceeds of Oil and Gas	(56.20)	(143.60)
Depreciation during the year (Refer Note 39)	4,110.51	2,728.89
Total (A)	**284,496.67**	**267,081.47**
Less:		
Transfer to Oil and Gas Assets	10,398.14	7,392.87
Wells written off during the year	32,054.45	42,983.42
Other adjustments	0.01	584.97
Effect of exchange differences (Refer Note 11.2.6)	899.57	(2,183.60)
Total (B)	**43,352.17**	**48,777.66**
Sub-total (A-B)	**241,144.50**	**218,303.81**
Less: Accumulated Impairment (Refer Note 11.1)		
Opening Balance	11,152.51	29,173.51
Provided during the year	4,545.57	649.99
Write back during the year	(966.05)	(18,948.52)
Effect of exchange differences (Refer Note 11.2.6)	(112.80)	277.53
Total	**14,619.23**	**11,152.51**
Carrying amount of Exploratory wells in progress	**226,525.27**	**207,151.30**
(ii) Acquisition Cost		
Cost or deemed cost		
Opening balance	166,269.81	152,718.04
Addition during the year (Refer Note 11.2.5)	3,089.69	2,817.81
Effect of exchange differences (Refer Note 11.2.6)	(3,839.63)	10,733.96
Total	**165,519.87**	**166,269.81**

Less : Accumulated Impairment		
Opening balance	15,780.70	626.40
Provided during the year (Refer Note 39)	856.13	14,919.73
Effect of exchange differences (Refer Note 11.2.6)	(554.17)	234.57
Total	**16,082.66**	**15,780.70**
Carrying amount of Acquisition Cost	**149,437.21**	**150,489.11**
Carrying amount of Intangible assets under development	**375,962.48**	**357,640.41**

11.1. The Company had acquired during 2004-05, 90% Participating Interest in Exploration Block KG-DWN-98/2 from M/s Cairn Energy India Ltd for a lump sum consideration of ₹ 3,711.22 million which, together with subsequent exploratory drilling costs of wells had been capitalised under exploratory wells in progress. During 2012-13, the Company had acquired the remaining 10% participating interest in the block from M/s Cairn Energy India Ltd on actual past cost basis for a consideration of ₹ 2,124.44 million. Initial in-place reserves were established in this block and adhering to original PSC time lines, a Declaration of commerciality (DOC) with a conceptual cluster development plan was submitted on December 21, 2009 for Southern Discovery Area and on July 15, 2010 for Northern Discovery Area. Thereafter, in the revised DOC submitted in December, 2013, Cluster-wise development of the Block had been envisaged by division of entire development area into three clusters. The DOC in respect of Cluster II had been reviewed by the Management Committee (MC) of the block on September 25, 2014. Field Development Plan (FDP) for Cluster-II was submitted on September 8, 2015 and the same had been approved by MC on March 31, 2016. Investment decision has been approved by the Company. Work on the block has started and is in progress.

The exploration period of this block was restructured by Government upto December 29, 2013 in accordance with the Rig Holiday Policy and further extended to January 25, 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 November 11, 2014; drilling and testing of appraisal wells were completed. Revised DOC for Clusters I and III were submitted to MC for review on April 27, 2016. The DOC for Cluster-I has been reviewed by MC on December 12, 2016. FDP for Cluster-I is under preparation. Revised DOC of Cluster-III is under review by MC and on completion of review, FDP will be prepared.

In view of the definite plans for development of discoveries in the block, in FY 2015-16, the Company had reversed impairment of ₹ 15,482.32 million recognised in the past.

11.2. In respect of subsidiary OVL,

11.2.1. The company has 60% Participating Interest in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since April 29, 2012. In view of the same provision had been made in respect of exploratory wells in progress. The impairment as at March 31, 2017 is ₹ 2,663.39 million (as at March 31, 2016 ₹ 2,572.80 million) in respect of the project.

11.2.2. In respect of Block Farsi, Iran, the company in consortium with other partners entered into an Exploration Service Contract (ESC) with National Iranian Oil Company (NIOC) on December 25, 2002. After exploratory drilling, FB area of the block proved to be a gas discovery and was later rechristened as Farzad-B. NIOC announced the Date of Commerciality for Farzad-B as August 18, 2008. However, the contractual arrangement with respect to development has not been finalized, so far. Impairment has been made in respect of the Company's investment in exploration in the Farsi Block. The impairment as at March 31, 2017 is ₹ 2,210.91 million (as at March 31, 2016 ₹ 2,408.89 million).

11.2.3. Acquisition cost relates to the cost for acquiring property or mineral rights of proved or unproved oil and gas properties which are currently under Exploration / Development stage, such cost will be transferred to Oil and Gas Assets on commencement of commercial production from the project or written off in case of relinquishment of exploration project.

11.2.4. Borrowing cost amounting to ₹ 241.18 million has been capitalised during the year ended March 31, 2017 (for the year ended March 31, 2016 ₹219.95 million) in Exploratory wells in progress. The weighted average capitalization rate on funds borrowed by OVL is 2.23% per annum (during the year ended March 31, 2016 2.56% per annum).

11.2.5. Borrowing cost amounting to ₹ 3,089.69 million has been capitalised during the year ended March 31, 2017 (for the year ended March 31, 2016 ₹ 2,817.81 million) in Acquisition cost. The weighted average capitalization rate on funds borrowed by OVL is 2.23% per annum (during the year ended March 31, 2016 2.56% per annum).

11.2.6. Company has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a), 3.39.(v).

12. Investments

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment in Equity Instruments (refer note 12.1)	554,946.33	288,196.34	260,462.08
Investment in securities (refer note 12.2)	20,307.50	15,639.78	13,908.77
Total investments	**575,253.83**	**303,836.12**	**274,370.85**

12.1. Investment in Equity Instruments

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No.(in million)	Amount	No. (in million)	Amount	No.(in million)	Amount
(i) Investment in Associates (Refer note 12.1.3)						
(a) Pawan Hans Limited (Unquoted – Fully paid up) (Face Value ₹ 10,000 per share)	0.12	3,978.88	0.12	2,828.35	0.12	2,697.31
(b) Petronet LNG Limited (Quoted – Fully paid up) (Refer note. 12.1.3.b) (Face Value ₹ 10 per share)	93.75	10,222.99	93.75	8,328.04	93.75	7,393.96
(c) Petro Carabobo S.A (Unquoted– Fully paid up) (Face Value Bolivar 10 per share)	0.01	579.73	0.01	-	0.01	2,311.19
(d) Carabobo Ingenieria Y Construcciones, S.A (Unquoted– Fully paid up) *** (Face Value Boliver 1 per share)	0.00	0.27	0.00	0.28	0.00	0.30
(e) Petrolera Indovenezolana SA (Unquoted– Fully paid up) (Face Value $ 4.65 per share)	0.04	26,294.95	0.04	31,233.07	0.04	22,525.87
(f) South East Asia Gas Pipeline Ltd (Unquoted– Fully paid up) (Face Value $ 1 per share)	0.02	1,016.26	0.02	1,578.14	0.02	728.42

(g) Tamba BV (Unquoted– Fully paid up) *** (Face Value $ 10 per share)	0.00	27,792.13	0.00	29,162.21	0.00	26,064.97
(h) JSC Vankorneft, Russia (Unquoted– Fully paid up) (Face Value Rubel 1 per share)	3.09	143,221.57	-	-	-	-
(i) Mozambiqiue LNGI (Unquoted– Fully paid up) (Face Value $ 1000 per share) ***	0.00	32.43	-	-	-	-
Total Investments in Associates		**213,139.21**		**73,130.09**		**61,722.02**

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. (in million)	Amount	No. (in million)	Amount	No. (in million)	Amount
(ii) Investment in Joint Venture (Refer Note 12.1.4) Unquoted						
(a) Petronet MHB Limited. (Unquoted – Fully paid up)** (Face Value ₹ 10 per share)	179.51	2,182.36	157.84	1,667.54	157.84	1,484.84
(b) Mangalore SEZ Limited (Unquoted – Fully paid up) (Face Value ₹ 10 per share)	13.48	180.12	13.48	196.56	13.48	228.89
(c) ONGC Petro Additions Limited (Unquoted – Fully paid up) (Refer note 12.1.4.b,c and d) (Face Value ₹ 10 per share)	997.96	19,024.61	997.96	27,827.91	997.96	17,457.22
(d) ONGC Teri Biotech Limited (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	0.02	201.05	0.02	173.55	0.02	132.39
(e) ONGC Tripura Power Company Limited (Unquoted – Fully paid up) (Face Value ₹ 10 per share)	560.00	6,537.41	560.00	5,844.96	267.49	7,444.48
(f) Dahej SEZ Limited (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	23.02	1,194.94	23.02	967.23	23.02	801.42
(g) Shell MRPL Aviation Fuels and Services Limited (Unquoted–Fully paid up) (Face Value ₹ 10 per share)	15.00	413.44	15.00	370.38	15.00	360.09
(h) Mangalam Retail Services Limited (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	-	-	0.05	0.59	0.05	0.57
(i) ONGC Mittal Energy Limited (Unquoted– Fully paid up) (Face Value $ 1 per share)	24.99	1,620.60	24.99	1,658.09	24.99	1,565.37
(j) Mansarovar Energy Colombia Limited (Unquoted– Fully paid up) (Face Value $ 1 per share)	0.01	22,259.79	0.01	24,322.16	0.01	23,495.52

(k) Himalaya Energy Syria BV (Unquoted– Fully paid up) (Face Value Euro 1 per share)	0.05	239.59	0.05	280.56	0.05	337.17
Less: Aggregate amount of impairment in value of investments in Joint ventures (OMEL)		(1,620.60)		(1,658.09)		(1,565.37)
Total Investment in Joint ventures		**52,233.31**		**61,651.44**		**51,742.59**
Total	-	**265,372.52**		**134,781.53**	-	**113,464.61**
(iii) Investment in other entities (Financial assets measured at FVTOCI)						
(a) Indian Oil Corporation Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share)	668.61	258,784.58	334.30	131,581.97	334.30	123,241.10
(b) GAIL (India) Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share)	81.68	30,788.94	61.26	21,832.83	61.26	23,756.36
(c) Oil Spill Response Limited* (Unquoted – Fully paid up) (Face Value ₹ 10 per share)		0.01		0.01		0.01
(d) Mangalam Retail Services Limited (Unquoted– Fully paid up) (Face Value ₹ 10 per share)	0.02	0.28	-	-	-	-
Total Investment in other entities		**289,573.81**		**153,414.81**		**146,997.47**
Total Investment in equity instruments		**554,946.33**		**288,196.34**		**260,462.08**

Aggregate carrying value of quoted investments		299,796.51		161,742.84		154,391.42
Aggregate carrying value of unquoted investments		255,149.82		126,453.50		106,070.66
Aggregate market value of quoted investments		327,368.83		176,922.62		163,205.82
Aggregate amount of impairment in value of investments		(1,620.60)		(1,658.09)		(1,565.37)

** 100 Equity Shares of Oil Spill Response Limited valued at GBP one each at the time of issuance. Total value in INR at the time of issuance of shares was ₹ 6,885/-. **Includes goodwill of ₹ 21.12 million on account of acquisition of additional shares during the year 2016-17. *** Number of shares*

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	No of share	No of share	No of share
Tamba B.V.	1620	1620	1620
Carabobo Ingeniería y Construcciones, S.A.	275	275	275
Mozambique LNG1 Co. Pte. Ltd.	500	0	0

12.1.1. ONGC Mangalore Petrochemicals Limited has been classified as subsidiary as the company holds 48.99% ownership interest and its subsidiary Mangalore Refinery and Petrochemicals Limited holds 51.01%.

12.1.2. Movement of Impairment in value of equity accounted joint venture **(₹ in million)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	1,658.09	1,565.37
Effect of exchange differences (refer note 12.1.2.1)	(37.49)	92.72
Balance at end of the year	1,620.60	1,658.09

12.1.2.1. Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

12.1.3. Details of associates

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) Pawan Hans Limited	Helicopter services	India	49.00%	49.00%	49.00%
(ii) Petronet LNG Limited	Liquefied Natural Gas supply	India	12.50%	12.50%	12.50%
(iii) Caraboto Ingenieria Y construcciones, S.A	Service provider	Incorporated in Venezuela	37.93%	37.93%	37.93%
(iv) Petrolera Indovenezolana S.A.	Exploration and Production of Hydrocarbons	Incorporated in Venezuela	40%	40%	40%
(v) South- East Asia Gas Pipeline Company Limited	Exploration and Production of Hydrocarbons	Incorporated in Hong Kong, operations in Myanmar	8.347%	8.347%	8.347%
(vi) Tamba BV	Equipment Lease	Incorporated in Amsterdam for BC-10 Project, Brazil	27%	27%	27%
(vii) Petro Carabobo S.A.	Exploration and Production of Hydrocarbons	Incorporated in Venezuela	11%	11%	11%
(viii) Mangalam Retail Services Limited (MRSL)	Distribution of petroleum products through retail outlet and transport terminal	India	18.98%	-	-
(ix) JSC Vankorneft	Exploration and Production of Hydrocarbons	Russia	26%	-	-
(x) Mozambiqiue LNG I Company Pte Ltd.	Marketing and shipping of liquefied natural gas	Incorporated in Singapore having operations in Mozambique	16%	-	-

a) Refer Note 3.7 for method followed for accounting of investment in associates.

b) Petronet LNG Limited (PLL) was classified under Joint Venture in Previous GAAP, however, in terms of Para 7 of Ind AS 111 "Joint Arrangements", unanimous consent of all promoters is not required in relevant activities in PLL and therefore PLL is not classified as Joint Venture. Since the Company has significant influence on PLL, the same has been assessed and classified as an Associate.

c) The subsidiary company, OVL, has acquired 15% share in JSC Vankorneft on 31 May 2016 through wholly owned step down subsidiary ONGC Videsh Vankorneft Pte Ltd (OVVL) held through another wholly owned subsidiary ONGC Videsh Singapore Pte Ltd (OVSL). Further 11% share in JSC Vankorneft has been acquired on 28 October 2016. The Company has significant influence in the investee and therefore classified the investment as associate. The investment has been recognised at cost on initial recognition. Consultant engaged by the company had identified capital reserve of ₹5,302.69 million (USD 79.00 million) being the difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities. The auditors of OVSL/OVVL, upon review, estimated the capital reserve as ₹2,897.24 million (USD 43.16 million) and the same has been recognised by the Group as capital reserve in its consolidated financial statements. The component OVSL/OVVL has one year measurement period from the date of acquisition to finalise the PPA and of which point there could be further adjustments to the amount recognised in these consolidated financial statements.

d) In respect of subsidiary, MRPL, during the year, the company has sold 31% equity stake in MRSL which has resulted in loss of joint control over MRSL. As at March 31, 2017 the investment in MRSL has been measured at fair value through profit or loss. The management has considered the fair value (level 3 heirarchy) of such investment equivalent to the carrying amount as at reporting period.

e) In respect of Pawan Hans Ltd, group share of profit of ₹1,214.37 million (previous year ₹176.81 million) as considered in the consolidated financial statements is based on management certified accounts prepared under previous IGAAP. This is not material in respect of the size of the group.

12.1.4. Details and financial information of Joint Ventures

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Company		
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Petronet MHB Limited	Multi products Pipeline	India	32.72%	28.77%	28.77%
Mangalore SEZ Limited	Special Economic Zone	India	26.82%	26.82%	26.82%
ONGC Petro Additions Limited (Note 12.1.4.b, c & d)	Petrochemicals	India	49.36%	49.36%	49.36%
ONGC Teri Biotech Limited	Bioremediation	India	49.98%	49.98%	49.98%
ONGC Tripura Power Company Limited	Power Generation	India	50.00%	50.00%	49.52%
Dahej SEZ Limited	Special Economic Zone	India	50.00%	50.00%	50.00%
Shell MRPL Aviation Fuels and Services Limited	Trading of aviation fuels	India	50.00%	50.00%	50.00%
Mangalam Retail Services Limited	Distribution of petroleum products through retail outlet and transport terminal	India	-	49.98%	49.98%
ONGC Mittal Energy Limited	Exploration and Production of hydrocarbons	Incorporated in Cyprus having operations in Syria	49.98%	49.98%	49.98%
Mansarovar Energy Colombia Limited	Exploration and Production of hydrocarbons	Incorporated in Colombia	50%	50%	50%
Himalaya Energy Syria BV	Exploration and Production of hydrocarbons	Incorporated in Amsterdam having operations in Syria	50%	50%	50%

a) Refer Note 3.7 for method followed for accounting of investment in Joint Ventures.

b) The Company is restrained from diluting the investment in the respective companies till the sponsored loans are fully repaid as per the covenants in the respective loan agreements of the respective companies.

c) During 2015-16, the Company had subscribed Share Warrants of ONGC Petro Additions Limited, entitling the company to exchange each warrant with Equity Share of Face Value of ₹10/- each after a balance payment of ₹ 0.25/- per equity share within forty-eight months of subscription of the Share warrants issued on August 25, 2015.

d) The Company had entered into an arrangement on July 2, 2016 for backstopping support towards repayment of principal and cumulative coupon amount for compulsory convertible debentures amounting to ₹56,150.00 million issued by ONGC Petro Additions Limited and interest for the year ended March 31, 2017 amounting to ₹3,612.06 million.

e) **Summarized financial information of Group's Joint Ventures:**

Summarised financial information in respect of each of the Group's joint venture is set out below. The summarized financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purpose.

(₹ in million)

Particulars	PMHBL			MSEZ			OPAL		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current assets	1,355.31	1,519.08	1,673.78	15,008.35	14,123.93	12,990.97	283,461.53	252,265.97	218,637.28
Current assets	6,319.53	5,267.212	4,144.281	1,333.88	1,662.02	1,313.35	12,348.64	677.90	1,883.38
Non-current liabilities	73.67	84.20	82.93	14,381.87	12,312.59	11,431.81	179,940.17	129,562.52	147,073.63
Current liabilities	994.96	905.19	573.36	1,288.79	2,740.49	2,019.10	87,540.44	86,228.10	45,778.67
The above amounts of assets and liabilities includes the following:									
Cash and cash equivalents	5,907.28	4,840.74	3,685.69	614.20	970.37	808.05	52.43	6.60	830.67
Current financials liabilities (Excluding trade payables and provisions)	40.31	22.77	19.56	956.75	2,405.44	1,743.34	83,180.17	86,135.11	45,627.44
Non-current financials liabilities (Excluding trade payables and provisions)	66.15	77.52	77.67	5,727.55	4,685.98	5,377.92	179,861.25	129,515.13	147,058.32

(₹ in million)

Particulars	PMHBL		MSEZ		OPAL	
	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue	1,283.28	1,240.04	1,285.24	1,100.33	1,094.48	37.75
Profit or loss from continuing operations	809.48	634.88	(59.85)	(120.33)	(8,821.96)	(1,749.09)
Other comprehensive income for the year	(0.16)	0.24	(1.44)	(0.22)	(1.73)	-
Total comprehensive income for the year	809.31	635.13	(61.29)	(120.54)	(8,823.69)	(1,742.09)
The above profit / (loss) for the year include the following:						
Depreciation and amortisation	74.27	70.66	293.33	263.67	3,427.32	247.57
Interest income	409.77	392.32	23.65	25.28	36.10	81.48
Interest expense	86.58	318.91	533.48	460.43	7,055.47	311.70
Income tax expense/(income)	439.16	330.29	151.28	132.57	(2,479.57)	1,020.08

Reconciliation of the above summarised financial information to the carrying amount of the interest in JVs recognised in the consolidated financial statements:

(₹ in million)

Particulars	PMHBL			MSEZ			OPAL		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Net assets of the joint venture	6,606.21	5,796.90	5,161.77	671.57	732.87	853.41	28,329.56	37,153.25	27,668.36
Proportion of the Group's ownership interest in JVs (%)	32.72%	28.77%	28.77%	26.82%	26.82%	26.82%	49.36%	49.36%	49.36%
Proportion of the Group's ownership interest in JVs (INR)	2,161.24	1,667.54	1,484.84	180.12	196.56	228.89	13,982.52	18,337.59	13,656.16
Add: Additional subscription of share warrant/advance against equity	-	-	-	-	-	-	9,490.32	9,490.32	3,801.06
Add: Goodwill on acquisition	21.12	-	-	-	-	-	-	-	-
Less: Unrelaised profit							(4,448.23)		
Group's share in net assets of the joint venture	**2,182.36**	**1,667.54**	**1,484.84**	**180.12**	**196.56**	**228.89**	**19,024.61**	**27,827.91**	**17,457.22**
Carrying amount of the Group's interest in JVs	**2,182.36**	**1,667.54**	**1,484.84**	**180.12**	**196.56**	**228.89**	**19,024.61**	**27,827.91**	**17,457.22**

(₹ in million)

Particulars	DSL			OTPC			OTBL		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current assets	7,769.73	7,808.49	7,894.16	34,237.70	35,712.81	37,266.76	9.41	9.50	8.81
Current assets	2,633.92	2,277.41	1,879.86	6,500.14	5,604.45	7,646.89	467.46	418.41	363.43
Non-current liabilities	6,707.18	6,890.40	6,955.74	23,808.84	26,122.44	27,012.04	0.72	30.93	30.87
Current liabilities	1,306.62	1,261.06	1,215.44	3,854.19	3,504.91	7,345.33	73.90	49.75	76.49
The above amounts of assets and liabilities includes the following:									
Cash and cash equivalents	2,159.29	1,899.64	1,655.12	62.54	635.20	5,095.14	113.07	83.00	5.70
Current financials liabilities (Excluding trade payables and provisions)	-	-	-	3,420.29	3,236.08	7,146.72	-	-	-
Non-current financials liabilities (Excluding trade payables and provisions)	6,707.18	6,890.40	6,955.74	23,803.91	26,061.49	26,944.84	-	-	-

(₹ in million)

Particulars	DSL		OTPC		OTBL	
	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue	663.41	494.62	12,627.69	10,382.80	176.67	198.30
Profit or loss from continuing operations	461.78	331.62	1,385.38	244.45	55.08	82.37
Other comprehensive income for the year	-	-	(0.48)	0.93	(0.06)	(0.02)
Total comprehensive income for the year	461.78	331.62	1,384.90	245.38	55.02	82.35
The above profit / (loss) for the year include the following:						
Depreciation and amortisation	133.34	146.63	1,913.43	2,014.59	0.84	1.08
Interest income	165.17	151.59	217.75	212.85	25.86	22.98
Interest expense	34.58	29.73	2,464.77	2,783.62	0.00	0.00
Income tax expense/(income)	125.29	69.92	287.16	(2.56)	31.74	40.89

Reconciliation of the above summarised financial information to the carrying amount of the interest in JVs recognised in the consolidated financial statements:

(₹ in million)

Particulars	DSL			OTPC			OTBL		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Net assets of the joint venture	2,389.85	1,934.44	1,602.84	13,074.81	11,689.91	10,556.29	402.25	347.23	264.88
Proportion of the Group's ownership interest in JVs (%)	50.00%	50.00%	50.00%	50.00%	50.00%	49.52%	49.98%	49.98%	49.98%
Proportion of the Group's ownership interest in JVs (INR)	1,194.94	967.23	801.42	6,537.41	5,844.96	5,227.90	201.05	173.55	132.39
Add: Additional subscription of share warrant/advance against equity	-	-	-	-	-	2,216.58	-	-	-
Group's share in net assets of the joint venture	**1,194.94**	**967.23**	**801.42**	**6,537.41**	**5,844.96**	**7,444.48**	**201.05**	**173.55**	**132.39**
Carrying amount of the Group's interest in JVs	**1,194.94**	**967.23**	**801.42**	**6,537.41**	**5,844.96**	**7,444.48**	**201.05**	**173.55**	**132.39**

f) **Summarized financial information of Group's associates:**

Summarised financial information in respect of each of the Group's associates is set out below. The summarized financial information below represents amounts shown in the associates's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purpose.

(₹ in million)

Particulars	PLL			PHL		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current assets	90,109.61	88,887.22	83,808.76	9,033.52	9,175.20	9,631.28
Current assets	49,026.27	35,859.13	27,688.87	4,544.98	4,854.07	4,614.32
Non-current liabilities	35,725.19	42,270.96	39,662.43	2,688.51	7,037.39	6,961.25
Current liabilities	21,626.71	15,850.86	13,018.72	2,086.39	1,350.04	1,873.05

(₹ in million)

Particulars	PLL		PHL	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Revenue	246,160.33	271,334.21	4,365.31	4,624.09
Dividend received	234.38	187.50	53.04	38.03
Profit or loss from continuing operations	17,231.30	9,278.61	2,478.31	360.84
Other comprehensive income for the year	(17.85)	(0.35)	-	-
Total comprehensive income for the year	17,213.46	9,278.26	2,478.31	360.84

Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

(₹ in million)

Particulars	PLL			PHL		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Net assets of the associates	81,783.98	66,624.53	58,816.48	8,803.60	5,189.85	4,922.43
Proportion of the Group's ownership interest in associates (%)	12.50%	12.50%	12.50%	49.00%	49.00%	49.00%
Proportion of the Group's ownership interest in associates (INR)	10,222.99	8,328.07	7,352.06	4,313.76	2,543.03	2,411.99
Capital reserve on acquisition	-	-	-	285.32	285.32	285.32
Other adjustments	-	-	41.90	(620.20)	-	-
Group's share in net assets of the associates	**10,222.99**	**8,328.07**	**7,393.96**	**3,978.88**	**2,828.35**	**2,697.31**
Carrying amount of the Group's interest in associates	10,222.99	8,328.04	7,393.96	3,978.88	2,828.35	2,697.31

** PLL share has been listed in market and group share in market value of investment in PLL ₹37,795.31million as on 31.03.2017 (₹23,507.81) million as on 31.03.2016*

g) **Details of financial position of subsidiary company, MRPL's Joint ventures:**

(₹ in million)

Particulars (As at March 31, 2017)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Other Comprehensive Income	Total Comprehensive Income
Shell MRPL Aviation Fuels and Services Limited	2,242.21	86.68	1,495.82	1.33	5,603.71	90.62	7.63	98.25
Total	**2,242.21**	**86.68**	**1,495.82**	**1.33**	**5,603.71**	**90.62**	**7.63**	**98.25**

(₹ in million)

Particulars (As at March 31, 2016)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Other Comprehensive Income	Total Comprehensive Income
Shell MRPL Aviation Fuels and Services Limited	1,689.92	94.71	1,031.59	1.50	3,243.72	39.27	(1.27)	38.00
Mangalam Retail Services Ltd.	1.26	0.09	0.08	0.09	0.13	0.04	-	0.04
Total	**1,691.18**	**94.80**	**1,031.67**	**1.59**	**3,243.85**	**39.31**	**(1.27)**	**38.04**

(₹ in million)

Particulars (As at April 1, 2015)	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities
Shell MRPL Aviation Fuels and Services Limited	1,917.78	104.38	1,285.58	1.37
Mangalam Retail Services Ltd.	1.26	0.08	0.13	0.08
Total	**1,919.04**	**104.46**	**1,285.71**	**1.45**

(₹ in million)

Particulars (As at March 31, 2017)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income tax expense
Shell MRPL Aviation Fuels and Services Limited	375.11	1,351.14	-	7.45	22.02	1.11	49.88
Total	**375.11**	**1,351.14**	**-**	**7.45**	**22.02**	**1.11**	**49.88**

Particulars (As at March 31, 2016)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income tax expense
Shell MRPL Aviation Fuels and Services Limited	992.65	916.24	-	5.90	20.92	2.51	9.60
Mangalam Retail Services Ltd.	0.02	-	-	-	0.13	-	-
Total	**992.67**	**916.24**	**-**	**5.90**	**21.05**	**2.51**	**9.60**

Particulars (As at April 1, 2015)	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income tax expense
Shell MRPL Aviation Fuels and Services Limited	742.79	1,227.34	-	-	-	-	-
Mangalam Retail Services Ltd.	0.04	-	-	-	-	-	-
Total	**742.83**	**1,227.34**	-	-	-	-	-

h) **Details of financial position of subsidiary company OVL's Joint ventures and associates:**

As at March 31, 2017 **(₹ in million)**

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Total Comprehensive Income
PIVSA (San Cristobal), Venezuela	7,921.93	85,255.09	70,404.03	616.19	7,122.54	4,852.95	4,852.95
Pipeco 1 onshore Project, Myanmar (SEAGP)	1,610.53	7,182.47	344.34	5,132.40	2,347.99	721.34	721.34
Tamba	28,382.55	23.04	1,874.08	2,533.10	4,957.07	4,027.85	4,027.85
HESBV	0.45	0.16	0.07	-	-	(21.69)	(21.69)
Petrocarabobo S.A.	36,018.65	56,420.71	45,781.91	26,702.33	15,505.67	6,388.88	6,388.88
CICSA	8,114.31	-	8,113.60	-	-	-	-
JSC Vankorneft	155,703.80	225,357.71	61,288.39	26,983.53	57,533.84	(11,948.40)	(11,948.40)
MECL	4,093.41	29,335.21	2,018.30	8,318.46	7,870.13	(1,564.40)	(1,564.40)
Total	**241,845.62**	**403,574.41**	**189,824.70**	**70,286.01**	**95,337.25**	**2,456.53**	**2,456.53**

As at March 31, 2016 **(₹ in million)**

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Total Comprehensive Income
PIVSA (San Cristobal), Venezuela	12,350.22	84,195.35	70,366.18	606.32	9,545.52	3,549.18	3,549.18
Pipeco 1 onshore Project, Myanmar (SEAGP)	2,239.34	7,890.57	497.14	5,568.58	2,706.94	1,536.94	1,536.94
Tamba	31,186.69	185.61	2,503.50	3,588.06	3,347.94	2,771.38	2,771.38
HESBV	58.39	0.32	0.07	-	-	(44.41)	(44.41)
Petrocarabobo S.A.	34,964.94	48,401.50	45,618.46	23,672.45	9,487.99	(22,880.04)	(22,880.04)
CICSA	8,715.12	-	8,714.39	-	-	-	-
JSC Vankorneft	-	-	-	-	-	-	-
MECL	4,890.07	35,961.43	3,014.30	10,956.90	8,516.16	(557.56)	(557.56)
Total	**94,404.78**	**176,634.79**	**130,714.04**	**44,392.30**	**33,604.55**	**(15,624.51)**	**(15,624.51)**

As at April 1, 2015 (₹ in million)

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities
PIVSA (San Cristobal), Venezuela	15,403.06	63,636.55	57,108.86	1,182.68
Pipeco 1 onshore Project, Myanmar (SEAGP)	1,422.48	7,315.27	611.45	5,433.24
Tamba	22,476.18	7,095.87	2,933.66	4,237.84
HESBV	60.03	0.43	2.70	-
Petrocarabobo S.A.	23,645.25	44,850.37	30,252.19	3,479.09
CICSA	3,456.91	-	3,455.81	-
JSC Vankorneft	-	-	-	-
MECL	11,182.52	38,539.36	6,690.40	14,720.70
Total	**77,646.41**	**161,437.84**	**101,055.06**	**29,053.54**

The above amounts includes the following

As at March 31, 2017 (₹ in million)

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
PIVSA (San Cristobal), Venezuela	26.82	-	-	2,585.34	0.00	-	2,987.01
Pipeco 1 onshore Project, Myanmar (SEAGP)	1,304.42	-	4,738.63	628.70	5.68	528.64	123.10
Tamba	1,168.76	1,874.08	2,533.10	-	2.88	413.98	163.55
HESBV	0.45	-	-	0.14	-	0.83	-
Petrocarabobo S.A.	1,117.80	-	-	1,328.80	-	-	-
CICSA	263.38	-	-	-	-	-	-
JSC Vankorneft	16,032.92	60,997.98	49.74	7,293.93	1,599.42	-	1,599.42
MECL	3,223.64	3,999.20	16,387.95	2,767.44	712.04	4.23	396.14
Total	**23,138.19**	**66,871.26**	**23,709.41**	**14,604.34**	**2,320.03**	**947.68**	**5,269.23**

As at March 31, 2016 (₹ in million)

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
PIVSA (San Cristobal), Venezuela	29.20	-	-	2,553.27	0.05	-	3,829.03
Pipeco 1 onshore Project, Myanmar (SEAGP)	1,976.85	2,503.50	5,287.45	(22.91)	5.66	554.23	277.50
Tamba	305.10	-	3,588.06	-	1.73	489.52	51.73
HESBV	58.39	-	-	0.15	-	0.13	-
Petrocarabobo S.A.	5,502.87	-	-	2,036.41	-	-	-
CICSA	421.59	-	-	-	-	-	-
JSC Vankorneft	-	-	-	-	-	-	-
MECL	1,797.41	6,018.31	21,672.31	1,911.80	276.20	8.28	(524.25)
Total	**10,091.43**	**8,521.81**	**30,547.82**	**6,478.72**	**283.64**	**1,052.17**	**3,634.01**

As at April 1, 2015 (₹ in million)

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities
PIVSA (San Cristobal), Venezuela	14.03	-	-
Pipeco 1 onshore Project, Myanmar (SEAGP)	1,183.40	2,933.66	5,433.24
Tamba	117.95	-	4,237.84
HESBV	56.39	-	-
Petrocarabobo S.A.	8,592.23	-	-
CICSA	219.81	-	-
JSC Vankorneft	-	-	-
MECL	3,105.77	6,690.40	14,720.70
Total	**13,289.58**	**9,624.06**	**24,391.77**

12.2. Investment in other securities (₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. (in million)	Amount	No. (in million)	Amount	No. (in million)	Amount
Other Investment						
Investment in Government securities						
-8.40% Oil Co. GOI Special Bonds 2025 (Unquoted – Fully paid up)	0.20	1,975.08	0.20	1,975.08	0.20	1,975.08
Investment in mutual funds						
- For site restroation fund		18,332.42		13,664.70		11,933.69
Total Investment in Government or trust securities		**20,307.50**		**15,639.78**		**13,908.77**
Aggregate carrying value of unquoted investments		20,307.50		15,639.78		13,908.77
Aggregate amount of impairment in value of investments		-		-		-

12.2.1. In respect of subsidiary OVL, the investments for site restoration in respect of Sakhalin-1, Russia are invested by J P Morgan Chase Bank N.A., The Foreign Party Administrator (FPA) in accordance with the portfolio investment guidelines provided under the Sakhalin-1 Decommissioning funding agreement entered into between the FPA and the foreign parties to the Consortium in accordance with the related production sharing agreement (PSA). The proceeds from the investment will be utilized for decommissioning liability to the Russian State as per the PSA.

13. Trade receivables (₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
(Secured) (Refer Note 13.8)						
- Considered Good	-	2,244.46	-	1,800.21	-	1,033.77
(Unsecured, considered good unless otherwise stated)						
Trade Receivables						

- Considered Good	13,630.08	101,051.77	11,695.42	81,516.88	6,891.76	170,403.18
- Considered Doubtful	1,729.62	3,353.83	1,132.94	3,095.15	1,008.07	2,456.11
Less: Impairment for doubtful receivables	1,729.62	3,353.83	1,132.94	3,095.15	1,008.07	2,456.11
Total	**13,630.08**	**103,296.23**	**11,695.42**	**83,317.09**	**6,891.76**	**171,436.95**

13.1. The average credit of the Group on the sales of goods and services is 7 – 45 days. No interest is charged during this credit period. For delayed period of payments, interest is charged as per respective arrangements, which is upto 6% per annum over the applicable bank rate on the outstanding balance. However, In respect of subsidiary OVL, interest is determined as one month ICE LIBOR + 2% per annum over the applicable Bank Rate on the outstanding balance.

13.2. Includes ₹ 126.39 million and ₹ 91.71 million due from Indian Oil Corporation Limited (IOC) and Numaligarh Refinery Limited (NRL) respectively towards Value added tax on discount that could not be adjusted in credit notes in view of Assam VAT amendment Act, 2014. The matter is being pursued with IOC, NRL and Government of Assam.

13.3. In respect of the Company, of the trade receivables balance as at March 31, 2017 of ₹ 54,071.42 million (as at March 31, 2016 of ₹ 47,815.95 million; as at April 1, 2015 of ₹ 128,226.21 million) is due from Oil Marketing Companies, the Company's largest customers. There are no other customers who represent more than 5% of the total balance of trade receivables.

Accordingly, the Company assesses impairment loss on dues from Oil Marketing Companies on facts and circumstances relevant to each transaction.

The Company has concentration of credit risk due to the fact that the Company has significant receivables from Oil Marketing Companies. However, these companies are reputed and creditworthy public sector undertakings (PSUs).

13.4. In respect of subsidiary OVL, the company has concentration of credit risk due to the fact that the company has significant receivables from Oil Marketing Companies and International Oil Companies (IOCs). However these are reputed National Oil Companies (NOCs).

13.5. In respect of subsidiary OVL, the company generally enters into Crude oil sales contracts with reputed Oil Marketing Companies (OMCs) / International Oil Companies (IOCs)/ National Oil Companies (NOCs) on the basis of tendering process for each of its cargo's. However, the Company has also entered into some long-term sales arrangement with International Oil Companies (IOCs) / National Oil Companies (NOCs) for Crude oil sales and domestic supply of Natural Gas.

13.6. In respect of subsidiary OVL, the trade receivables breakup between customers having outstanding more than 5% and other customers is-

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Customers with outstanding balance of more than 5% of Trade receivables	29,339.16	22,559.15	19,107.67
Other customers	474.63	718.69	1,484.39
Total	**29,813.79**	**23,277.84**	**20,592.06**

13.7. In respect of subsidiary MRPL, of the trade receivables, balance as at March 31, 2017 of ₹ 24,308.83 million (As at March 31, 2016 ₹ 21,531.97 million and as at April 1, 2015 ₹ 23,180.40 million are due from the customers mentioned below. There are no other customers who represent more than 5% of the total balance of trade receivables other than mentioned below.

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Customer 1	6,239.93	5,072.24	6,988.58
Customer 2	9,070.12	6,870.70	5,986.25
Customer 3	3,425.16	2,415.33	2,055.91
Customer 4	1,903.24	4,693.62	1,483.65
Customer 5	1,695.95	2,480.08	4,559.04
Customer 6	-	-	2,106.97
Customer 7	1,974.43	-	-
Total	**24,308.83**	**21,531.97**	**23,180.40**

13.8. Above includes ₹2,244.46 million (as at March 31, 2016 of ₹ 1,800.21 million; as at April 1, 2015 of ₹1,033.77 million) backed by bank guarantees and letter of credit received from customers in case of MRPL.

13.9. **Age of trade receivable:**

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within the credit period	88,311.17	66,291.50	102,227.60
1-30 days past due	7,306.71	8,570.03	20,418.27
31-90 days past due	711.72	1,549.04	39,151.02
More than 90 days past due	25,680.16	22,830.03	19,996.00
Total	**122,009.76**	**99,240.60**	**181,792.89**

13.10. **Movement of Impairment for doubtful receivables**

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at beginning of the year	**4,228.09**	**3,464.18**
Addition in expected credit loss allowance	1,034.67	804.8
Write back during the year	(88.94)	(15.77)
Reclassification/other adjustments	(90.37)	(25.12)
Balance at end of the year	**5,083.45**	**4,228.09**

13.10.1. Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Adjustments includes net effect of exchange differences of ₹ (46.97) million as at March 31, 2017 (₹ 60.56 million as at March 31, 2016) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

14. Loans

(₹ in millions)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
(Unsecured, Considered Good unless otherwise Stated)						
A. Deposits						
- Considered Good	1,592.79	4,741.78	1,665.57	737.98	2,436.03	413.16
- Considered Doubtful	83.64	4.40	23.68	6.84	12.89	6.87
Less: Impairment for doubtful deposits	83.64	4.40	23.68	6.84	12.89	6.87
Total	**1,592.79**	**4,741.78**	**1,665.57**	**737.98**	**2,436.03**	**413.16**
B. Loans to Related Parties						
Loans to Associates (Secured)	-	-	-	33.16	33.20	334.63
Receivables from JVs	8,268.17	-	11,501.29	-	12,796.62	
Loans to KMP and JVs	0.95	57.73	1.58	59.67	5.64	-
Total	**8,269.12**	**57.73**	**11,502.87**	**92.83**	**12,835.46**	**334.63**
C. Loans to Public Sector Undertakings						
- Considered Doubtful	170.50	-	240.50	-	240.50	-
Less: Impairment for doubtful loans	170.50	-	240.50	-	240.50	-
Total	-	-	-	-	-	-
Loans to Employees (Refer Note 14.1)						
- Secured and Considered Good	7,530.81	2,332.47	7,459.38	2,326.95	7,461.29	2,317.85
- Unsecured and Considered Good	576.98	313.38	559.92	247.82	549.45	244.37
- Unsecured and Considered Doubtful	-	13.77	-	13.43	-	15.23
Less: Impairment for doubtful loans	-	13.77	-	13.43	-	15.23
Total	**8,107.79**	**2,645.85**	**8,019.30**	**2,574.77**	**8,010.74**	**2,562.22**
Total Loans	**17,969.70**	**7,445.36**	**21,187.74**	**3,405.58**	**23,282.23**	**3,310.01**

14.1 Loans to employees include an amount of ₹ 4.42 million (as at March 31, 2016 ₹ 5.66 million; as at April 1, 2015 ₹ 1.34 million) outstanding from Key Managerial Personnel.

14.2 Movement of Impairment

(All amounts are in ₹ millions unless otherwise stated)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Balance at beginning of the year	284.45	275.49
Recognized during the year	24.02	10.8
Reversed during the year	(71.41)	1.81
Reclassification / adjustment	35.25	(3.65)
Balance at end of the year	**272.31**	**284.45**

15. Deposits under Site Restoration Fund

(₹ in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposit under site restoration fund scheme	145,942.72	135,985.52	125,650.29
Total	**145,942.72**	**135,985.52**	**125,650.29**

15.1. The above amount has been deposited with banks under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme i.e. towards removal of equipment's and installations in a manner agreed with Central Government pursuant to an abandonment plan to prevent hazards to life, property, environment etc. This amount is considered as restricted cash and hence not considered as 'Cash and cash equivalents'.

15.2. In respect of subsidiary OVL, deposit in bank for site restoration of the Block 06.1, Vietnam is made in a separate bank account maintained for decommissioning fund purposes in accordance with the decision of the Government of Vietnam dated 21 March 2007 and Agreement dated 10 December 2014 for decommissioning Fund Security between Vietnam Oil and Gas Group, TNK Vietnam B.V. and ONGC Videsh Limited.

16. Finance lease receivables

(₹ in millions)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Finance lease receivables (Refer note 16.2)			
Unsecured, Considered Doubtful	4,834.29	4,966.85	4,638.98
Less: Impairment for uncollectible lease payments (Refer note 16.1)	4,834.29	4,966.85	4,638.98
Total	-	-	-

16.1. Movement of Impairment for doubtful finance lease receivables

(₹ in millions)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	4,966.85	4,638.98
Effect of exchange differences (Refer note 16.1.1)	(132.56)	327.87
Balance at end of the year	**4,834.29**	**4,966.85**

16.1.1. Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency (₹). Refer note 3.21 and 5.1 (a).

16.2. The subsidiary company OVL had completed the 12"X741 Kms multi-product pipeline from Khartoum refinery to Port Sudan for the Ministry of Energy and Mining of the Government of Sudan (GOS) on Build, Own, Lease and Transfer (BOLT) basis and handed over the same to GOS during the financial year 2005-06. The project was implemented in consortium with Oil India Limited, Company's share being 90%. Non- receipts of Non-current finance lease amount has been provided for 100% impairment.

17. Financial assets - Others

(₹ in millions)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
A. Derivative asset	**-**	**-**	**247.47**	**-**	**-**	**-**
B. Carried Interest (Refer Note 17.3.1 & 17.3.4)	17,806.15	-	12,595.35	-	9,144.77	-
Less: Impairment	10,193.94	-	5,014.72	-	2,496.71	-
	7,612.21	**-**	**7,580.63**	**-**	**6,648.06**	**-**
C. Interest accrued on loans to employees						
Unsecured considered good	68.74	0.42	46.66	-	34.94	-
	68.74	**0.42**	**46.66**	**-**	**34.94**	**-**
D. Interest Accrued on deposits and loans						
- Considered Good	-	1,801.44	-	2,729.66	-	3,008.37
- Considered Doubtful	24.84	-	22.87	-	22.87	-
Less: Impairment	24.84	-	22.87	-	22.87	-
Interest accrued on						
Deposit under site restoration fund	-	0.66	-	0.68	-	-
	-	**1,802.10**	**-**	**2,730.34**	**-**	**3,008.37**
E. Cash Call Receivable from Operators						
- Considered Good	458.71	4,350.81	465.48	5,524.93	339.52	7,866.02
- Considered Doubtful	6,540.75	-	6,496.02	-	6,451.35	-
Less: Impairment	6,540.75	-	6,496.02	-	6,451.35	-
	458.71	**4,350.81**	**465.48**	**5,524.93**	**339.52**	**7,866.02**
F. Advance Recoverable in cash						
- Considered Good (Refer Note 17.1)	1,252.18	13,092.82	1,320.46	22,650.98	676.17	20,708.10
- Considered Doubtful (Refer Note 17.2)	1,087.55	13,281.72	1,022.55	11,219.90	3,189.59	10,563.79
Less: Impairment	1,087.55	13,281.72	1,022.55	11,219.90	3,189.59	10,563.79
	1,252.18	**13,092.82**	**1,320.46**	**22,650.98**	**676.17**	**20708.10**
G. Advance recoverable (in respect of Operators)	-	8,781.92	-	10,950.96	-	8,123.72
H. Receivable from Operators	-	6,909.70	-	7,426.65	-	7,367.99
I. Others						
- Considered Good	-	36,921.12	-	29,720.57	-	29,784.65
	-	**36,921.12**	**-**	**29,720.57**	**-**	**29,784.65**
Total Other financial assets	**9,391.84**	**71,858.89**	**9,660.70**	**79,004.43**	**7,698.69**	**76,858.85**

17.1. In respect of the Company, during the financial year 2010-11, the Oil Marketing Companies, nominees of the GoI recovered USD 32.07 million (equivalent to ₹ 2,079.90 million) Company's share as per directives of GoI in respect of Joint Operation - Panna Mukta and Tapti. The recovery is towards certain observations raised by auditors appointed by the Director General of Hydrocarbons (DGH) under Production Sharing Contract (PSC) for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to GoI. BGEPIL along with RIL ("Claimants") have served a notice of arbitration on the GoI in respect of dispute, differences and claims arisen in connection with the terms of Panna, Mukta and Tapti PSCs. Since the Company is not a party to the arbitration proceedings, it had requested MoP&NG that in case of an arbitral award the same be made applicable to the Company 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 Company 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 under financial assets - others. (Figures in ₹ are restated).

17.2. In Ravva Joint Operation, the demand towards additional profit petroleum raised by Government of India (GoI), due to differences in interpretation of the provisions of the Production Sharing Contract (PSC) in respect of computation of Post Tax Rate of Return (PTRR), based on the decision of the Malaysian High Court setting aside an earlier arbitral tribunal award in favor of operator, was disputed by the operator M/s Cairn India Limited. The Company is not a party to the dispute but has agreed to abide by the decision applicable to the operator. The Company had made an impairment towards the claim made by the GoI in earlier years and the amount of impairment outstanding as on March 31, 2016 is ₹ 10,884.73 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 ₹ 3,558.97 million (equivalent to USD 54.88 million)] from the company in earlier years which has been carried under Non-Current loans in the Balance Sheet as at March 31, 2017.

In subsequent legal proceedings, the Appellate Authority of the Honorable Malaysian High Court of Kuala Lumpur had set aside the decision of the Malaysian High Court and the earlier decision of arbitral tribunal in favour of operator was restored, against which the GoI has preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated October 11, 2011, has dismissed the said appeal of the GoI.

The Company has taken up the matter regarding refund of the recoveries made in view of the favorable judgment of the Federal Court of Malaysia with MoP&NG. However, according to a communication dated January 13, 2012 received, MoP&NG expressed the view that ONGC's proposal would be examined when the issue of ONGC carry under Ravva PSC is decided in its entirety by the Government along with other partners.

In view of the perceived uncertainties in obtaining the refund at this stage, the impairment made in the books as above has been retained and netted off against the amount recoverable as above in the Consolidated Financial Statements for the year ending March 31, 2017. (Figures in ₹ are restated).

17.3. In case of subsidiary OVL,

17.3.1. Company had entered into forward contracts covering Euro 105 million out of the principal amount of 2.75% Euro 525 million Bonds 2021 in February / March 2016.

17.3.2. The company has participating interest (PI) in the exploration Block Satpayev Area Kazakhstan. As per the carry agreement, the company is financing expenditure in the exploration blocks during the exploratory period ("carried interest"). The amount of carried interest will be refunded in the event of commercial discovery and production from the projects.

17.3.3. Impairment has been made towards the amount of carried interest of March 31, 2017 is ₹ 10,193.94 million (as at March 31, 2016 ₹ 5,014.72 million) in view of the blocks being under exploration as there is no certainty of commercial discovery.

17.3.4. The amount of carried interest 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 carried interest has not been accounted for in view of uncertainty of recovery

17.4. Movement of Impairment **(₹ in million)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	23,776.06	22,724.31
Recognized during the year	5,769.48	4,566.01
Write back during the year	(132.39)	(2,006.60)
Other adjustments (Refer Note 17.4.1)	1,715.65	(1,507.66)
Balance at end of the year	**31,128.80**	**23,776.06**

17.4.1. Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Adjustments includes net effect of exchange differences of ₹ (294.94) as at March 31, 2017 (₹ 178.83 as at March 31, 2016) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency (₹). Refer note 3.21 and 5.1 (a).

18. Other assets **(₹ in million)**

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
A. Capital advances						
- Considered Good (Refer Note 18.4)	8,545.02	-	3,856.38	-	3,129.04	-
- Considered Doubtful	25.44	-	8.10	-	8.10	-
Less: Impairment	25.44	-	8.10	-	8.10	-
	8,545.02	**-**	**3,856.38**	**-**	**3,129.04**	**-**
B. Other receivables						
- Considered Good	7.48	4.77	13.10	8.53	17.22	1.55
- Considered Doubtful	481.07	-	456.67	-	516.62	-
Less: Impairment	481.07	-	456.67	-	516.62	-
	7.48	**4.77**	**13.10**	**8.53**	**17.22**	**1.55**
C. Deposits						
With Customs/Port Trusts etc.	391.93	11.83	392.93	9.83	401.97	4.45
Others (Refer Note 18.1)						
- Considered Good	1,356.60	3,101.19	1,873.93	24,610.56	1,331.31	34,161.16
- Considered Doubtful	1,300.13	-	1,212.72	-	997.79	-
Less: Impairment	1,300.13	43.10	1,212.72	-	997.79	-

	1,748.53	**3,069.92**	**2,266.86**	**24,620.39**	**1,733.28**	**34,165.61**
D. Advance recoverable						
- Considered Good	1,710.14	16,509.43	537.68	16,283.94	5,053.61	16,571.74
- Considered Doubtful	1,221.41	21.92	3,524.96	22.93	1,220.45	22.93
Less: Impairment	1,221.41	21.92	3,524.96	22.93	1,220.45	22.93
	1,710.14	**16,509.43**	**537.68**	**16,283.94**	**5,053.61**	**16,571.74**
E. Carried interest (Refer Note 18.2 and 18.3)						
- Considered Good	5,367.87	-	5,279.83	-	4,469.67	-
- Considered Doubtful	118.19	-	79.06	-	73.94	-
Less: Impairment	118.19	-	79.06	-	73.94	-
	5,367.87	**-**	**5,279.83**	**-**	**4,469.67**	**-**
Prepayments- ETP facilities	381.64	100.90	252.38	86.94	260.73	85.08
Prepayments - Mobilisation Charges	1,021.25	1,358.89	1,046.31	697.10	1,138.05	642.17
Prepayments - Leasehold Land	5,552.04	122.04	5,671.93	124.91	5,636.02	117.82
Other prepaid expenses	329.37	324.80	293.73	372.82	-	298.11
Prepaid expenses for underlift quantity	-	419.69	-	504.70	-	372.09
	7,284.30	**2,326.32**	**7,264.35**	**1,786.47**	**7,034.80**	**1,515.28**
Total Other assets	**24,663.34**	**21,910.44**	**19,218.20**	**42,699.33**	**21,437.62**	**52,254.18**

18.1. Deposits includes ₹ Nil under current assets (as at March 31, 2016 ₹ 21,690.24 million; as at April 1, 2015 ₹ 21,067.60 million) towards differential royalty being deposited from February 1, 2014 as per the interim order of the Hon'ble Supreme Court of India. (Refer Note 52.1.2.)

18.2. In respect of subsidiary, OVL, the company has participating interest (PI) in Blocks 5A South Sudan, SS-04 Bangladesh, SS-09 Bangladesh, EP-3 Myanmar and B-2 Myanmar. As per the carry agreements, the company is financing expenditure in these blocks during the exploratory period "carried interest". The amount of carried interest of ₹ 5,367.87 million (as at March 31, 2016 ₹ 5,279.83 million; as at April 1, 2015 ₹ 4,469.67 million); will be refunded in the event of commercial production from the project.

18.3. In respect of subsidiary, OVL, Impairment has been made towards the amount of carried interest of March 31, 2017 is ₹ 118.19 million (as at March 31, 2016 ₹ 79.06 million) with respect to Blocks SS-04 Bangladesh, SS-09 Bangladesh, EP-3 Myanmar and B-2 Myanmar being under exploration period, as there was no certainty of commercial discovery in the exploration stage.

18.4. In respect of subsidiary OMPL, MSEZ is constructing the Corridor pipeline and allied facilities ('the Facilities'). The Facilities are under construction and accordingly the contribution paid by the company amounting ₹ 975.00 million is shown under capital advances pending completion of the Facilities and execution of the Right of Way agreement. The same would be amortised on a systematic basis on completion of the Facilities by the Developer.

18.5. Movement of Impairment **(₹ in million)**

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at beginning of the year	5,304.44	2,839.83
Recognized during the year	256.57	298.26
Write back during the year	(1.51)	(235.83)
Other adjustments (Refer note 18.5.1)	(2,348.24)	2,402.18
Balance at end of the year	**3211.26**	**5304.44**

18.5.1. Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Adjustments includes net effect of exchange differences of ₹ (3.19) million as at March 31, 2017 (as at March 31, 2016 ₹ 4.39 million) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

19. Inventories (valued as per accounting policy no. 3.18)

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw Materials (Including Condensate)			
-on hand	13,569.82	8,715.51	7,144.31
-in Transit	6,173.31	5,785.21	4,691.13
	19,743.13	**14,500.72**	**11,835.44**
Finished Goods (Including Carbon Credits, Refer Note 19.1 & 19.2)	24,334.93	21,429.45	28,195.06
Less : Impairment for Stock Loss	5.91	5.91	5.91
	24,329.02	**21,423.54**	**28,189.15**
Traded Goods	-	**0.90**	**1.48**
Stores and spare parts			-
-on hand	63,714.94	60,943.45	64,577.50
-in transit (including inter-project transfers)	7,289.19	7,012.43	3,265.74
Less: Impairment for non-moving items	6,635.66	8,433.13	7,805.13
	64,368.47	**59,522.75**	**60,038.11**
Stock in process	5,045.68	3,598.91	4,331.22
Unservicable Items	154.52	133.86	147.20
Total	**113,640.82**	**99,180.68**	**104,542.60**

19.1. This includes an amount of ₹ 2.15 million (as at March 31, 2016 ₹ 3.37 million), (as at April 1, 2015 ₹ 7.68 million) in respect of Carbon Credits.

19.2. Inventory amounting to ₹81.58 million (as at March 31, 2016 ₹105.26 million) has been valued at net realisable value. Write down amounting to ₹24.40 million (as at March 31, 2016 ₹149.45 million) has been recognised as expense in the Consolidated Statement of Profit and Loss under note 37.

19.3. Subsidiary OMPL has recognised cost of inventories as an expense includes ₹ 155.24 million (₹ Nil for the year ended March 31, 2016) in respect of write down of finished goods inventory to net realisable value.

19.4. In respect of subsidiary OVL, In case of joint operators where the property in crude oil produced does not pass on upto a specific delivery point, the stock of crude oil till such delivery point is not recognized by the Company.

19.5. In respect of Company, include an amount of ₹ 2.15 million (as at March 31, 2016 ₹ 3.37 million; as at April 1, 2015 ₹ 7.68 million) in respect of Carbon Credits

20. Investments – Current

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets carried at fair value through profit or loss			
(a) Investments in mutual funds (Refer Note 20.1)	36,343.29	30,032.38	-
Total	**36,343.29**	**30,032.38**	**-**

20.1. Details of investments- current

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Qty. (in million)	Amount	Qty. (in million)	Amount	Qty. (in million)	Amount
Unquoted Investments						
Investments in Mutual funds (Fair value through profit or loss)						
(a) UTI Liquid Cash Plan	12.76	13,008.83	11.784	12,013.19	-	-
(b) UTI Money Market Fund	8.97	9,001.86			-	-
(c) SBI Premier Liquid Fund-Direct Plan	13.96	14,002.60	11.978	12,016.97	-	-
(d) IDBI Liquid Fund-Direct Daily Dividend	0.33	330.00	3.996	4,000.71	-	-
(e) Canara Robeco Liquid Fund Direct Plan-Daily Dividend	-	-	1.991	2,001.51	-	-
Total investments - current		**36,343.29**		**30,032.38**		**-**
Agrregate value of unquoted investments		**36,343.29**		**30,032.38**		**-**
Agrregate amount of impairment of value in investment		-		-		-

21. Cash and Cash Equivalents

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks	4,429.34	3,702.97	9,028.24
Cash on Hand	7.24	10.54	8.29
Bank Deposit with original maturity up to 3 month	6,691.59	14,609.76	18,640.56
Total Cash and cash equivalents	**11,128.17**	**18,323.27**	**27,677.09**

21.1. In respect of subsidiary, OVL, cash on hand represents cash balances held by overseas branches in respective local currencies and includes ₹ 0.70 million held by imprest holders (as at March 31, 2016 ₹ 0.64 million).

21.2. In respect of subsidiary, OVL, the deposits maintained by the Company with banks comprise of short term deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

21.3. Disclosure on Specified Bank notes (SBNs):

Details of SBNs and other notes as required by the MCA notification G.S.R. 308(E) dated March 30, 2017, is given below:

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as at November 08, 2016	1,394,500.00	499,379.00	1,893,879.00
+ Permitted receipts	11,219,500.00	12,491,588.00	23,711,088.00
- Permitted payments	70,000.00	1,706,585.00	1,776,585.00
- Amount deposited in Banks	12,544,000.00	10,186,829.00	22,730,829.00
Closing cash in hand as at December 30, 2016	-	**1,097,553.00**	**1,097,553.00**

22. Other Bank Balances

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank deposits under lien for original maturity more than 3 months upto 12 months	9,370.60	7,908.21	48,204.62
Other bank deposits for original maturity more than 3 months upto 12 months (Refer Note 22.1)	101,253.54	211,023.79	72,893.41
Unclaimed dividend account (Refer Note 22.2 and 22.4)	358.83	374.18	371.92
Deposits in escrow account (Refer Note 22.3 and 22.5)	8,025.20	9,260.99	1,098.25
Total Other bank balances	**119,008.17**	**228,567.17**	**122,568.20**

22.1. The deposits maintained by the Group with banks comprise time deposit, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.

22.2. Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose. No amount is due for deposit in Investor Education and Protection Fund.

22.3. Matter of Dispute on Delivery Point of Panna-Mukta gas between Government of India and PMT JO Partners arose due to differing interpretation of relevant PSC clauses. According to the JV Partners, Delivery Point for Panna-Mukta gas is at Offshore, however, MoP&NG and GAIL maintained that the delivery point is onshore at Hazira. The gas produced from Panna-Mukta fields was transported through Company's pipelines. Owing to the delivery point dispute neither the seller (PMT JO) nor the buyer of gas (GAIL) was paying any compensation to ONGC for usage of its pipeline for gas transportation.

Hon'ble Gujarat High Court decided that the Panna Mukta oil fields from where the movement of goods is occasioned fall within the customs frontiers of India Consequently, the sale of goods cannot be said to have taken place in the course of import of goods into the territory of India. The state Government of Gujarat has filed a petition with the Hon'ble Supreme Court of India against the decision of Hon'ble Gujarat High Court.

Since the said matter of determination of delivery point is pending with the Hon'ble Supreme Court of India, the amount is maintained in the escrow accounts by the JO Partners. Deposits in escrow account includes restricted bank balance of ₹ 1,249.18 million (as at March 31, 2016 ₹1,174.42 million, as at April 1, 2017 ₹1,090.98 million) in respect of PMT JO.

22.4. Unclaimed dividend account includes of ₹ 0.01 million (as at March 31, 2016 ₹ 0.19 million) in respect of amount deposited in the unclaimed interest on debentures account which is earmarked for payment of interest and cannot be used for any other purpose.

22.5. Deposits in escrow account includes restricted bank balance of ₹ 9.14 million (₹ 8.15 million as at March 31, 2016, ₹ 7.27 million as at April 1, 2017) which represents unutilized capital expenditure fund drawn by way of external commercial borrowing which has been kept in a non-interest bearing account as per the Reserve Bank of India guidelines and can be utilised only for the stated purposes.

23. Assets held for sale

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Helicopters (Refer Note 23.1)	-	23.74	23.74
Freehold land (Refer Note 23.2)	77.96	77.96	77.96
Total Assets held for sale	**77.96**	**101.70**	**101.70**

23.1. On transition date, the Company reclassified Two Dhruv Helicopter ("the Helicopters") as "Assets classified as held for sale". During the current year, the Helicopters have been sold for total consideration of ₹ 147.81 million resulting in profit on sale of non-current asset of ₹ 124.08 million recorded under 'Other Income" (Refer Note 35).

23.2. In respect of subsidiary MRPL, on transition date, the Company has reclassified a freehold land as "Assets held for sale". The Company intends to dispose off the freehold land in the next twelve months. The Company is actively searching prospective buyer. No impairment loss was recognised on reclassification of the freehold land as at March 31, 2017 as the Company expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

23.3. In respect of subsidiary MRPL, other include assets held for sale includes certain Property, plant and equipments which have been fully depreciated.

24. Equity Share Capital

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity Share Capital	64,166.32	42,777.60	42,777.60
	64,166.32	**42,777.60**	**42,777.60**
Authorised:			
30,000,000,000 Equity Shares of ₹ 5 each	**150,000.00**	**150,000.00**	**150,000.00**
(as at March 31, 2016: 30,000,000,000 Equity Shares of ₹ 5 each; as at April 1, 2015: 30,000,000,000 Equity Shares of ₹ 5 each)			
Issued and Subscribed:			
12,833,273,124 Equity Shares of ₹ 5 each	**64,166.37**	**42,777.64**	**42,777.64**
(as at March 31, 2016: 8,555,528,064 Equity Shares of ₹ 5 each; as at April 1, 2015: 8,555,528,064 Equity Shares of ₹ 5 each)			
Fully paid equity shares:			
12,833,235,180 Equity Shares of ₹ 5 each	64,166.17	42,777.45	42,777.45
(as at March 31, 2016: 8,555,490,120 Equity Shares of ₹ 5 each; as at April 1, 2015: 8,555,490,120 Equity Shares of ₹ 5 each)			
Add: Shares forfeited (Refer note no. 24.5)	0.15	0.15	0.15
Total	**64,166.32**	**42,777.60**	**42,777.60**

24.1. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

(₹ in million)

Particulars	Number of shares in million	Amount
Balance at April 1, 2015	8,555.49	42,777.45
Changes during the year	-	-
Balance at March 31, 2016	**8,555.49**	**42,777.45**
Changes during the year (Refer note no. 24.3)	4,277.75	21,388.72
Outstanding as at March 31, 2017	**12,833.24**	**64,166.17**

24.2. 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.

24.3. Pursuant to the approval of the shareholders accorded by postal ballot on 12.12.2016, record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on 16.12.2016. Accordingly, the company has allotted 4,277,745,060 number of fully paid Bonus shares on 18.12.2016 in the ratio of one equity share of ₹ 5 each fully paid up for every two existing equity shares of ₹ 5 each fully paid up.

24.4. Details of shareholders holding more than 5% shares in the Company are as under:-

Name of equity share holders	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. in million	% holding	No. in million	% holding	No. in million	% holding
President of India	8,735.65	68.07	5,897.68	68.93	5,897.76	68.94
Life Insurance Corporation of India	1,152.81	8.98	740.97	8.66	677.18	7.92
Indian Oil Corporation Limited	986.89	7.69	657.92	7.69	657.92	7.69

24.5. 18,972 equity shares of ₹ 10 each (equivalent to 37,944 equity shares of ₹ 5 each) were forfeited in the year 2006-07 against which amount originally paid up was ₹ 0.15 Million.

25. Other Equity excluding non-controlling interest

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Redemption Reserves	91.86	91.86	91.86
Capital reserves	3,541.44	618.89	618.89
Legal Reserve	39,597.32	39,016.19	30,934.67
Debenture Redemption Reserve	79,175.20	58,714.29	28,675.17
Foreign Currency Translation Reserve	133,068.63	125,542.92	109,196.25
Retained Earnings	104,907.58	100,417.58	122,099.57

General Reserve	1,540,652.04	1,500,421.31	1,450,259.60
Reserve for equity instruments through other comprehensive income	246,694.49	110,535.78	104,118.44
Total Other equity	**2,147,728.56**	**1,935,358.82**	**1,845,994.45**

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
A. Capital Redemption Reserves (Refer Note 25.5)		
Balance at beginning of year	91.86	91.86
Movements	-	-
Balance at end of year	**91.86**	**91.86**
B. Capital reserves (Refer Note 25.1, 25.6 & 25.7)		
Balance at beginning of year	618.89	618.89
Movements	2,922.55	-
Balance at end of year	**3,541.44**	**618.89**
C. Legal Reserve		
Balance at beginning of year	39,016.19	30,934.67
Add: Transfer from retained earnings	581.13	8,081.52
Balance at end of year	**39,597.32**	**39,016.19**
D. Debenture Redemption Reserve (Refer Note 25.9 & 25.10)		
Balance at beginning of year	58,714.29	28,675.17
Add: Transfer from retained earnings	17,481.95	6,763.42
Add: Transfer from general reserve	2,978.96	23,275.70
Balance at end of year	**79,175.20**	**58,714.29**
E. Foreign Currency Translation Reserve (Refer Note 25.11)		
Balance at beginning of year	125,542.92	109,196.25
Add: Transfer	7,525.71	16,346.67
Balance at end of year	**133,068.63**	**125,542.92**
F. Retained Earnings		
Balance at beginning of year	100,417.57	122,099.58
Add:		
Profit after tax for the year	204,978.73	128,752.12
Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax	(3,051.91)	(299.33)
Other adjustments (including joint ventures & associates)	(149.56)	(23.87)
Less:		
Payments of dividends (Refer Note 25.4)	95,179.88	49,194.18
Tax on Dividends	19,353.50	10,005.05
Transferred to general reserve	64,690.79	76,066.75
Transfer to Legal Reserve	581.13	8,081.52
Transfer to DRR	17,481.95	6,763.42
Balance at end of year	**104,907.58**	**100,417.58**

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
G. General Reserve (Refer Note 25.3)		
Balance at beginning of year	1,500,421.31	1,450,259.60
Less: Bonus Shares issued	21,388.72	-
Less: Transfer to DRR	2,978.96	23,275.70
Less: Utilised for buyback of shares by ONGC BTC Ltd.	92.38	2,629.34
Add: Transfer from retained earnings	64,690.79	76,066.75
Balance at end of year	**1,540,652.04**	**1,500,421.31**
H. Reserve for equity instruments through other comprehensive income (Refer Note 25.2)		
Balance at beginning of year	110,535.78	104,118.44
Net fair value gain on investments in equity instruments at FVTOCI	136,158.71	6,417.34
Balance at end of year	**246,694.49**	**110,535.78**
Total Other equity	**2,147,728.56**	**1,935,358.82**

25.1. In respect of the Company, represent assessed value of assets received as gift.

25.2. The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed.

25.3. The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another. It is not an item of other comprehensive income.

25.4. The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company. Thus, the amounts reported in General Reserve are not entirely distributable.

On August 23, 2016, a final dividend of ₹ 3.25 per share for 2015-16 was paid to holders of fully paid equity shares.

On October 27, 2016 and on January 31, 2017 the company had declared interim dividend of ₹ 4.50 per share (90%) and ₹ 2.25 per share (45%) respectively which has since been paid.

In respect of the year ended March 31, 2017, the Board of Directors has proposed a final dividend of ₹ 0.80 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 10,266.61 million and the dividend distribution tax thereon amounts to ₹ 2,090.04 million.

25.5. In respect of subsidiary, MRPL, the company created Capital Redemption Reserve on Redemption of Preference Share Capital of ₹91.86 Million in the financial years 2011-12 and 2012-13.

25.6. In respect of subsidiary OVL, capital reserve is recognised by the company in respect of gains on the sale of a part of the participating interest in respect of Block 06.1, Vietnam where the consideration received for partial farm out in unproved property was not higher than the total cost.

25.7. In respect of subsidiary OVL, the company acquired 15% share in JSC Vankorneft on 31 May 2016 through wholly owned step down subsidiary ONGC Videsh Vankorneft Pte Ltd (OVVL) held through another wholly owned subsidiary ONGC Videsh Singapore Pte Ltd (OVSL). Further 11% share in JSC Vankorneft has been acquired on 28 October 2016. The company has significant influence in the investee and therefore classified the investment as associate. The investment has been recognised at cost on initial recognition. Capital reserve as ₹2,897.24 million (USD 43.16 million) has been recognised by the Group in its financial statements. The component OVSL/OVVL has one year measurement period from the date of acquisition to finalise the PPA and of which point there could be further adjustments to the amount recognised in these financial statements.

25.8. In respect of subsidiary OVL, the Debentures Redemption Reserve position for above is as under:-

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured 8.54 % 10 Years Non-Convertible Redeemable Bonds in the nature of Debentures- Series II	**2,585.55**	**2,306.93**	**1,936.12**
Unsecured 4.625% 10 year USD Bonds - USD 750 millions	12,299.86	8,527.60	3,343.76
Unsecured 3.75% 10 year USD Bonds - USD 500 millions	12,153.02	9,629.11	5,951.83
Unsecured 2.75% 7 year EUR Bonds - EUR 525 millions	12,946.68	9,635.86	3,611.89
Unsecured 3.25% 5 year USD Bonds - USD 750 millions	24,606.46	17,059.87	6,689.38
Unsecured 2.50% 5 year USD Bonds - USD 300 millions	14,583.63	11,554.92	7,142.19
Total	**79,175.20**	**58,714.29**	**28,675.17**

25.9. In respect of subsidiary OVL, Debenture redemption reserve is created by the company out of the Retained earnings for the purpose of redemption of Debentures / Bonds when they are due for redemption. This reserve remains invested in the business activities of the company.

25.10. Group's subsidiary ONGC Videsh Limited has determined its functional currency as USD. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from USD to Group's presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

25.11. The Legal Reserve is created by subsidiary ONGC Nile Ganga B.V. in respect of undistributed profits of joint ventures and associates in accordance with the Dutch legal requirement.

26. Non-controlling interests

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Balance at beginning of year	**26,518.09**	**23,780.27**
Share of profit for the year	9,803.56	2,261.55
Non-controlling interests arising on the acquisition of Name of the entity	5,019.44	-
Others (Refer Note 26.3)	(98.13)	476.27
Balance at end of year	**41,242.96**	**26,518.09**

26.1. Details of non-wholly owned subsidiaries of the Group that have material non-controlling interest:

(₹ in million)

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests			Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
MRPL	India	28.37%	28.37%	28.37%	9,838.97	2,337.22	27,034.30	17,220.60	14,906.63
Beas Rovuma Energy Mozambique Limited	Incorporated in British Virgin Island, operations in Mozambique	40.00%	40.00%	40.00%	(35.42)	(75.67)	13,135.92	8,345.89	7,806.81
Individually immaterial subsidiaries with non-controlling interests							1,072.74	951.60	1,066.83
Total							**41,242.96**	**26,518.09**	**23,780.27**

26.2. Summarised financial information in respect of each of the Groups's subsidiaries that have material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations

(₹ in million)

1. MRPL	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current assets	227,965.62	239,286.61	239,625.25
Current assets	100,431.72	201,417.06	173,468.44
Non-current liabilities	86,571.02	89,964.27	117,845.82
Current liabilities	143,074.68	284,875.34	234,440.27
Equity attributable to owners of the Company	71,717.34	48,643.46	45,900.97
Non-controlling interests	27,034.30	17,220.60	14,906.63

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2017
Revenue	604,079.92	518,178.34
Expenses	569,561.06	513,503.30
Profit (loss) for the year	28,365.72	5,056.46
Profit (loss) attributable to owners of the Company	34,726.41	8,237.13
Profit (loss) attributable to the non-controlling interests	(1,794.31)	(3,179.48)
Profit (loss) for the year	32,932.10	5,057.65
Other comprehensive income attributable to owners of the Company	(47.79)	0.67
Other comprehensive income attributable to the non-controlling interests	(1.21)	(1.86)
Other comprehensive income for the year	(49.00)	(1.19)
Total comprehensive income attributable to owners of the Company	34,678.62	8,237.80

Total comprehensive income attributable to the non-controlling interests	-1,795.52	-3,181.34
Total comprehensive income for the year	32,883.10	5,056.46
Dividends paid to non-controlling interests	-	-
Net cash inflow (outflow) from operating activities	(11,693.12)	14,285.05
Net cash inflow (outflow) from investing activities	(2,310.06)	3,033.07
Net cash inflow (outflow) from financing activities	2,911.53	(17,436.13)
Net cash inflow (outflow)	(11,091.65)	(118.01)

(₹ in million)

1. Beas Rovuma Energy Mozambique Limited	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current assets	33,353.68	32,949.23	28,111.00
Current assets	512.22	690.99	667.63
Non-current liabilities	-	-	-
Current liabilities	148.74	13,158.95	9,261.62
Equity attributable to owners of the Company	20,250.85	12,334.76	11,710.21
Non-controlling interests	8,048.00	8,192.51	7,806.81

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Revenue	0.04	0.00
Expenses	88.57	189.19
Profit (loss) for the year	(88.53)	(189.19)
Profit (loss) attributable to owners of the Company	(53.12)	(113.51)
Profit (loss) attributable to the non-controlling interests	(35.41)	(75.67)
Profit (loss) for the year	(88.53)	(189.19)
Other comprehensive income attributable to owners of the Company	-	-
Other comprehensive income attributable to the non-controlling interests	-	-
Other comprehensive income for the year	-	-
Total comprehensive income attributable to owners of the Company	-	-
Total comprehensive income attributable to the non-controlling interests	-	-
Total comprehensive income for the year	-	-
Dividends paid to non-controlling interests	-	-

26.3. Represents exchange difference on account of translation of the consolidated financial statements of subsidiary OVL prepared in OVL's functional currency "United State Dollars" (USD) to presentation currency "INR" (₹). Refer note 3.21 and 5.1 (a).

27. Borrowings

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Secured						
From banks (Refer Note 27.6, 27.8 and 27.11)	40,692.06	6,471.24	55,166.48	57.46	185,102.88	17,206.74
From others (Refer Note 27.9)	750.00	-	2,500.00	5,135.54	-	3,355.09
Non-convertible debentures (Refer Note 27.10)	24,991.90	-	4,994.46	-	-	-
Liability towards finance leases (Refer Note 27.7)	22,300.52	-	26,636.01	-	17,977.20	-
Unsecured						
From banks (Refer Note 27.2, 27.5 and 27.13)	113,654.00	73,415.27	116,282.85	19,244.40	2,000.00	10,524.72
From others	-	20,386.85	-	18,747.32	5,250.00	1,674.37
Liability towards finance leases	382.93	-	382.93	-	382.93	-
Deferred payment liabilities (Refer Note 27.12)	618.63	-	1,145.17	-	2,052.91	-
Non convertible redeemable debentures (Refer Note 27.4)	3,700.00	-	3,700.00	-	3,700.00	-
Foreign currency bonds (Refer Note 27.3)	249,172.42	-	191,216.34	-	178,465.70	-
Loans from related parties	283.03	-	267.56	-	279.37	-
Total borrowings	**456,545.49**	**100,273.36**	**402,291.80**	**43,184.72**	**395,210.99**	**32,760.92**

27.1. As per the lease agreement, the Company is required to pay annual lease rental of ₹ 35.03 million till perpetuity. The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹ 417.96 million.

27.2. In respect of the Company, current loan from bank is secured against NIL (as at March 31, 2016 NIL; as at April 1, 2015 ₹ 17,340 million) of principal amount of Term deposit receipt.

27.3. In respect of subsidiary OVL, details of Bonds (other than ₹Currency) (₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(i) USD 750 million unsecured non-convertible Reg S Bonds	48,255.34	49,443.16	46,678.51
(ii) USD 500 million unsecured non-convertible Reg S Bonds	32,391.57	33,140.81	31,287.73
(iii) EUR 525 million unsecured Euro Bonds	36,180.78	39,435.11	35,171.41
(iv) USD 750 million unsecured non-convertible Reg S Bonds	48,325.38	49,371.50	46,610.86
(v) USD 300 million unsecured non-convertible Reg S Bonds	19,377.55	19,825.76	18,717.19
(vi) USD 600 million unsecured non-convertible Reg S Bonds	38,785.08	-	-
(vii) USD 400 million unsecured non-convertible Reg S Bonds	25,856.72	-	-
Total	**249,172.42**	**191,216.34**	**178,465.70**

The terms of above bonds are mentioned below: **(₹ in million)**

Particulars	Listed in	Issue price	Denomination	Date of loan issued	Due date of maturities	Coupon
USD 600 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	99.81%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	July 27,2016	Jul 27, 2026	3.750%, payable semi-annually in arrears
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.	July 15, 2014	July 15, 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.	May 7, 2013	May 7, 2023	3.75%, payable semi-annually in arrears
USD 400 million unsecured non-convertible Reg S Bonds	Singapore Exchange (SGX)	100.00%	US$ 200,000 and integral multiples of US$ 1,000 in excess thereof.	July 27,2016	Jan 27, 2022	2.875%, 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.	July 15, 2014	July 15, 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.	July 15, 2014	July 15, 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.	May 7, 2013	May 7, 2018	2.50%, payable semi-annually in arrears

27.4. In respect of subsidiary OVL, non-convertible Redeemable Debenture (Rupee Bonds)

The term of Non-Convertible Redeemable Debenture (Rupee Bonds) is given below:

(All amounts are ₹ in millions unless otherwise stated)

Particulars	Date of Issue	Date of redemption	Coupon
Unsecured non-convertible redeemable bonds in the nature of Debentures- Series II of face value ₹ 1 million each (₹3,700 million)	January 6, 2010	January 6, 2020	8.54%, payable annually in arrears

27.5. In respect of subsidiary OVL, Term loan from banks

The term of term loan are given below:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Date of Issue	Term of Repayment	Coupon
USD 1,775 million Term loans (Refer note 27.5.1)	-	-	109,500.36	February 28, 2014	Bullet repayment on November 27, 2015	Libor + 1.65% payable quarterly
USD 1,775 million Term loans (Refer note 27.5.2)	113,654.00	116,282.85	-	November 27, 2015	Bullet repayment on November 27, 2020	Libor + 0.95% payable quarterly

27.5.1. The Term loan was obtained from a syndicate of commercial banks to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko.

27.5.2. The Term loan had been obtained from a syndicate of commercial banks to refinance the term loan taken to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko.

27.6. Loan from bank (Current)

The Subsidiary company, ONGC Videsh, incorporated a wholly owned subsidiary ONGC Videsh Singapore Pte Ltd ("OVSL"). OVSL has in turn incorporated a wholly-owned subsidiary ONGC Videsh Vankorneft Pte Ltd ("OVVL"). OVVL acquired 26% shares of JSC Vankorneft (15% in May 2016 and 11% in October 2016) and raised two separate syndicated bridge loans from international banks to meet the purchase consideration requirements.

The first bridge loan facility was USD 1,155 million facility dated May 19, 2016 out of which USD 1,086 million was drawn on May 31, 2016 comprising of USD 1,085 million towards closing payment and balance towards the arrangement fee and out of pocket expenditure. On July 27, 2016, OVVL issued notes for face value of USD 600 Million, 3.75% Notes due July 27, 2026 and USD 400 Million, 2.875% Notes due January 27, 2022). The bond issuance proceeds of USD 998.49 million were utilized to prepay the bridge loan on July 29, 2016. Balance amount of USD 87.58 million has been refinanced by a short term facility maturing on 28 June 2017. Further a short term facility of USD 17 million was taken to meet the temporary cashflow mismatches. The second bridge loan facility was USD 875 Million facility dated 14 October 2016 out of which USD 828 million was drawn on March 31, 2017. The loans are guaranteed by ONGC, the parent company.

27.7. Long term maturities of finance lease obligation

Under the lease agreement, the subsidiary company OVL, is required to pay annual lease rental of ₹ 31.65 million till perpetuity. The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹377.69 million. (Refer Note 38 and 44.1.1)

27.8. External Commercial Borrowing (ECB)

27.8.1. In respect of subsidiary MRPL, ECB taken are USD denominated loans and carries variable rate of interest which is LIBOR (6 months) plus spread. These are secured by first pari passu charge over immovable fixed assets and first ranking pari passu charge over movable PPE both present and future.

27.8.2. In respect of subsidiary OMPL, the company has entered into an External Commercial Borrowing (ECB) arrangement for USD 331.32 million. Entire ECB facility of USD 331.32 Million has been availed in three tranches. The ECB-Tranche I amounting to USD 250 million is repayable in 14 equal half yearly instalments commencing from April 1, 2015 and carries variable rate of interest which is LIBOR (6 months) plus spread of 3.13%. The ECB-Tranche II amounting to USD 60 million is repayable in 14 equal half yearly instalments commencing from October 31, 2015 and carries variable rate of interest which is LIBOR (6 months) plus spread of 3.15%. The ECB - Tranche III amounting to USD 21.32 million is repayable in 14 equal half yearly instalments commencing from October 31, 2016 and carries variable rate of interest which is LIBOR (6 months) plus spread of 3.15%.

27.8.3. ₹13,039.40 million (as at March 31, 2016 of ₹5,665.58 million, as at April 1, 2015 of ₹2,686.39 million) is repayable within one year and the same has been shown as "Current Maturities of Long Term Debts" under Note 28.

27.8.4. Repayment schedule of ECB loan is as follows: **(₹ in million)**

Year of repayment	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	2,790.40
2016-17	-	5,768.51	5,441.59
2017-18	13,122.21	13,406.48	12,646.73
2018-19	29,579.16	30,219.96	28,507.36
2019-20	4,042.51	4,130.08	3,896.03
2020-21	3,556.09	3,633.12	3,427.24
2021-22	3,069.68	3,136.18	2,958.45
2022-23	475.48	485.78	458.25
2023-24	98.76	100.90	95.19
Total	**53,943.89**	**60,881.01**	**60,221.24**

27.8.5. In respect of subsidiary MRPL, details of rupee loan

Subsidiary OMPL secured RTL with various bankers are secured by the first charge on land and all property, plant and equipment and second charge by way of hypothecation on all movable property, plant and equipment and all current assets. The said RTL was entirely repaid in December 2015. The rate of interest for RTL was SBI Base Rate plus 1.25% payable on monthly basis.

₹ Nil (₹ 203.78 million as at March 31, 2016, ₹1,087.50 million as at April 1, 2015) is repayable within one year and the same has been shown as "current maturities of long term debts (secured)" under note 28

Repayment schedule of RTL (including current maturities of RTL) is as follows:

(₹ in million)

Year of repayment	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	1,087.50
2016-17	-	-	2,175.00
2017-18	-	-	2,175.00
2018-19	-	-	2,175.00
2019-20	-	-	2,175.00
2020-21	-	-	2,175.00
2021-22	-	-	2,175.00
2022-23	-	-	2,175.00
2023-24	-	-	2,175.00
2024-25	-	-	1,071.85
Total	**-**	**-**	**19,559.35**

27.9. In respect of subsidiary MRPL, details of loan from Oil Industry Development Board (OIDB)

27.9.1. Loan from OIDB taken by the Company carries fixed rate of interest. These are secured by first pari passu Charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future. Prior to December 10, 2015 the loan from OIDB was unsecured.

27.9.2. ₹1,750.00 million (As at March 31, 2016 of ₹2,750.00 million, As at April 1, 2015 of ₹2,750.00 million) is repayable within one year and the same has been shown as "Current

Maturities of Long Term Debts" (secured) as at March 31, 2017 and as at March 31, 2016 and "Current maturities of long term debts (unsecured)" as at April 1, 2017 under note 28.

27.9.3. Repayment schedule of OIDB loan is as follows: **(₹ in million)**

Year of repayment	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	2,750.00
2016-17	-	2,750.00	2,750.00
2017-18	1,750.00	1,750.00	1,750.00
2018-19	750.00	750.00	750.00
Total	**2,500.00**	**5,250.00**	**8,000.00**

27.10. In respect of subsidiary MRPL, its subsidiary OMPL has issued ₹5,000 million non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during February 2016 with a coupon rate of 8.4% p.a., and interest payable annually. The Company has also issued ₹ 20,000 million non-cumulative, secured, redeemable, taxable, listed, rated Non-Convertible Debentures (NCDs) during June 2016 with a coupon rate of 8.12% p.a., and interest payable annually.

27.10.1. These NCDs are secured by first raking pari passu charge on the land totaling an extent of 441.438 acres situated in Mangalore SEZ, Permude and Kalavar Villages in Mangaluru Taluk & Registration sub-District, Dakshina Kannada Dist. and property, plant and equipment including buildings, roads and plant and equipment.

27.10.2. Repayment schedule of non-convertible debenture is as follows: **(₹ in million)**

Year of repayment	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2018-19	5,000.00	5,000.00	-
2019-20	20,000.00	-	-
Total	**25,000.00**	**5,000.00**	**-**

27.11. In respect of subsidiary MRPL, working capital borrowings from consortium banks are secured by way of hypothecation of Company's stocks of Raw material, Finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property, plant and equipment both present and future.

Its subsidiary OMPL working capital lenders are to be secured by second ranking pari passu charge over Company's immovable property, plant and equipment both present and future on receipt of No Objection Certificate from NCD holders.

27.12. In respect of subsidiary MRPL, details of "Deferred Payment Liabilities"

27.12.1. Deferred Payment liability represents amount payable on account of sales tax liability to be paid after a specified period to the sales tax authority. Such deferral of sales tax liability is not liable for any interest. The Company has applied the mandatory exception provided under Ind AS 101 and accordingly has not fair valued the deferred payment liabilities that existed as at April 1, 2015.

Subsidiary OMPL deferred payment liability refers to the amount payable to a licensor for aromatic complex as per the Licensor Agreement.

27.12.2. ₹526.54 million (As at March 31, 2016 of ₹905.77 million, As at April 1, 2015 of ₹1,006.66) is repayable within one year and the same has been shown as "Current Maturities of Long Term Debts (unsecured)" under note 28.

27.12.3. Payment schedule of deferred payment liability (₹ in million)

Year of repayment	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2015-16	-	-	1,058.09
2016-17	-	909.00	909.00
2017-18	526.54	526.54	526.54
2018-19	400.00	400.00	400.00
2019-20	218.63	218.63	218.63
Total	**1,145.17**	**2,054.17**	**3,112.26**

27.13. In respect of subsidiary OMPL, long-term loan refers to the unsecured RTL availed from Axis Bank which was entirely repaid in September 2015 and short-term loan includes secured STL availed from various banks with average interest varying from (As at March 31, 2016: 9.34%-9.35% p.a. As at March 31, 2015: 10.25%-10.50% p.a.). ₹Nil (as at March 31, 2016 ₹Nil, as at April 1, 2015 of ₹6.86 million) is repayable within one year and the same has been shown "current maturities of long term debt (unsecured)" under note 28.

27.14. In respect of subsidiary OMPL, commercial papers are unsecured fixed rate debt instruments with tenure varying between 30 to 180 days.

27.15. In respect of subsidiary OMPL, buyer's credits availed from banks are foreign currency denominated fixed rate unsecured loans which are rolled over for every six months period.

27.16. In respect of subsidiary MRPL, foreign currency Non Repatriable Loan from bank are USD denominated loans carries variable rate of interest which is LIBOR (6 months) plus spread and is repayable at the end of one year from the date of each disbursement.

The repayment schedules disclosed above are based on contractual cash outflows and hence will not reconcile to carrying amounts of such borrowings which are accounted at amortised cost.

28. Other financial liabilities

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Current maturities of long-term debt	-	22,173.14	-	9,525.13	-	7,537.41
Interest Accrued but not due on Loans	-	1,196.67	-	836.87	-	1,558.15
Interest Accrued but not due on Bonds/Debentures	-	3,073.51	-	2,643.34	-	2,315.12
Unclaimed Interest on Matured Debentures (Refer Note 28.2)	-	0.01	-	0.19	-	0.19
Unclaimed Dividend (Refer Note 28.1)	-	284.12	-	272.75	-	247.24
Liability for Capital Goods (Refer Note 28.3)	-	25,158.46	-	34,729.76	-	29,408.08
Deposits from Suppliers and Contractors	33.55	4,064.91	38.36	4,308.54	231.72	3,489.92
Liability for Employees	-	12,566.76	-	6,694.94	-	5,962.27

Liability for PRBS	-	1,078.65	-	1,167.36	-	1,125.95
Cash Call Payable to Operators	-	20,676.06	-	25,671.01	-	26,609.94
Liquidated Damages deducted from Parties	-	29,103.58	-	22,091.30	-	17,617.14
Non-Recourse Deferred Credit	-	371.89	-	380.49	-	359.22
Liability for Finance Leases	-	5,264.17	-	4,579.53	-	2,599.21
Other Liabilities (Refer Note 28.5 & 28.4)	1,425.73	14,968.48	1,499.69	17,759.14	1,213.51	21,114.55
Total other financial liabilities	**1,459.28**	**139,980.41**	**1,538.05**	**130,660.35**	**1,445.23**	**119,944.39**

28.1. No amount is due for deposit in Investor Education and Protection Fund.

28.2. Unclaimed interest on matured debentures represents interest payable towards disputed claims.

28.3. Price Reduction Clause

In respect of subsidiary MRPL, payable against capital goods includes ₹ 988.40 million (As at March 31, 2016 of ₹ 2,042.91; As at April 1, 2015 of ₹ 1,570.94) Million) relating to amounts withheld from vendors pursuant to price reduction clause which will be settled on finalisation of proceedings with such vendors. When the withheld amounts are ultimately finalised, the related adjustment is made to the property, plant and equipment prospectively.

28.4. In respect of subsidiary OVL, the company had entered into forward contracts covering Euro 105 million out of the principal amount of 2.75% Euro 525 million Bonds 2021 in February / March 2016.

Derivative liabilities relates to the cross-currency swap contracts entered for ₹3,700 million debentures and forward contract for EURO 525 million unsecured EURO bonds.

28.5. Disclosure relating to dues to Micro, Small and Medium Enterprises **(₹ in million)**

Particulars (in respect of subsidiary company MRPL)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) the principal amount due thereon remaining unpaid to any supplier at the end year	10.67	1.37	6.81
b) the interest due thereon remaining unpaid to any supplier at the end of year.	-	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-	-
d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
e) the amount of interest accrued and remaining unpaid at the end of year; and	-	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

29. Provisions

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Provision for Employee benefits (Refer Note 45.10)						
For Post Retirement Medical & Terminal Benefits	36,341.43	1,619.43	29,492.89	1,495.76	26,479.51	1,632.18
Unavailed Leave and compensated absenses	554.71	9,329.13	363.12	4,047.22	300.61	4,230.83
Gratuity for Regular Employees	27.16	8,597.65	16.01	0.10	6.60	0.05
Gratuity for Contingent Employees	73.16	5.62	75.01	7.29	73.44	5.28
Provision for Others (Refer Note 29.2)						
Provision for decommissioning (Refer Note 29.2 and 29.5)	192,309.00	1,289.02	190,540.25	853.19	194,786.30	859.22
Other Provisions (Refer Note 29.1 and 29.2)	-	5,075.35	-	5905.36	-	2,911.27
Provision for Wealth tax		-		-		50.00
Total provisions	**229,305.46**	**25,916.20**	**220,487.28**	**12,308.92**	**221,646.46**	**9,688.83**

29.1. In respect of subsidiary MRPL, other provisions include provision for excise duty on closing stock. The company estimates provision based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on March 31, 2017 ₹ 2,797.68 million (As at March 31, 2016 of ₹ 3,506.98 million, As at April 1, 2015 of ₹2,057.60 million). This provision is expected to be settle when the goods remove from the factory premises.

29.2. In respect of subsidiary OVL, other provision include provision for minimum work program commitment as on March 31, 2017 ₹ 1,621.25 million (As at March 31, 2016 of ₹ 1,658.75 million, As at April 1, 2015 of ₹ nil).

29.3. Movement of Provision for Others

(₹ in million)

Particulars	Provision for decommissioning Year ended March 31, 2017	Other provisions Year ended March 31, 2017
Balance at beginning of the year	191,393.44	5,905.36
Recognized during the year	10,803.77	2,800.62
Amount used during the year	(1,568.54)	(3,506.98)
Unwinding of discount	12,128.16	-
Write back during the year	(20,048.04)	(15.73)
Effect of remeasurement / reclassification	(313.56)	(70.41)
Effect of exchange difference	1,202.79	(37.51)
Balance at end of the year	**193,598.02**	**5,075.35**

29.4. The Group estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil & Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future for which the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty. The economic life of the Oil & Gas assets is estimated on the basis of long term production profile of the relevant Oil & Gas asset. The timing and amount of future expenditures are reviewed annually, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows.

29.5. Decommissioning provision in respect to PMT Joint Operation was provided based on the technical estimates of the company till previous year. During the year, the said provision has been provided based on the technical estimates provided by the operator of the Joint Operation. As a result decommissioning provision is higher by ₹11,143.47 million and depletion for the year is higher by ₹4,080.36 million in respect of PMT Joint Operation.

29.6. In respect of subsidiary OVL, provision has been created towards minimum work commitment of US $ 25.00 million in respect of Area 43, Libya.

30. Deferred Tax Liabilities (net)

The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet:

(₹ in million)

Particulars	As at March31, 2017	As at March31, 2016	As at April 1, 2015
Deferred tax assets	139,436.43	128,262.52	103,956.00
Deferred tax liabilities	430,427.39	392,719.26	349,523.45
Net Deferred asssts / (liabilities)	**(290,990.96)**	**(264,456.74)**	**(245,567.46)**

(₹ in million)

Particulars for 2016-2017	Opening balance	Recognised in Profit and Loss Account	Recognised in other comprehensive income	Effect of exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Deferred Tax Assets					
Unclaimed Exploratory Wells written off	33,402.98	3,304.95	-	-	36,707.93
Impairment/Expenses Disallowed Under Income Tax	26,688.78	(854.64)	-	(154.25)	25,679.89
Financial Assets at amortised cost using EIR	1,434.31	-	-	-	1,434.31
Provision for Abandonment	-	-	-	-	-
Provision towards additional profit petroleum & interest - Ravva	-	-	-	-	-
Expenses Disallowed Under Income Tax	-	-	-	-	-
FVTPL financial Assets	31.63	137.53	-	-	169.16
Financial Assets at FVTOCI	-	83.03	-	-	83.03

Defined benefit obligation	157.39	-	1,581.40	-	1,738.79
MAT credit entitlement	3,463.50	12,456.05	-	(28.76)	15,890.79
Carry Forward tax losses/ Depreciation	62,496.23	(6,219.53)	27.96	533.90	56,838.56
Others	587.70	344.75	-	(38.48)	893.97
Total Assets	**128,262.52**	**9,252.14**	**1,609.36**	**312.41**	**139,436.43**
Deferred Tax Liabilities					
Property, plant and equipment	303,273.88	45,158.75	-	(1,182.47)	347,250.16
Exploratory wells in progress	41,043.46	1,747.28	-	-	42,790.74
Development wells in progress	10,846.05	(2,298.20)	-	-	8,547.85
Intangible assets	156.31	85.22	-	-	241.53
FVTPL financial laibilities	8.37	(7.01)	-	-	1.36
Foreign taxes	25,899.07	(64.50)	-	(583.27)	25,251.30
Exchange differences on translating the financial statements of foreign operations (Refer Note 30.4)	8,726.85	-	(5,011.62)	-	3,715.23
Financial liabilities at FVTOCI	-	-	-	-	-
Tax adjustment of unrealised profit	-	-	-	-	-
Dividend distribution tax on undistributed profit (associates)	1,739.38	(919.46)	-	-	819.92
Others	1,025.89	783.41	-	-	1,809.30
Total Liabilities	**392,719.26**	**44,485.49**	**(5,011.62)**	**(1,765.74)**	**430,427.39**
Net Deferred Tax Liabilites	**264,456.74**	**35,233.35**	**(6,620.98)**	**(2,078.15)**	**290,990.96**

Particulars for 2015-2016	Opening balance	Recognised in Profit and Loss Account	Recognised in other comprehensive income	Effect of exchange differences	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Deferred Tax Assets					
Unclaimed Exploratory Wells written off	29,079.78	4,323.20	-	-	33,402.98
Impairment/Expenses Disallowed Under Income Tax	29,352.72	(2,828.87)	-	164.93	26,688.78
Financial Assets at amortised cost using EIR	1,363.23	71.08	-	-	1,434.31
Provision for Abandonment	-	-	-	-	-
Provision towards additional profit petroleum & interest - Ravva	-	-	-	-	-
Expenses Disallowed Under Income Tax	-	-	-	-	-
FVTPL financial Assets	31.06	0.57	-	-	31.63
Financial Assets at FVTOCI	-	-	-	-	-
Defined benefit obligation	-	-	157.39	-	157.39
MAT credit entitlement	3.78	3,454.65	-	5.07	3,463.50
Carry Forward tax losses/ Depreciation	44,000.63	20,042.58	0.31	(1,547.29)	62,496.23
Others	124.80	396.66	-	66.24	587.70
Total Assets	**103,956.00**	**25,459.87**	**157.70**	**(1,311.05)**	**128,262.52**
Deferred Tax Liabilities					

Property, plant and equipment	282,884.88	18,042.97	-	2,346.03	303,273.88
Exploratory wells in progress	26,201.61	14,841.85	-	-	41,043.46
Development wells in progress	11,013.92	(167.87)	-	-	10,846.05
Intangible assets	143.03	13.28	-	-	156.31
Financial liabilities at amortised cost using EIR	13.96	(5.59)	-	-	8.37
Foreign taxes	27,604.36	(3,296.60)	-	1,591.31	25,899.07
Exchange differences on translating the financial statements of foreign operations (Refer Note 30.4)	-	-	8,726.85	-	8,726.85
Financial liabilities at FVTOCI	-	-	-	-	-
Tax adjustment of unrealised profit	-	-	-	-	-
Dividend distribution tax on undistributed profit (associates)	1,522.54	216.83	-	-	1,739.38
Others	139.15	886.74	-	-	1,025.89
Total Liabilities	**349,523.45**	**30,531.61**	**8,726.85**	**3,937.34**	**392,719.26**
Net Deferred Tax Liabilites	**245,567.46**	**5,071.74**	**8,569.15**	**5,248.39**	**264,456.74**

30.1. The above includes net deferred tax asset of ₹20,029.11 (₹16,571.55 as at March, 2016) and net deferred tax liability of ₹311,020.07 (₹281,028.29 as at March 31, 2016) in respect of various components/entities consolidated as below:

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Net Deferred Tax Liability ONGC	223,232.86	195,811.83	176,783.33
Net Deferred Tax Liability OVL	79,118.66	80,982.74	73,189.22
Net Deferred Tax Liability ONGBV	3,342.00	4,231.92	5,462.67
Net Deferred Tax Liability OVAI	8.03	1.80	-
Net Deferred Tax Liability OVSL	551.89	-	-
Net Deferred Tax Liability MRPL	4,766.63	-	-
Consolidated Net Deferred Tax Liability	**311,020.07**	**281,028.29**	**255,435.22**
Net Deferred Tax Asset ONGBV	12,155.61	7,739.83	5,574.54
Net Deferred Tax Asset OMPL	7,873.50	6,601.45	4,293.22
Net Deferred Tax Asset MRPL	-	2,230.27	-
Consolidated Net Deferred Tax Asset	**20,029.11**	**16,571.55**	**9,867.76**

30.2. Deferred tax assets are recongnised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses can be utilized. Accordingly, the group has not recognized deferred tax assets in respect of deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses of ₹Nil (previous year ₹Nil) as it is not probable that taxable profits will be available in future.

30.3. The group has not recognized deferred tax liabilities with respect to unremitted retained earnings and associated foreign currency translation reserves with respect to its subsidiaries and joint ventures where the group is in position to control the timings of the distribution of the profits and it is probable that the subsidiaries and joint ventures will not distribute profit in the foreseeable future. Also, the group does not recognises deferred tax liabilities on unremitted retained earnings of its subsidiaries and joint ventures wherever it believes that it would avail the tax credit for the dividend distribution tax payable by the subsidiaries on its dividend distribution. Taxable temporary differences associated with respect to unremitted earnings and associated foreign currency reserve is ₹347,784.49 million (as at March 31, 2016 ₹316,028.13 million, as at April 1, 2015 ₹330,386.77 million). Distribution of the same is expected to attract tax in the range of nil to 30.26% depending on the tax rate applicable as of March 31, 2017 in the jurisdiction in which the respective group entity operates.

Air Injection at Mehsana, Gujarat.

30.4. The group has recognized deferred tax liabilities with respect to unrealized profit of subsidiary and joint venture and unremitted retained earnings of associates where the group is not in position to control the timings of the distribution of the profits. Taxable temporary differences associated with respect to unrealized profit subsidiary and joint venture and unremitted earnings of associates for which deferred tax liability has been created to the extent of ₹(599.70) million [as at March 31, 2016 ₹(5.60) million, as at April 1, 2015 ₹645.32 million].

30.5. In respect of subsidiary OMPL, the company being an SEZ unit is eligible for certain exemptions under Section 10AA of the Income tax Act, 1961. Accordingly, the deferred tax assets on unused tax losses and unused tax credits are recognised to the extent it is probable that future taxable profit will be available considering the following (i) Committed long term off-take arrangement entered with customer for its main product namely Paraxylene (ii) Arrangements with the parent company for sale of other products namely Paraffinic Raffinate, Hydrogen and De Ethanizer Column Bottom Liquid (iii) Revision in pricing terms for procurement of feed stock with the parent company (iv) Arrangements for procurement of Naptha from other oil companies to enhance the capacity utilisation (v) Arrangement with parent company to source the reformate to augment the aromatic feed stock requirement of the aromatic complex (vi) Agreement for Gas transportation with Gas Authority of India Ltd. to source the Natural Gas for fuel requirement.

30.6. Represents exchange difference on account of translation of the consolidated financial statements prepared in subsidiary, OVL's, functional currency "United State Dollars" (USD) to presentation currency (₹). Refer note 3.21 and 5.1 (a).

31. Other Liabilities

(₹ in million)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non Current	Current	Non Current	Current	Non Current	Current
Liability for Statutory Payments	-	18,403.38	-	17,110.40	-	30,807.84
Advance from Customers	-	779.61	-	689.71	-	845.31
Deferred government grant (Refer Note 31.1 & 31.2)	7,624.30	-	8.00	-	10.49	-
Deferred Credit on Gas Sales (Refer Note 31.4)	-	723.56	-	68.25	-	36.63
Other Liabilities (Refer Note 31.3)	228.90	4,008.76	224.66	3,375.35	635.25	6,760.30
Total	**7,853.20**	**23,915.31**	**232.66**	**21,243.71**	**645.74**	**38,450.08**

31.1. Includes ₹ 7,615.73 million in respect of Tapti A series assets, facilities and inventory which were a part of the assets of PMT Joint Operation and surrendered by the JV to the Government of India as per the terms and conditions of the JV Agreement.During the year these assets, facilities and inventory have been transferred by Government of India to the company free of cost as its nominee.The company has assessed the fair value of the said assets & facilities at ₹ 7,156.89 million based on the valuation report by a third party agency, which has been accounted as Capital work in progress with a corresponding liability as Deferred Government Grant.Inventory valuing ₹458.84 million has been accounted with a corresponding liability as Deferred Government Grant.

31.2. Includes ₹ 8.57 million on account of reimbursement of capital expenditure of research & development.

31.3. In respect of subsidiary MRPL, amount of ₹27.39 million (₹16.11 million as at March 31, 2016; ₹6.65 million as at April 1, 2015) shown is net amount receivable /payable from/to gratuity trust.

31.4. In respect of subsidiary OVL, deferred credit on gas sales represents amounts received from gas customers against "Take or Pay" obligations under relevant gas sales agreements. The amounts are to be utilized to supply the gas in subsequent year(s) free of charge to such customers.

32. Trade payables

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Payable	143,386.25	297,780.26	272,466.90

32.1 Trade payables -Total outstanding dues of Micro & Small enterprises*

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) the principal amount due thereon remaining unpaid to any supplier at the end year	199.91	46.74	85.20
b) the interest due thereon remaining unpaid to any supplier at the end of year.	-	-	-
c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-	-

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
d) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
e) the amount of interest accrued and remaining unpaid at the end of year; and	-	-	-
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-

**Based on the confirmation from Vendors.*

32.2 Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period is 21 to 30 days.

32.3 In respect of subsidiary MRPL, The average credit period on purchases of crude, stores and spares, other raw material, services, etc.ranges from 7 to 90 days.Thereafter, interest is charged upto 6.75% p.a.over the relevant bank rate as per respective arrangements on the outstanding balances.The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

33. Tax liabilities (net)

Non Current tax assets and liabilities

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non current tax assets			
Tax paid	467,493.44	372,729.73	303,712.16
Non current tax liabilities			
Income tax payable	370,314.57	289,115.00	228,912.06
Total (net)	**97,178.87**	**83,614.73**	**74,800.10**

Current tax assets and liabilities

Current tax assets

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	2.74	-
Others	-	-	13.18
	-	**2.74**	**13.18**
Current tax liabilities			-
Income tax payable	-	0.17	0.17
Others	-	-	-

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	-	0.17	0.17
Total (net)	**-**	**2.57**	**13.01**

Current tax liabilities

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax liabilities			
Income tax payable	95,962.13	82,164.74	92,819.39
Less:			
Current tax assets			
Tax refund receivable	86,698.76	71,719.01	81,679.59
Total (net)	**9,263.37**	**10,445.73**	**11,139.80**

34. Revenue from Operations

The following is an analysis of the Group's revenue from operations for the year:

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A.Sale of products (Refer Note 34.1)		
Own Products (including excise duty)	**1,435,430.73**	**1,364,937.94**
Less: Transfer to Wells in progress (includes levies)	359.12	182.82
Less: Government of India's (GoI's) share in Profit Petroleum	20,393.22	16,677.04
Total	**1,414,678.39**	**1,348,078.08**
Traded Products	**30.75**	**84.11**
B.Other Operating Revenue		
Contractual Short Lifted Gas Receipts	510.87	408.00
Pipeline Transportation Receipts	2,406.43	2,764.34
North-East Gas Subsidy (Refer Note 34.3)	1,897.46	2,901.56
Surplus from Gas Pool Account (Refer Note 34.4)	-	509.14
Production Bonus	60.34	117.33
Sale of Electricity	700.02	651.73
Processing Charges	1,087.61	994.84
Other Receipts	117.70	133.01
Total	**6,780.43**	**8,479.95**
Total revenue from operations	**1,421,489.57**	**1,356,642.14**

34.1. No discount was given by the Group to the Oil Marketing Companies during the year (previous year ₹ 10,961.20 million).

34.2. Revenue from nominated crude (except North East crude) is accounted for in terms of Crude Oil Sales Agreements (COSAs) signed and made effective from April 1, 2010. For Crude Oil produced in Assam, sales revenue is based on the pricing formula provided by MoP&NG.

34.3. Sales revenue of Natural Gas is based on domestic gas price of US$ 3.06 /mmbtu and US$ 2.50 /mmbtu (on GCV basis) notified by

GoI for the period April 1, 2016 to September 30, 2016 and October 1, 2016 to March 31, 2017 respectively in terms of "New Domestic Natural Gas Pricing Guidelines, 2014".For gas consumers in North-East, consumer price is 60% of the domestic gas price and the difference between domestic gas price and consumer price is paid to the company through GoI Budget and classified as 'North-East Gas Subsidy'.

34.4. The Group is supplying majority of Natural gas to GAIL (India) Limited 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 India Limited in accordance with their contribution. Based on the details received from GAIL (India) Limited, the said amount has been classified as 'Surplus from Gas Pool Account'.

35. Other Income

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest on:		
Deposits with Banks/Public Sector Undertakings	12,415.84	17,095.14
Loans to Employees	137.91	10.31
Income Tax Refund	3,903.26	4,218.39
Delayed Payment from Customers and Others	1,208.01	1,037.88
Financial assets measured at amortized cost		
Other Investments	165.79	165.79
Loans to Associates	0.45	22.20
Site Restoration Fund Deposit	9,614.72	9,366.54
Employee Loan	1,101.75	1,099.98
Others	128.66	48.80
Total	**28,676.39**	**33,065.03**
Dividend Income from:		
Other Investments	17,250.82	10,243.28
Total	**17,250.82**	**10,243.28**
Other Non-Operating Income		
Impairment written back*	22,362.50	18,062.15
Liabilities no longer required written back	1,731.60	7,327.39
Exchange Gain	-	1,071.62
Contractual Receipts	763.25	538.67
Profit on sale of investments	2.94	1,068.28
Profit on sale of Non-Current Asset	124.07	2.02
Amortization of financial guarantee obligation	-	-
Fair valuation of financial instruments	8.59	15.25
Miscellaneous Receipts	8,232.36	10,054.30
Total	**33,225.31**	**38,139.68**
Total other income	**79,152.52**	**81,447.99**

**Includes impairment reversed amounting to Nil (previous year ₹15,482.32 million) as per note no.11.1.*

36. Changes in inventories of finished goods, stock in trade and work in progress

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Closing Stock- Finished Goods and Stock in Process	29,607.43	25,023.35
Opening Stock- Finished Goods and Stock in Process	25,023.35	32,521.85
Effect of exchange difference	33.71	61.73
(Increase)/Decrease in Inventories	**(4,550.37)**	**7,560.23**

37. Production, Transportation, Selling and Distribution Expenditure

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Royalty	125,241.73	99,152.32
Cess	89,044.63	101,916.31
Natural calamity contingent duty	1,128.79	1,136.50
Excise duty	163,643.49	115,900.62
Service tax	365.78	384.44
Octroi and port trust charges	353.94	332.55
Staff expenditure	29,945.07	23,156.12
Workover operations	20,185.92	27,353.19
Water Injection, Desalting and Demulsification	11,885.10	15,060.92
Consumption of raw materials & stores and spares	334,314.80	327,391.56
Pollution control	2,566.43	2,491.73
Transport expenses	6,616.54	6,084.96
Insurance	1,480.17	1,878.98
Power and Fuel	7,832.46	8,999.00
Leasehold rent	2,935.11	2,796.93
Repairs and maintenance	23,250.77	18,418.45
Contractual payments including Hire charges etc.	26,812.08	24,686.70
Other production expenditure	23,482.82	22,727.10
Transportation and Freight of Products	17,191.69	18,945.49
Research and development	5,918.62	5,397.37
General administrative expenses	41,587.08	35,486.09
CSR expenditure (Refer Note 37.3)	5,203.79	4,233.39
Exchange (gain)/loss	(399.90)	1,032.95
Gain on foreign exchange forward contract	662.61	11,757.76
Decrease/(increase) due to overlift/underlift quantity	9.43	(679.16)
Miscellaneous expenses (Refer Note 37.4)	9,726.83	12,390.61
Loss on sale of property, plant & equipments	57.02	3.86
Loss on fair valuation of financial instruments	1,079.77	834.47
Total Production, Transportation, Selling and Distribution Expenditure	**952,122.57**	**889,271.21**

37.1. Details of Nature wise Expenditure

(₹ in million)

Particular	Year ended March 31, 2017	Year ended March 31, 2016
Manpower Cost (Note 37.2)		
(a) Salaries, Wages, Ex-gratia etc.	79,391.40	69,083.16
(b) Contribution to Provident and other funds	10,558.74	10,292.76
(c) Provision for gratuity	9,923.27	58.49
(d) Provision for Leave (Including Compensatory Absence)	9,235.71	4,082.33
(e) Post Retirement Medical & Terminal Benefits	9,222.77	3,401.58
(f) Staff welfare expenses	3,134.28	5,383.34
Sub Total:	**121,466.17**	**92,301.66**
Consumption of Raw materials, Stores and Spares	378,391.03	366,669.30
Cess	89,044.63	101,916.31
National Calamity Contingent Duty	1,128.79	1,136.50
Excise Duty	163,643.49	115,900.62
Royalty (Note 52.1.2)	125,241.73	99,152.32
Port Trust Charges	353.94	332.55
Service Tax	365.78	384.44
Rent	4,272.01	3,785.59
Rates and taxes	2,758.17	2,536.04
Hire charges of equipments and vehicles	126,222.33	137,253.34
Power, fuel and water charges	10,704.92	11,823.83
Contractual drilling, logging, workover etc.	44,793.72	43,357.94
Contractual security	6,071.54	5,198.19
Contractual Transportation	5,190.69	4,820.56
Repairs to building	1,064.12	1,043.39
Repairs to plant and equipment	11,297.53	12,187.71
Other repairs	3,672.08	4,311.22
Insurance	2,375.55	3,052.65
Expenditure on Tour / Travel	4,326.64	3,845.70
CSR Expenditure (Note – 37.3)	5,203.79	4,233.39
Exchange (gain) / Loss (Net)	166.22	12,868.09
Loss/ (Gain) on foreign exchange forward contract	96.49	(77.39)
Other Operating expenditure*	18,553.88	19,607.90
Miscellaneous expenditure (Note - 37.5)	20,496.50	17,742.46
	1,146,901.74	**1,065,384.31**
Less:		
Allocated to exploration, development drilling, capital jobs, recoverables etc.	194,779.17	176,113.10
Production, Transportation, Selling and Distribution Expenditure	**952,122.57**	**889,271.21**

**In respect of subsidiary OVL, the other operating expenditure includes the expenses in respect of Sakhalin-1, Russia where the details are not made available by the Operator of the project in above mentioned heads.*

37.2. The Group made a provision for revision in salary w.e.f. January 01, 2017 is considered as per recommendation of "Third Pay Revision Committee Report".

37.3. The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Group during the year: ₹ 5,406.66 million (previous year ₹5,960.36 million)

(b) Amount spent during the year on:

(₹ in million)

Particulars	Year ended March 31, 2017			Year ended March 31, 2016		
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	24.92	-	24.92	19.45	-	19.45
On purpose other than above	4,980.05	198.82	5,178.87	4,017.72	196.22	4,213.94
Total	**5,004.97**	**198.82**	**5,203.79**	**4,037.17**	**196.22**	**4,233.39**

37.4. In respect of subsidiary OVL, the operations of the company are outside India and therefore the eligible Net Profit of the year for the purpose of Corporate Social Responsibility (CSR) under the Companies Act, 2013 shall be "Nil". However, for the year ended March 31, 2017, the company has made a total expenditure of ₹ 40.02 million (for the year ended March 31, 2016 ₹ 89.33 million) towards CSR activities outside India directly or through its joint ventures.

37.5. The Miscellaneous Expenditure in Note 37.1 includes Statutory Auditors Remuneration as under:

(₹ in million)

Payment to Auditors (including service tax)	Year ended March 31, 2017	Year ended March 31, 2016
Audit Fees	37.91	24.71
Certification and Other Services	17.33	11.77
Travelling and Out of Pocket Expenses	23.32	20.29
Total	**78.56**	**56.77**

37.6. The expenditure incurred by various in house R&D institutes on scientific research eligible for deduction under section 35(2AB) of Income Tax Act, 1961 is as under:

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Capital Expenditure	292.33	243.77
Revenue Expenditure	4,124.26	3,875.75

38. Finance Cost

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest on:		
- Borrowings	8,254.89	6,955.38
- Cash credit	2.62	5.87
- Obligations under finance leases	6,083.71	6,047.00

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
- Debentures	9,774.26	8,090.66
Foreign exchange fluctuations related to borrowing cost	(5,627.61)	4,064.29
Unwinding of discount on:		
- Finance lease obligation	66.68	66.67
- Decommissioning provision	13,601.93	14,483.85
- Financial liabilities	21.94	487.65
- Amounts included in the cost of qualifying assets	(3,432.65)	(3,130.59)
Others	788.60	585.05
Total	**29,534.37**	**37,655.83**

In respect of subsidiary OVL, the weighted average capitalization rate on funds borrowed is 2.23% per annum (as at March 31, 2016: 2.56% per annum).

39. Depreciation, Depletion, Amortization and Impairment

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depletion	158,910.07	139,088.70
Depreciation & Amortisation	33,206.30	33,753.56
Less: Allocated to exploratory drilling	(4,110.51)	(2,728.89)
Less: Allocated to development drilling	(3,586.15)	(3,216.13)
Less: Allocated to others	(767.71)	(534.53)
Total	**24,741.93**	**27,274.01**
Amortisation of intagible assets	**387.11**	**317.72**
Impairment Loss		
Provided during the year	5,261.02	626.36
Less: Reversed during the year	(14,945.68)	(3,466.20)
Total	**(9,684.66)**	**(2,839.84)**
Total Depreciation, Depletion, Amortisation and Impairment	**174,354.45**	**163,840.59**

40. Other impairmentand Write Offs

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Impairment for:		
Doubtful debts	1,540.36	3,142.36
Doubtful claims/advances	508.54	2,536.68
Non-moving inventories	200.81	753.63
Others	28.62	1,679.93
	2,278.33	**8,112.60**
Write offs		
Disposal/Condemnation of other PPE	292.07	90.04

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Provision written back	(7.32)	(898.31)
	284.75	**(808.27)**
Inventory	**669.16**	**423.34**
Receivables	**59.37**	**(54.09)**
Claims/advances	61.04	5.28
	61.04	**5.28**
Total Other impairment and write offs	**3,352.65**	**7,678.86**

41. Exceptional items

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Impairment charge relating to property, plant & equipment	(10,062.78)	(79,432.68)
Exchange rate fluctutation	15,972.91	-
Total	**5,910.13**	**(79,432.68)**

41.1. In respect of subsidiary MRPL, exceptional items for the current year of ₹ 15,972.91 millionis on account of exchange rate variation gain arising out of settlement of overdue trade payables to National Iranian Oil Company(NIOC) which got accumulated on account of non finalisation of remittance channel.

41.2. In respect of subsidiary OVL, carried out impairment test as at March 31, 2017 in respect of its Cash Generating Units (CGUs) based on value in use method.The Company identified write back of impairment in respect of two CGUs and impairment in respect of one CGU and recognised net write back of impairment of ₹ 10,062.78 million during the year ended March 31, 2017 (for the year ended March 31, 2016 impairment provision of ₹ 47,166.83 million was recognised in respect of 4 CGUs).

41.3. The Company had provided for net impairment loss of ₹ 32,265.85 million in the previous year, mainly pertaining to on onshore its Cash Generating Units (CGUs) considering the major decrease in crude oil prices in the international market.

42. Tax Expense

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax in relation to:		
Current year	65,291.59	65,428.53
Earlier years	(5,461.59)	(1,719.07)
Total	**59,830.00**	**63,709.46**
Deferred tax		
In respect of the current year	47,087.59	8,143.08
MAT Credit Entitlement	(11,300.32)	(2,345.58)
Total	**35,787.27**	**5,797.50**
Total tax expense	**95,617.27**	**69,506.96**

42.1. The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in million)

Particulars	Year ended 31 March 2017	Year ended March 31, 2016
Profit before tax	310,400.76	200,522.49
Income tax expense calculated at 34.608% (2015-2016: 34.608%)	107,423.50	69,396.82
Less : Exemptions / Deductions		
Dividend	(5,968.14)	(2,385.78)
Deduction u/s 80-IA	(159.09)	(149.05)
Investment Allowance @ 15%	(5,616.55)	(4,710.09)
Add : Effect of expenses that are not deductible in determining taxable profit		
Corresponding Effect of temporary differences on account of current tax of earlier periods	2,638.85	65.83
CSR Expenditure	1,417.74	1,456.99
Expenses not allowed in Income Tax	501.01	5,925.05
Others	64.50	2,362.98
Additional deferred tax for foreign jurisdiction		
Less : Effect of concessions (research and development u/s 35(2AB))	(1,498.64)	(2,042.94)
Less : Incomes Taxed in Different rates(Capital Gain)	(473.62)	(1,035.40)
Less: Effect from profit from associate	(1,165.69)	(462.58)
Less: Effect from profit from joint venture	(2,537.93)	(2,533.55)
Add: Effect of deffered tax on unrealised profits	(1,859.21)	222.44
Add: Effect of deffered tax on undistributed profits	620.45	216.84
Add: Effect of foreign taxes	7,810.80	5,221.93
Effect on deferred tax balances due to the change in income tax rate from 33.99% to 34.608%	-	(45.80)
Effect of recognition of MAT credit of earlier years at 21.3416%	-	(725.73)
Effect of change in deferred tax balance due to true up adjustments	(356.69)	272.93
Effect of deferred tax on unrecognised tax lossess of previous years.	-	(2,518.86)
Effect of exemption under section 10AA of Income Tax Act, 1961.	419.80	703.70
Sub total	**101261.07**	**69,235.74**
Others	(182.20)	1,264.56
	101078.87	**70,500.30**
Adjustments recognised in the current year in relation to the current tax of prior years	(5,461.60)	(993.34)
Income tax expense recognised in profit or loss (relating to continuing operations)	**95,617.27**	**69,506.96**

The tax rate used for the year ended March 31, 2017 and 31 March 31, 2016 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax laws.

42.2. Income tax recognised in other comprehensive income

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Exchange differences in translating the financial statements of foreign operations	(3,715.23)	(8,726.85)
Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss contracts in hedging relationship	(0.46)	(0.01)
Remeasurement of defined benefit obligation	1,615.20	158.40
Total income tax recognised in other comprehensive income	**(2,100.49)**	**(8,568.46)**
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	**1,614.74**	**158.39**
Items that may be reclassified to profit or loss	**(3,715.23)**	**(8,726.85)**

43. Earnings per Equity share

(All amounts are ₹ in millions unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit after tax for the year attributable to equity shareholders	204,978.73	128,752.12
Weighted average number of equity shares (No.in million) (Refer Note 43.1)	12,833.24	12,833.24
Basic & Diluted earnings per equity share (₹)	15.97	10.03
Face Value per equity share (₹)	5	5

43.1. The company has allotted 4,277,745,060 number of fully paid Bonus shares on 18.12.2016 in the ratio of one equity share of ₹ 5each fully paid up for every two existing equity shares of ₹ 5each fully paid up.In accordance with Ind AS 33 'Earnings per Share', basic and diluted earnings per equity share have been adjusted for bonus issue for previous year.

44. Leases

44.1. Finance leases

44.1.1. Leasing arrangements

Leasehold land where lease term is till perpetuity has been classified under finance lease..

Obligations under Finance lease

(₹ in million)

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Not later than one year	66.68	66.68	63.97	63.97
Later than one year and not later than five years	266.72	266.72	217.29	217.29
Later than five years*	795.65	795.65	795.65	795.65
Present value of minimum lease payments*	**795.65**	**795.65**	**795.65**	**795.65**

**Under the lease agreement, the Group is required to pay annual lease rental of ₹66.68 million till perpetuity.The finance lease obligation represents the perpetuity value of annualized lease payment, which is ₹795.65 Million and will remain same till perpetuity.The finance charge will be ₹ 66.68 million on annual basis till perpetuity.*

In respect of subsidiary MRPL, the company has entered into lease agreements for lands which have been classified as finance leases. The ownership of the lands will be transferred to the Company at the end of the lease term with nominal payment of administrative charges. The average lease term ranges from 5 - 44 years. The Company has pledged these leasehold lands for obtaining borrowings (Refer Note 7.3.4).Financial lease obligation as at March 31, 2017 is immaterial (As at March 31, 2016: immaterial; As at April 1, 2015: immaterial).

44.2. Operating lease arrangements

44.2.1. Leasing arrangements

The Company has applied Appendix C to Ind AS 17 'Leases' to hiring / service contracts of rigs, vessels, helicopters, etc. to evaluate whether these contracts contains a lease or not. Based on evaluation of the terms and conditions of the arrangements, the Company has evaluated such arrangements to be operating leases.

Operating leases relate to leases of rigs, vessels, helicopters etc. with lease terms upto 10 years. The Company does not have an option to purchase the leased rigs, vessels, helicopters etc. at the expiry of the lease periods.

In respect of subsidiary MRPL, the company has entered into arrangements for right of way for pipelines and lease of land which have been classified as operating leases. The average lease period for right of way ranges from 11 months to 30 years and for leases of land ranges from 5 to 44 years. In case of leasehold land, the Company does not have option to purchase the land at the end of the lease period. Generally, the lease arrangement for land requires Company to make upfront payments at the time of the execution of the lease arrangement with annual recurring charges with escalations in annual lease rentals.

44.2.2. Payments recognized as an expense

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Minimum lease payments	83,880.77	80,542.92
Total	**83,880.77**	**80,542.92**

44.2.3. Non-cancellable operating lease commitments

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Not later than one year	76,136.99	78,314.88
Later than one year and not later than five years	81,599.37	111,237.47
Later than five years	10,470.91	16,712.69
Total	**168,207.27**	**206,265.05**

45. Employee benefit plans

45.1 Defined Contribution plans:

45.1.1 Provident Fund

The Group pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The obligation of the Group is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligations are as under:

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Obligations at the end of the year	112,743.97	105,506.19
Fair Value of Plan Assets at the end of the year	118,137.79	108,177.32

Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Raising of moneys as may be required for the purposes of the fund by sale, hypothecation or pledge of the investment wholly or partially.

(iii) Fixation of rate of interest to be credited to members' accounts.

45.1.2 Post Retirement Benefit Scheme

The defined contribution pension scheme of the Group for its employees is administered through a separate trust. The obligation of the Group is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance less employer's contribution towards provident fund, gratuity, post-retirement medical Benefit (PRMB) or any other retirement benefits.

The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government, the board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of contribution and interest thereon.

(iii) Purchase of annuities for the members.

45.2 Employee Pension Scheme 1995

The Employee Pension Scheme -1995 is administered by Employees Provident Fund Organization of India, wherein the Group has to contribute 8.33% of salary (subject to maximum of ₹15,000 per month) out of the employer's contribution to Provident Fund.

45.3 Composite Social Security Scheme (CSSS)

The Composite Social Security Scheme is formulated by the Group for the welfare of its regular employees and it is administered through a separate Trust, named as Composite Social Security Scheme Trust. The obligation of the Group is to provide matching contribution to the Trust to the extent of contribution of the regular employees of the Group. The Trust provides an assured lump sum support amount in the event of death or permanent total disablement of an employee while in service. In case of Separation other than Death/Permanent total disability, employees own contribution along with interest is refunded.

The Board of trustees of the Trust functions in accordance with Trust deed, Rule, Scheme and applicable guidelines or directions that may be issued by Management from time to time.

The Board of trustees has the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of interest to be credited to members' accounts.

(iii) To provide cash benefits to the nominees in the event of death of an employee or Permanent Total Disablement leading to the cessation from service and refund of own contribution along with interest in case of separation other than death.

45.4 The amounts recognized in the financial statements before allocation for the defined contribution plans are as under:

(₹ in million)

Defined Contribution Plans	Amount recognized during		Contribution for key management personnel	
	2016-17	2015-16	2016-17	2015-16
Provident Fund	3,993.31	3,902.43	3.01	2.35
Post Retirement Benefit Scheme	5,381.87	5,408.47	3.36	2.96
Employee Pension Scheme-1995 (EPS)	403.12	433.74	0.04	0.07
Composite Social Security Scheme (CSSS)	649.56	635.50	0.19	0.16

45.5 Defined benefit plans

45.5.1 Brief Description: A general description of the type of Employee Benefits Plans is as follows:

45.5.2 All the employee benefit plans of the Company are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

45.5.3 Gratuity

15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 1 million on superannuation, resignation, termination, disablement or on death.

Scheme is funded through own Gratuity Trust. The liability for gratuity as above is recognized on the basis of actuarial valuation.

For the purpose of actuarial valuation and provision there of the maximum limit of gratuity payable w.e.f. January 1, 2017 has been considered at ₹ 2 million in line with the 3rd Pay Revision Committee report submitted to Government of India.

45.5.4 Post-Retirement Medical Benefits

The Group has Post-Retirement Medical benefit (PRMB), under which the retired employees, their spouses and dependent parents are provided medical facilities in the Group hospitals/empanelled hospitals up on payment of one time prescribed contribution by the employees. They can also avail treatment as out-patient. The liability for the same is recognized annually on the basis of actuarial valuation. Full medical benefits on superannuation and on voluntary retirement are available subject to the completion of minimum 20 years of service and 50 years of age.

An employee should have put in a minimum of 15 years of service rendered in continuity in ONGC at the time of superannuation to be eligible for availing post-retirement medical facilities

45.5.5 Terminal Benefits

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

45.5.6 These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees. In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2017 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

45.6 Other long term employee benefits

45.6.1 Brief Description: A general description of the type of Other long term employee benefits is as follows:

45.6.2 All the employee benefit plans of the Group are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

45.6.3 Earned Leave (EL) Benefit

Accrual – 30 days per year

Encashment while in service – 75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days

In case of ONGC and OVL scheme is funded through Life Insurance Corporation of India (LIC).

45.6.4 Good Health Reward (Half pay leave)

Accrual - 20 days per year

Encashment while in service - Nil

Encashment on retirement - 50% of Half Pay Leave balance.

In case of ONGC and OVL scheme is funded through Life Insurance Corporation of India (LIC).

The liability for the same is recognized annually on the basis of actuarial valuation.

45.7 The principal assumptions used for the purposes of the actuarial valuations were as follows.

Assumptions as at March 31, 2017

S.No.	Particulars	As at March 31, 2017	As at March 31, 2016
	Gratuity		
i	Discount rate	7.31%-7.66%	7.95%-8.08%
ii	Expected return on plan assets	7.31%-7.34%	8.00%-8.08%
iii	Annual increase in salary	5.50%-8.00%	5.50%-8.00%
	Leave		
iv	Discount rate	7.31%	8.00%
v	Expected return on plan assets	7.31%	8.00%
vi	Annual increase in salary	6.50%	5.50%
	Post-Retirement Medical Benefits		
vii	Discount rate	7.31%-7.34%	8.00%-8.08%
viii	Expected return on plan assets	NA	NA
ix	Annual increase in costs	6.50%	5.50%
	Terminal Benefits		
x	Discount rate	7.31%-7.34%	8.00%-8.08%
xi	Expected return on plan assets	NA	NA
xii	Annual increase in costs	6.50%	5.50%
xiii	Annual increase in salary	5.50%-6.50%	5.50%

The discount rate is based upon the market yield available on Government bonds at the Accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factors on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

45.8 Amounts recognized in the Consolidated Financial Statements before allocation in respect of these defined benefit plans and other long term employee benefits are as follows:

Gratuity

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service Cost:		
Current service cost	1,197.20	887.60
Past service cost and (gain)/loss from settlements	8,197.68	-
Net interest expense	(109.98)	(69.69)
Increase or decrease due to adjustment in opening corpus consequent to audit	(68.22)	(325.81)
Components of defined benefit costs recognised in Employee Benefit expenses	**9,216.69**	**492.10**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	1,365.34	(18.96)
Actuarial (gains) / losses arising from experience adjustments	(358.61)	(1,401.45)
Return on Plan Assets excluding amount included in net interest cost	(165.70)	142.19
Components of Remeasurement	**841.04**	**(1,278.22)**
Total	**10,057.73**	**(786.12)**

Leave

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service Cost:		
Current service cost	1,412.29	1056.99
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	324.06	350.05
Increase or decrease due to adjustment in opening corpus consequent to audit	101.36	(5.28)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	2,606.05	(14.05)
Actuarial (gains) / losses arising from experience adjustments	5,015.58	2,895.12
Return on plan assets (excluding amounts included in net interest expense)	(297.19)	(333.45)
Components of defined benefit costs recognised in Employee Benefit expenses	**9,162.14**	**3,949.39**

The Provision of employee benefits liability in respect of subsidiary MRPL pertaining to Leave Encashment for FY 2016-17 is ₹ 207.70 million (previous year ₹65.09 million).

Post retirement medical benefits:

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service cost:		
Current service cost	554.25	397.19
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	2,438.02	2,347.50
Components of defined benefit costs recognised in Employee Benefit expenses	**2,992.28**	**2,744.69**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	NA	NA
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	4,925.43	(13.09)
Actuarial (gains) / losses arising from experience adjustments	1,222.73	1,944.10
Adjustments for restrictions on the defined benefit asset	-	-
Components of Remeasurement	**6,148.17**	**1,931.01**
Total	**9,140.44**	**4,675.69**

Terminal Benefits

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Service cost:		
Current service cost	23.11	21.62
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	41.12	42.00
Components of defined benefit costs recognised in Employee Benefit expenses	**64.23**	**63.62**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	42.24	(5.32)
Actuarial (gains) / losses arising from experience adjustments	(56.55)	(3.83)
Adjustments for restrictions on the defined benefit asset	-	-
Components of Remeasurement	**(14.32)**	**(9.15)**
Total	**49.92**	**54.47**

The Components of Remeasurement of the net defined benefit liability recognized in other comprehensive income is ₹ 4,666.91 million(previous Year ₹466.65million).

45.9 Movements in the present value of the defined benefit obligation and other long term employee benefits are as follows:

Gratuity

(₹ in million)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening defined benefit obligation	20,785.65	21,227.51
Current service cost	1,197.20	887.60
Interest cost	1,663.29	1,804.30
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	1,366.61	(12.86)
Actuarial gains and losses arising from experience adjustments	(359.88)	(1,407.56)
Past service cost, including losses/(gains) on curtailments	8,197.68	-
Benefits paid	(1,986.31)	(1,713.34)
Closing defined benefit obligation	**30,864.26**	**20,785.65**
Current obligation	**30,864.26**	**20,785.65**
Non-Current obligation	-	-

Leave

(₹ in million)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening defined benefit obligation	22,080.25	20,099.65
Current service cost	1,412.29	1,057.00
Interest cost	**1,766.42**	**1,708.47**
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	2,606.05	(14.05)
Actuarial gains and losses arising from experience adjustments	5,015.58	2,895.13
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(4,204.54)	(3,665.95)
Closing defined benefit obligation	**28,676.05**	**22,080.25**
Current obligation	**28,676.05**	**22,080.25**
Non-Current obligation	-	-

The employee benefits liability in respect Leave Encashment pertaining to MRPL Ltd. as on 31.03.2017 is ₹ 608.70 million (previous year ₹ 400.37 million).

Post-Retirement Medical Benefits

(₹ in million)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2017
Opening defined benefit obligation	30,474.73	27,617.69
Current service cost	554.25	397.19
Interest cost	2,438.02	2,347.50
Remeasurement (gains)/losses:		

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2017
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	4,925.43	(13.10)
Actuarial gains and losses arising from experience adjustments	1,222.73	1,944.10
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(2,159.77)	(1,818.65)
Closing defined benefit obligation	**37,455.40**	**30,474.73**
Current obligation	**1,555.38**	**1,433.59**
Non-Current obligation	**35,900.03**	**29,041.14**

Terminal Benefits

(₹ in million)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Opening defined benefit obligation	513.92	494.01
Current service cost	23.11	21.63
Interest cost	41.12	41.99
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	42.24	(5.32)
Actuarial gains and losses arising from experience adjustments	(56.55)	(3.83)
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	(58.38)	(34.56)
Closing defined benefit obligation	**505.46**	**513.92**
Current obligation	**64.07**	**62.17**
Non-Current obligation	**441.39**	**451.75**

45.10 The amount included in the Consolidated Balance sheet arising from the entity's obligation in respect of its defined benefit plan and other long term employee benefits is as follows :

Gratuity

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of funded defined benefit obligation	30,864.26	20,785.65
Fair value of plan assets	22,140.46	22,092.32
Funded status	(8,723.80)	1,306.76
Restrictions on asset recognised	NA	NA
Net liability arising from defined benefit obligation	8,723.80	(1,306.76)

The amounts included in the fair value of plan assets of gratuity fund in respect of Reporting Enterprise's own financial instruments and any property occupied by, or other assets used by the reporting enterprise are Nil (as at March 31, 2016 Nil)

Leave

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of funded defined benefit obligation	28,676.05	22,080.25
Fair value of plan assets	19,513.91	18,130.86
Funded status	(9,162.14)	(3,949.39)
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**9,162.14**	**3,949.39**

Post-Retirement Medical Benefits

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of unfunded defined benefit obligation	37,455.40	30,474.73
Fair value of plan assets	NA	NA
Net liability arising from defined benefit obligation	**37,455.40**	**30,474.73**

Terminal Benefits

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of unfunded defined benefit obligation	505.46	513.92
Fair value of plan assets	-	-
Net liability arising from defined benefit obligation	**505.46**	**513.92**

45.11 Movements in the fair value of the plan assets are as follows :

Gratuity

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening fair value of plan assets	22,092.32	21,721.19
Adjustment in opening corpus consequent to audit	68.22	325.81
Expected return on plan assets	1,773.27	1,874.00
Remeasurement gain (loss):		
Excess Return on plan assets (excluding amounts included in net interest expense)	165.70	(142.19)
Contributions from the employer	27.26	24.98
Benefits paid	(1,986.30)	(1,711.47)
Closing fair value of plan assets	**22,140.47**	**22,092.32**

Expected Contribution in respect of Gratuity for next year will be ₹ 1,999.38 million (₹766.53 million for the year ended March 31, 2016)

The Group has recognized a gratuity liability of ₹ 78.78 million as on March 31, 2017 (₹ 82.30 million as at March 31, 2016; ₹ 78.72 million as at April 1, 2015) as per actuarial valuation for 228 (415 as at March 31, 2016; 558 as at April 1, 2015) contingent Employees engaged in different work centres.

Leave

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening fair value of plan assets	18,130.86	15,977.45
Adjustment in opening corpus consequent to audit	(101.35)	3.99
Expected return on plan assets	1,442.36	1,358.42
Remeasurement gain (loss):		
Excess Return on plan assets (excluding amounts included in net interest expense)	297.19	333.45
Contributions from the employer	3,949.39	4,123.49
Benefits paid	(4,204.54)	(3,665.94)
Closing fair value of plan assets	**19,513.91**	**18,130.86**

45.12 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Gratuity:		
Cash and cash equivalents	3.03	1.26
Investments in Mutual Fund:		
- Mutual Fund	19.25	17.95
Debt investments categorized by issuers' credit rating:		
AAA	2,833.25	2,939.41
AA+	192.08	195.89
AA	6.02	10.36
AA-	1.00	4.98
A+	5.98	0.98
A-	11.00	11.00
Group Gratuity Cash Accumulation Scheme (Traditional Fund)		
Life Insurance Corporation	13,626.72	11,695.06
SBI Life	1,812.88	1,670.09
Bajaj Allianz	79.48	62.97
HDFC Standard Life Insurance Co.	79.41	62.91
Birla Sunlife Insurance Co.	20.42	8.91
India First Life Insurance Co.	20.42	8.91
Unit Linked Plan of Insurance Company	1,200.00	1,200.00
Investment in Govt. Securities	151.35	958.25
Bank TDR	1,422.33	2,120.48
Treasury Bills	-	-
Net Current Assets	655.85	1,122.91
Total Gratuity	**22,140.47**	**22,092.32**
Leave:		
100% managed by insurer (LIC Trust)	19,513.91	18,130.86
Total	**41,654.38**	**39,688.74**

45.12.1 The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

45.12.2 Cost of Investment is taken as fair value of Investment in Unit Linked Plan of Insurance Company (ULIPs) and Bank TDR.

45.12.3 All Investments in PSU Bonds, G Sec and T Bill are quoted in active market.

45.12.4 Fair value of Investment in Group Gratuity Cash Accumulation Scheme (Traditional Fund) of Insurance Company is taken as book value on reporting date.

45.12.5 Net Current Assets represent Accrued Interest on Investments minus outstanding gratuity reimbursements as on reporting date.

45.12.6 The actual return on plan assets of gratuity during FY 2016-17 was ₹ 1,931.44 million (during FY 2015-16 ₹ 1,729.89 million) and for Leave ₹ 1,739.55million (during FY 2015-16 ₹ 1,691.87 million).

45.13 Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

45.13.1 Sensitivity Analysis as on March 31, 2017

For ONGC and OVL:

(₹ in million)

Significant actuarial assumptions	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
Discount Rate				
- Impact due to increase of 50 basis points	(722.19)	(836.73)	(2,654.51)	(13.90)
- Impact due to decrease of 50 basis points	763.69	869.97	2,221.64	14.79
Salary increase				
- Impact due to increase of 50 basis points	176.91	872.57	-	-
- Impact due to decrease of 50 basis points	(183.70)	(826.51)	-	-
Cost increase				
- Impact due to increase of 50 basis points	-	-	2,238.82	13.83
- Impact due to decrease of 50 basis points	-	-	(2,647.25)	(14.71)

For MRPL:

(₹ in million)

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Terminal Benefits
Rate of discounting			
- Impact due to increase of 50 basis points	(36.75)	(4.95)	(0.79)
- Impact due to decrease of 50 basis points	39.88	5.53	0.88
Rate of salary increase			
- Impact due to increase of 50 basis points	40.41	-	-
- Impact due to decrease of 50 basis points	(37.53)	-	-
Rate of Employee turnover			
- Impact due to increase of 50 basis points	6.72	(2.15)	0.18
- Impact due to decrease of 50 basis points	(7.17)	1.85	(0.19)

For OMPL:

(₹ in million)

Significant actuarial assumptions	Gratuity
Discount Rate	
- Impact due to increase of 50 basis points	(2.14)
- Impact due to decrease of 50 basis points	2.40
Salary increase	
- Impact due to increase of 50 basis points	1.94
- Impact due to decrease of 50 basis points	(1.96)
Employee turnover	
- Impact due to increase of 50 basis points	(0.17)
- Impact due to decrease of 50 basis points	0.18

45.13.2 Sensitivity Analysis as on March 31, 2016

For ONGC and OVL

(₹ in million)

Significant actuarial assumptions	Gratuity	Leave	Post-Retirement Medical Benefits	Terminal Benefits
Discount Rate				
- Impact due to increase of 50 basis points	(555.57)	(579.39)	(2,060.56)	(13.21)
- Impact due to decrease of 50 basis points	586.56	611.94	2,893.40	13.94
Salary increase				
- Impact due to increase of 50 basis points	597.94	623.82	-	-
- Impact due to decrease of 50 basis points	(571.01)	(595.49)	-	-
Cost increase				
- Impact due to increase of 50 basis points	-	-	2,877.63	13.79
- Impact due to decrease of 50 basis points	-	-	(2,084.04)	(13.29)

For MRPL

(₹ in million)

Significant actuarial assumptions	Gratuity	Post-Retirement Medical Benefits	Other Retirement Benefits
Rate of discounting			
- Impact due to increase of 50 basis points	(28.55)	(3.89)	(0.65)
- Impact due to decrease of 50 basis points	30.94	4.34	0.72
Rate of salary increase			
- Impact due to increase of 50 basis points	31.57	-	-
- Impact due to decrease of 50 basis points	(29.35)	-	-
Rate of Employee turnover			
- Impact due to increase of 50 basis points	7.72	(1.59)	0.22
- Impact due to decrease of 50 basis points	(8.21)	1.29	(0.23)

For OMPL:

(₹ in million)

Significant actuarial assumptions	Gratuity
Discount Rate	
- Impact due to increase of 50 basis points	(1.26)
- Impact due to decrease of 50 basis points	1.41
Salary increase	
- Impact due to increase of 50 basis points	1.30
- Impact due to decrease of 50 basis points	(1.21)
Employee turnover	
- Impact due to increase of 50 basis points	(0.15)
- Impact due to decrease of 50 basis points	0.15

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality and withdrawals are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

45.14 Maturity Profile of Defined Benefit Obligation and other long term employee benefits:

For ONGC and OVL:

(₹ in million)

Defined Benefit:	As at March 31, 2017	As at March 31, 2016
Gratuity:		
Less than One Year	4,719.88	2,305.77
One to Three Years	2,947.15	3,030.82
Three to Five Years	2,504.85	4,119.83
More than Five Years	19,961.48	10749.73
Leave:		
Less than One Year	3,777.26	2,792.81
One to Three Years	5,717.78	5,604.37
Three to Five Years	6,450.95	4,770.14
More than Five Years	12,730.06	8,912.93

For MRPL

(₹ in million)

Defined Benefit	As at March 31, 2017	As at March 31, 2016
Gratuity		
Less than one year	31.21	26.03
One to Three years	63.81	56.87
Three to Five years	75.14	65.67
More than Five years	239.24	198.48

Defined Benefit	As at March 31, 2017	As at March 31, 2016
Post-Retirement Medical Benefits		
Less than one year	1.97	1.67
One to Three years	4.49	3.78
Three to Five years	5.24	4.51
More than Five years	17.47	15.30
Resettlement Allowance		
Less than one year	0.32	0.39
One to Three years	0.77	0.75
Three to Five years	0.75	0.74
More than Five years	2.00	1.67

46. Segment Reporting

46.1 The Group has identified and reported segment staking into account the different risks and returns, the organization structure and the internal reporting systems. These have been oragnised into the following geographical and business segments:

Geographical Segments

A. In India –

- Offshore
- Onshore

B. **Outside India**

Business Segments

A. **Exploration and Production**

B. **Refining**

46.2 Segment revenue, results, assets and liabilities

46.2.1 The following is an analysis of the Group's revenue,results, assets and liabilities from continuing operations by reportable segment.

(₹in million)

Particulars	2016-17						
	In India			Outside India	Unallocated	Elimination of Inter Segment Sales	Grand Total
	E&P		Refining	E&P			
	Offshore	Onshore					
Segment Revenue							
External Sales	501,197.63	223,148.73	596,343.42	100,799.79	-	-	**1,421,489.57**
Inter Segment Sales	42,616.80	10,385.04	5,277.08	-		(58,278.93)	-
Revenue from Operations	**543,814.43**	**233,533.76**	**601,620.50**	**100,799.79**	-	**(58,278.93)**	**1,421,489.57**
Segment Result-Profit/ (loss)	**236,476.31**	**6,176.91**	**55,398.49**	**7,426.08**			**305,477.79**
Unallocated Corporate Expenses					22,171.52		**22,171.52**
Total	**236,476.31**	**6,176.91**	**55,398.50**	**7,426.08**	**(22,171.52)**		**283,306.28**
Finance costs					29,534.37		**29,534.37**
Interest income					28,676.39		**28,676.39**
Dividend Income					17,250.82		**17,250.82**
Share of profit / (loss) of joint ventures and associates			46.75	14,900.04	(4,245.15)		**10,701.64**
Profit before tax	**236,476.31**	**6,176.91**	**55,445.25**	**22,326.12**	**(10,023.83)**		**310,400.76**
Income taxes					95,617.27		**95,617.27**
Profit for the year							**214,783.49**
Segment Assets	**1,079,063.48**	**495,474.29**	**329,710.21**	**1,100,173.15**			**3,004,421.13**

Particulars	2016-17						
	In India			Outside India	Unallocated	Elimination of Inter Segment Sales	Grand Total
	E&P		Refining	E&P			
	Offshore	Onshore					
Unallocated Corporate Assets					697,635.11		**697,635.11**
Total Assets	**1,079,063.48**	**495,474.29**	**329,710.21**	**1,100,173.15**	**697,635.11**		**3,702,056.24**
Segment Liabilities	250,732.06	94,019.78	205,602.83	628,164.67			1,178,519.34
Unallocated Corporate Liabilities					270,399.06		**270,399.06**
Total Liabilities	**250,732.06**	**94,019.78**	**205,602.83**	**628,164.67**	**270,399.06**		**1,448,918.40**
Other Information							
Depreciation*	101,812.60	28,821.29	9,554.23	42,904.84	946.15		**184,039.11**
Impairment (including related exceptional loss)**	3,338.96	(13,023.62)	-	10,062.78	-		**378.12**
Other Non-cash Expenses	774.29	791.45	362.17	1,398.29	26.45		**3,352.65**

(₹in million)

Particulars	2015-16						
	In India			Outside India E&P	Unallocated	Elimination of Inter Segment Sales	Grand Total
	E&P		Refining				
	Offshore	Onshore					
Segment Revenue							
External Sales	537,807.43	212,472.87	507,691.53	98,670.31	-	-	**1,356,642.14**
Inter Segment Sales	22,774.28	3,138.78	3,155.93	-		(29,068.99)	-
Revenue from Operations	**560,581.71**	**215,611.65**	**510,847.46**	**98,670.31**	-	**(29,068.99)**	**1,356,642.14**
Segment Result- Profit/ (loss)	**247,480.40**	**(17,275.77)**	**6,411.87**	**(34,533.63)**			**202,082.88**
Unallocated Corporate Expenses					15,870.20		**15,870.20**
Total	**247,480.40**	**(17,275.77)**	**6,411.87**	**(34,533.62)**	**(15,870.20)**		**186,212.69**
Finance costs					37,655.83		**37,655.83**
Interest income					33,065.03		**33,065.03**
Dividend Income					10,243.28		**10,243.28**
Share of profit / (loss) of joint ventures and associates			19.94	7,684.49	952.89		**8,657.32**
Profit before tax	**247,480.40**	**(17,275.77)**	**6,431.81**	**(26,849.13)**	**(9,264.83)**		**200,522.49**
Income taxes					69,506.96		**69,506.96**
Profit for the year							**131,015.53**
Segment Assets	**978,250.13**	**475,972.73**	**437,983.27**	**977,087.15**			**2,869,293.28**
Unallocated Corporate Assets					556,563.00		**556,563.00**
Total Assets	**978,250.13**	**475,972.73**	**437,983.27**	**977,087.15**	**556,563.00**		**3,425,856.28**
Segment Liabilities	238,013.96	82,318.93	340,000.30	520,851.64			1,181,184.83
Unallocated Corporate Liabilities					240,016.94		**240,016.94**
Total Liabilities	**238,013.96**	**82,318.93**	**340,000.30**	**520,851.64**	**240,016.94**		**1,421,201.77**

Particulars	2015-16						
	In India			Outside India E&P	Unallocated	Elimination of Inter Segment Sales	Grand Total
	E&P		Refining				
	Offshore	Onshore					
Other Information							
Depreciation*	89,083.98	24,055.39	9,864.84	42,976.51	699.70		**166,680.42**
Impairment (including related exceptional loss)**	(2,716.93)	32,142.95	-	47,166.83	-		**76,592.85**
Other Non-cash Expenses	2,760.04	1,170.33	379.19	3,361.22	8.09		**7,678.87**

** Also Includes depletion and amortization*

***Includes ₹410.71 million and ₹31,835.15 million in case of offshore and onshore respectively shown in the exceptional items in the year ended March, 31 2016.Similarly, in respect of subsidiary OVL, impairment loss includes ₹10,062.78 million(for the year ended March 31, 2016 ₹ 47,166.83 million) shown as exceptional items.(Refer note 41).*

46.2.2 Segment revenue reported above represents revenue generated from external customers.

46.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment result represents the profit before tax earned by each segment excluding finance cost and other income like interest/dividend income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

46.2.4 Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis. Unallocated expenditure includes common expenditure incurred for all the segments and expenses incurred at the corporate level. Finance cost includes unwinding of discount on decommissioning liabilities not allocated to segment.

46.3 **Additions to non- current assets**

46.3.1 In respect of the Company, the addition to Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets

(₹in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Offshore	81,212.69	81,289.93
Onshore	33,793.11	(5,523.01)
Unallocated	769.56	(3,906.15)
Total	**115,775.36**	**71,860.77**

46.3.2 In respect of the subsidiaries, OVL and MRPL, the addition to Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets

(₹in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
OVL	72,277.29	84,129.89
MRPL	(5,695.20)	(358.95)

46.4 Information about major customers

Group's significant revenues are derived from sales to Oil Marketing Companies and International Oil Companies (IOCs).

No other single customer contributed 10% or more to the Group's revenue for the year 2016-17 and 2015-16.

46.5 Information about geographical areas:

- The Group is domiciled in India. The amount of its revenue from external customers broken down by location of customers is tabulated below:

(₹ in million)

Revenues from external customers	Year ended March 31, 2017	Year ended March 31, 2016
India	1,148,082.65	1,099,110.14
Other Countries	266,626.49	249,052.05
Total	**1,414,709.14**	**1,348,162.19**

- The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets are shown below:

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
India	1,627,317.54	1,516,788.62
Other Countries	710,633.22	741,881.68
Total	**2,337,950.76**	**2,258,670.30**

46.6 Information about products and services:

The Group derives revenue from sale of crude oil, natural gas, value added products and downstream (Refinery and Petrochemicals) operations.

47. Subsidiaries

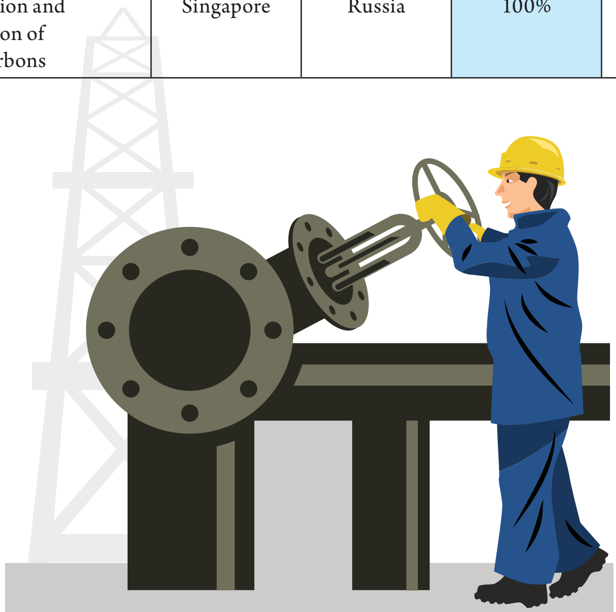
Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation	Place of operation	Proportion of ownership interest and voting power held by the Group		
				As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ONGC Vidhesh Limited	Exploration and Production activities	India	All operation outside India	100.00%	100.00%	100.00%
Mangalore Refinery and Petrochemicals Limited	Refinery	India	India	71.63%	71.63%	71.63%
ONGC Mangalore Petrochemicals Limited (OMPL) (refer note 47.1)	Petro Chemicals	India	India	85.53%	85.53%	85.53%
ONGC Nile Ganga B.V.	Exploration and production of hydrocarbons	The Netherlands	Sudan, South Sudan, Syria, Myanmar, Brazil, Venezuela	100% for A&B and 77.491% for Class C	100% for A & B and 77.491% for Class C	100% for A&B and 77.491% for Class C

Name of subsidiary	Principal activity	Place of incorporation	Place of operation	Proportion of ownership interest and voting power held by the Group		
				As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ONGC Campos Ltda.	Exploration and production of hydrocarbons	Brazil	Brazil	100%	100%	100%
ONGC Nile Ganga (Cyprus) Limited *	Exploration and production of hydrocarbons	Cyprus	Syria	100%	100%	100%
ONGC Nile Ganga (San Cristobal) B.V.	Exploration and production of hydrocarbons	The Netherlands	Venezuela	100%	100%	100%
ONGC Caspian E&P B.V.	Exploration and production of hydrocarbons	The Netherlands	Myanmar	100%	100%	100%
ONGC Amazon Alaknanda Limited	Exploration and production of hydrocarbons	Bermuda	Colombia	100%	100%	100%
ONGC Narmada Limited	Exploration and production of hydrocarbons	Nigeria	Nigeria	100%	100%	100%
ONGC (BTC) Limited	Exploration and production of hydrocarbons	Cayman Islands	Azerbaijan	100%	100%	100%
Carabobo One AB	Exploration and production of hydrocarbons	Sweden	Venezuela	100%	100%	100%
Petro Carabobo Ganga B.V.	Exploration and production of hydrocarbons	The Netherlands	Venezuela	100%	100%	100%
Imperial Energy Limited	Exploration and production of hydrocarbons	Cyprus	Russia	100%	100%	100%
Imperial Energy Tomsk Limited	Exploration and production of hydrocarbons	Cyprus	Russia	100%	100%	100%
Imperial Energy (Cyprus) Limited	Exploration and production of hydrocarbons	Cyprus	Russia	100%	100%	100%
Imperial Energy Nord Limited	Exploration and production of hydrocarbons	Cyprus	Russia	100%	100%	100%
Biancus Holdings Limited	Exploration and production of hydrocarbons	Cyprus	Russia	100%	100%	100%
Redcliffe Holdings Limited	Exploration and production of hydrocarbons	Cyprus	Russia	100%	100%	100%
Imperial Frac Services (Cyprus) Limited	Exploration and production of hydrocarbons	Cyprus	Russia	100%	100%	100%

Name of subsidiary	Principal activity	Place of in-corporation	Place of operation	Proportion of ownership interest and voting power held by the Group		
				As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
San Agio Investments Limited	Exploration and production of hydrocarbons	Cyprus	Russia	100%	100%	100%
LLC Sibinterneft	Exploration and production of hydrocarbons	Russia	Russia	55.90%	55.90%	55.90%
LLC Allianceneftegaz	Exploration and production of hydrocarbons	Russia	Russia	100%	100%	100%
LLC Nord Imperial	Exploration and production of hydrocarbons	Russia	Russia	100%	100%	100%
LLC Rus Imperial Group	Exploration and production of hydrocarbons	Russia	Russia	100%	100%	100%
LLC Imperial Frac Services	Exploration and production of hydrocarbons	Russia	Russia	50%	50%	50%
Beas Rovuma Energy Mozambique Ltd.	Exploration and production of hydrocarbons	British Virgin island	Mozambique	60%	60%	60%
ONGC Videsh Rovuma Ltd.	Exploration and production of hydrocarbons	Republic of Mauritius	Mozambique	100%	100%	100%
ONGC Videsh Atlantic Inc.	Exploration and production of hydrocarbons	Texas	Mozambique	100%	100%	100%
ONGC Videsh Singapore Pte.Ltd.	Exploration and production of hydrocarbons	Singapore	Russia	100%	-	-
ONGC Videsh Vankorneft Pte.Ltd.	Exploration and production of hydrocarbons	Singapore	Russia	100%	-	-

**under liquidation*



47.1 During FY14-15, OMPL has become subsidiary of ONGC group on account of direct holding of 48.99% (previous year 48.99%) by ONGC and indirect holding of 51%(previous year 51%) stake through subsidiary company MRPL with effect from 28th February, 2015.

Related party transactions

47.2. Name of related parties and description of relationship:

A. **Subsidiaries**

1. ONGC Videsh Limited (OVL)

1.1. ONGC Nile Ganga B.V. (ONGBV)

1.1.1. ONGC Campos Ltda.

1.1.2. ONGC Nile Ganga (Cyprus) Ltd.

1.1.3. ONGC Nile Ganga (San Cristobal) B.V.

1.1.4. ONGC Caspian E&P B.V.

1.2. ONGC Narmada Limited (ONL)

1.3. ONGC Amazon Alaknanda Limited (OAAL)

1.4. Imperial Energy Limited

1.4.1. Imperial Energy Tomsk Limited

1.4.2. Imperial Energy (Cyprus) Limited

1.4.3. Imperial Energy Nord Limited

1.4.4. Biancus Holdings Limited

1.4.5. Redcliffe Holdings Limited

1.4.6. Imperial Frac Services (Cyprus) Limited

1.4.7. San Agio Investments Limited

1.4.8. LLC Sibinterneft

1.4.9. LLC Allianceneftegaz

1.4.10. LLC Nord Imperial

1.4.11. LLC Rus Imperial Group

1.4.12. LLC Imperial Frac Services

1.5. Carabobo One AB

1.5.1. Petro Carabobo Ganga B.V.

1.6. ONGC (BTC) Limited

1.7. Beas Rovuma Energy Mozambique Ltd.

1.8. ONGC Videsh Rovuma Ltd. (OVRL)

1.9. ONGC Videsh Atlantic Inc. (OVAI)

1.10. ONGC Videsh Singapore Pte. Ltd.)

1.10.1 ONGC Videsh Vankorneft Pte. Ltd.

2. Mangalore Refinery and Petrochemicals Ltd. (MRPL)

3. ONGC Mangalore Petrochemicals Ltd. (OMPL)

B. **Joint Ventures**

1. Petronet MHB Ltd (PMHBL)

2. Mangalore SEZ Ltd (MSEZ)

3. ONGC Petro Additions Ltd. (OPaL)

4. ONGC Tripura Power Company Ltd. (OTPC)

5. ONGC Teri Biotech Ltd. (OTBL)

6. Dahej SEZ Limited (DSEZ)

7. ONGC Mittal Energy Limited (OMEL) (through OVL)

8. SUDD Petroleum Operating Company, Mauritius(through OVL)

9. Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL)

10. Mangalam Retail Services Ltd (through MRPL) (up to 16th January, 2017)

11. North East Transmission Company Ltd. (NETC) (through OTPC)

12. Mangalore STP Limited (through MSEZ)

13. MSEZ Power Ltd (through MSEZ)

14. Adani Petronet Dahej Port Pvt Ltd (APPPL) (through PLL))

C. **Associates**

1. Pawan Hans Ltd. (PHL)

2. Petronet LNG Limited (PLL)

3. Mozambique LNG 1 Company Pte. Ltd(through OVL)

D. Trusts (including post retirement employee benefit trust) wherein ONGC having control

1. ONGC Contributory Provident Fund Trust
2. ONGC CSSS Trust
3. ONGC Sahyog Trust
4. ONGC PRBS Trust
5. ONGC Gratuity Fund
6. ONGC Energy Center
7. ONGC Foundation
8. MRPL Gratuity Fund Trust
9. MRPL Provident Fund Trust

E. Key Management Personnel of the Company

E.1. Whole time Directors

1. Shri D K Sarraf, Chairman and Managing Director
2. Shri Shashi Shanker, Director (T&FS)
3. Shri T K Sengupta, Director (Offshore)
4. Shri D D Misra, Director (HR)
5. Shri A K Dwivedi, Director (Exploration)
6. Shri V P Mahawar, Director (Onshore)
7. Shri A K Srinivasan, Director (Finance)
8. Shri Ashok Verma, Director(Onshore) up to July 31, 2015
9. Shri A K Banerjee, Director(Finance) up to April 30, 2015

E.2. Company Secretary

1. Shri V N Murthy, Company Secretary
2. Shri N K Sinha, Company Secretary up to June 30, 2015

E.3. Independent Directors

1. Shri Ajai Malhotra
2. Shri. K M Padmanabhan
3. Prof. S B Kedare
4. Shri Vivek Mallya w.e.f January 31, 2017
5. Shri Sumit Bose w.e.f January 31, 2017
6. Shri Deepak Sethi w.e.f January 31, 2017
7. Dr. Santrupt Misra w.e.f February 6, 2017
8. Shri K N Murthy up to March 20, 2016

F. Government nominee - Directors

F.1 Sh. Amar Nath

F.2 Sh. A P Shawhney

F.3 Shri U P Singh (up to June 28, 2016)

G. Key Management Personnel of the subsidiaries:

G.1 Whole time Directors

1. Shri H Kumar, Managing Director, MRPL
2. Shri M Venkatesh Director (Refinery), MRPL
3. Shri Vishnu Agrawal, Director (Finance), up to January 31, 2016, MRPL
4. Shri A K Sahoo, Director (Finance) from February 1, 2016, MRPL
5. Mr. Narendra K Verma, Managing Director, OVL
6. Mr. P K Rao, Director (Operations), OVL
7. Mr. S P Garg, Director (Finance) up to August 31, 2016, OVL
8. Mr. Sudhir Sharma, Director (Exploration), OVL
9. Mr. Vivekanand, Director (Finance) with effect from September 1, 2016, OVL

G.2 Government nominee - Directors

1. Mr. Sunjay Sudhir, Joint Secretary (IC), MoPNG, GoI
2. Ms. Sharmila Chavaly, Joint Secretary, Department of Economic Affairs, MoF, GoI

G.3 Other Non-Executive Directors

1. Shri B K Namdeo, Nominee Director (HPCL) upto November 8, 2016, MRPL
2. Shri Nalin Kumar Srivastava, Government Nominee Director, upto March 3, 2016, MRPL
3. Shri Diwakar Nath Misra, Government Nominee Director, from March 9, 2016, MRPL
4. Shri Vinod S. Shenoy, Nominee Director (HPCL), from November 8, 2016, MRPL
5. Smt. Perin Devi, Government Nominee Director, MRPL
6. Ms. Manjula C, Independent Director, from January 31, 2017, MRPL
7. Mr. Ajai Malhotra, Independent Director, OVL
8. Shri I S N Prasad, Independent Director (up to 27th March 2017), OMPL
9. Shri Santosh Nautiyal, Independent Director (up to 27th March 2017), OMPL
10. Shri G M Ramamurthy, Independent Director (up to 27th March 2017), OMPL
11. Shri M M Chitale, Independent Director (up to 27th March 2017), OMPL

G.4 CFO & Company Secretary

1. Shri Dinesh Mishra, Company Secretary, MRPL
2. Shri. K Sushil Shenoy, Chief Financial Officer & Chief Executive Officer of OMPL
3. Mr. S B Singh, Company Secretary, OVL
4. Shri. K.B. Shyam Kumar, Company Secretary, OMPL

47.3. Details of related party Transactions after elimination:

47.3.1. Transactions with Subsidiaries:

Intergroup related party transactions and outstanding balances with subsidiaries companies are eliminated in the preparation of Consolidated Financial Statement of the group. Hence the same has not been disclosed in group related party transactions.

47.3.2. Transactions with joint ventures

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products to:			
a) ONGC Tripura Power Company Ltd.	Sale of natural gas	5,389.99	4,370.84
b) ONGC Petro Additions Ltd.	Sale of naphtha & C2-C3	16,055.62	-
c) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	ATF Sales	4,720.78	2,597.06
Services received from:			
a) ONGC Teri Biotech Ltd.	Bio-remediation services	191.57	225.86
b) Dahej SEZ Limited	Lease rent charges for SEZ land for C2-C3 plant	8.71	8.65
c) Mangalore SEZ Ltd	SEZ facilities services & reimbursement exp	989.58	1,841.04

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
d) ONGC Tripura Power Company Ltd.	Management services	-	6.56
e) Petronet MHB Ltd	Pipeline Transportation Charges	-	13.89
Services provided to:			
a) ONGC Petro Additions Ltd.	Manpower deputation,loading and other charges	374.54	117.95
b) ONGC Teri Biotech Ltd.	Field study charges and rent for colony accommodation	3.94	2.76
c) ONGC Tripura Power Company Ltd.	Management consultancy& interest charges	1.10	-
d) Mangalore SEZ Ltd	Lease Rent for Sarapady	0.03	0.03
e) Petronet MHB Limited	Reimbursement of Electricity Charges	30.18	36.70
f) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Reimbursement of Electrical charges & royalty income	10.78	5.06
g) Mangalam Retail Services Limited (MRSL)	Professional Services	-	0.01
Dividend Income received from:			
a) Shell MRPL Aviation Fuels and Services Ltd	Divindend Received	7.50	9.00
Advance against equity given to:			
a) ONGC Petro Additions Ltd.	Advance against equity/Share warrant subscription	-	18,739.50
Refund of existing advance against equity by:			
a) ONGC Petro Additions Ltd.	Advance against equity	-	7,505.52
Allotment of share against advance for equity:			
a) ONGC Tripura Power Company Ltd.	Allotment of equity shares	-	4,645.36
Commitments given:			
ONGC Petro addition Ltd	Subscription of share warrants	480.50	480.50
ONGC Petro addition Ltd	backstopping support for compulsory convertible debentures	56,150.00	-
ONGC Petro addition Ltd	backstopping support for compulsory convertible debentures-Interest accrued	3,612.06	-

47.3.3. Outstanding balances with joint ventures

(₹ in million)

Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amount receivable:				
a) ONGC Petro Additions Ltd.	Trade and other receivables	3658.13	48.71	67.17
b) ONGC Tripura Power Company Ltd.	Trade and other receivables	263.30	238.69	345.08
c) ONGC Teri Biotech Ltd.	Trade and other receivables	0.01	0.01	-
d) Petronet MHB Limited	Trade and other receivables	2.73	1.21	0.20

Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
e) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL)	Trade and other receivables	510.17	209.14	289.10
B) Amount payable:				
a) ONGC Teri Biotech Ltd.	Trade payables	96.51	99.61	148.33
b) Dahej SEZ Limited	Trade payables	7.80	8.67	7.54
c) Mangalore SEZ Ltd	Trade payables	65.16	70.65	84.34
d) ONGC Tripura Power Company Ltd.	Trade payables& other payble	-	5.96	-
C) Advance outstanding:				
a) ONGC Petro Addition Ltd.	Advance against equity/share warrant pending allotment	18,739.50	18,739.50	7,505.52
b) ONGC Tripura Power Company Ltd.	Advance against equity pending allotment	-	-	4,645.36
c) Mangalore SEZ Limited	Advance for Right of Way& project	1,986.55	1,886.24	958.61
D) Commitments:				
a) ONGC Petro addition Ltd	Unpaid subscription of share warrants	480.50	480.50	-
b) ONGC Petro addition Ltd	backstopping support for compulsory convertible debentures	56,150.00	-	-
c) ONGC Tripura Power Co.Limited	Cost Over run	-	2,023.50	2,023.50

47.3.4. Transactions with associates

(₹ in million)

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
A. **Services received from:**			
a) Pawan Hans Ltd.(PHL)	FE loss (gain) on hiring of Helicopter	(5.24)	2.45
	Hiring of helicopter services	1,933.42	2,028.47
b) Petronet LNG Limited	Facilities charges at C2-C3 and reimbursement of consultant fee	85.74	68.63
B. **Services provided to:**			
a) Pawan Hans Ltd.(PHL)	Other services	8.39	17.22
	Miscellaneous receipt on account of liquidated damages	19.03	60.88
b) Petronet LNG Limited	Director sitting fee and other charges	0.18	0.36
C) Income received from:			
a) Pawan Hans Ltd.(PHL)	Interest income	0.45	22.20
	Dividend income	53.04	38.03
b) Petronet LNG Limited	Dividend Income	234.38	187.50

47.3.5. Outstanding balances with Associates

(₹ in million)

Name of related party	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
A) Loans (Secured):				
a) Pawan Hans Ltd.(PHL) (Note 48.2.6)	Loans	-	33.16	367.84
B) Amount receivable:				
a) Pawan Hans Ltd.(PHL)	Dividend receivable (after AGM approval)	-	-	37.80
	Trade and other receivables	0.10	0.10	9.35
b) Petronet LNG Limited	Trade and other receivables	0.10	0.10	0.10
C) Amount payable:				
a) Pawan Hans Ltd.(PHL)	Trade payables	293.60	323.52	80.57
b) Petronet LNG Limited	Trade payables	3.51	3.34	-

47.3.6. The loan is secured by hypothecation of 7 new Dauphin N3 Helicopters and carries interest rate of 10.75% (previous year 10.80%) based on SBI base rate plus 1.5% and is recoverable in sixty equal monthly installments starting from loan granted which has been recovered in full by 2016-17.

47.3.7. Transactions with Trusts

(₹in million)

Name of related party	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
A) Remittance of payment:			
a) ONGC Contributory Provident Fund Trust	Contribution	10,727.47	10,464.92
b) ONGC CSSS Trust	Contribution	1,319.51	1,285.50
c) ONGC Sahyog Trust	Contribution	28.60	29.00
d) ONGC PRBS Trust	Contribution	10,091.21	9,268.25
e) MRPL Provident Fund Trust	Contribution	352.16	320.87
B) Reimbursement of Gratuity payment made on behalf of Trust:			
a) ONGC Gratuity Fund Trust	Reimbursement	1,674.14	1,880.20
b) MRPL Gratuity Fund Trust	Reimbursement	12.20	13.11
C) Contribution to trust			
a) ONGC Energy Center	For research and development	162.50	156.96
b) ONGC Foundation	Contribution	2,257.50	4.00

47.3.8. Compensation of Key Management personnel

- **Whole time Directors and Company Secretary**

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Short term employee benefits	91.63	72.32
Post-employment benefits	26.68	22.35
Long-term benefits	4.78	5.00
Total	123.09	99.67

- **Independent Directors**

(₹ in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sitting fees	8.89	3.82
Total	8.89	3.82

47.4. Disclosure in respect of Government related Entities

47.4.1. Name of Government related entities and description of relationship wherein significant amount of transaction carried out:

Sl no.	Government related entities	Relation
1.	Indian Oil Corporation Limited	Central PSU
2.	GAIL (India) Limited	Central PSU
3.	Hindustan Petroleum Corporation Ltd	Central PSU
4.	Bharat Petroleum Corporation Ltd	Central PSU
5.	Chennai Petroleum Corporation Ltd	Central PSU
6.	Numaligarh Refinery Ltd	Central PSU
7.	Kochi Refineries Limited	Central PSU
8.	Bharat Heavy Electricals Limited	Central PSU
9.	United India Insurance Company Ltd	Central PSU
10.	Bharat Sanchar Nigam Limited	Central PSU
11.	Mahanagar Telephone Nigam Limited	Central PSU
12.	Balmer Lawrie & Co Ltd	Central PSU
13.	Engineers India Limited	Central PSU
14.	Shipping Corporation of India Limited	Central PSU
15.	Indian Strategic Petroleum Reserves Limited (ISPRL)	Central PSU
16.	New Manngalore Port trust	State PSU
17.	Karnataka Industrial Area Development Board	State

47.4.2. Group Transactions with Government Related Entities (Transaction and outstanding balances with Group companies

(₹ in million)

Name of Government Related Entities	Nature of transaction	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products during year to:			
a) Indian Oil Corporation Limited	Sale of crude oil , C2-C3, SKO & LPG	316,114.47	305,451.79
b) Hindustan Petroleum Corporation Ltd	Sale of crude oil C2-C3 & LPG	111,667.60	120,719.35
c) Bharat Petroleum Corporation Ltd	Sale of crude oil C2-C3, SKO, HSD & LPG	201,685.32	186,668.85
d) Chennai Petroleum Corporation Ltd	Sale of crude oil	42,674.79	47,070.2
e) Numaligarh Refinery Ltd	Sale of crude oil	16,251.43	13,665.09
f) Kochi Refineries Limited	Sale of crude oil	13,539.79	32,032.71
g) GAIL (India) Limited	Sale of Natural Gas	131,778.79	173,623.46
Purchase of product during year from:			
a) Indian Oil Corporation Limited	Purchase of Petrol Oil & lubricant	5,675.05	7,142.06
b) Hindustan Petroleum Corporation Ltd	Purchase of Petrol Oil & lubricant	7,098.05	5,843.06
c) Bharat Petroleum Corporation Ltd	Purchase of Petrol Oil & lubricant	2,200.61	3,231.57
d) GAIL (India) Limited	Purchase of LNG	11,226.89	6,113.28
e) Bharat Heavy Electricals Limited	Purchase of drilling rig related items including spares	1,924.17	236.87
f) Indian Strategic Petroleum Reserves Limited (ISPRL)	Purchase of Crude Oil on behalf of ISPRL	6,186.72	-
Services Received from:			
a) United India Insurance Company Ltd	Insurance premium	1,338.81	1,687.44
b) Balmer Lawrie & Co Ltd	Travel expenses	1,161.26	812.47
c) Engineers India Ltd	Technical Services	552.06	2,614.26
d) Shipping Corporation of India Ltd	Technical Services	3,945.37	883.36
e) New Mangalore Port Trust	Port Services	1,325.03	2,996.94
Advance for Acquisition for Land			
a) Karnataka Industrial Area Development Board	Purchase of phase IV Land	5,905.19	0.01
Dividend Income received from:			
a) Indian Oil Corporation Limited	Dividend income	14,876.52	4,045.07
b) GAIL (India) Limited	Dividend income	704.48	336.92

(₹in million)

Name of Government Related Entities	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Amount receivable:				
a) Indian Oil Corporation Limited	Trade & other receivable	24,853.32	20,138.24	45,144.60
b) Hindustan Petroleum Corporation Ltd	Trade & other receivable	8,855.08	7,974.38	25,668.54
c) Bharat Petroleum Corporation Ltd	Trade & other receivable	13,769.06	7,122.71	29,646.94
d) Chennai Petroleum Corporation Ltd	Trade & other receivable	2,655.00	4,716.11	10,131.46
e) Numaligarh Refinery Ltd	Trade & other receivable	1,543.32	1,069.91	2,290.76

Name of Government Related Entities	Nature of transaction	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
f) GAIL (India) Limited	Trade & other receivable	8,387.40	8,466.87	14,676.87
g) United India Insurance Company Ltd	Claim receivable(net)	2.71	2.69	-
h) Indian Strategic Petroleum Reserves Limited (ISPRL)	Trade & other receivable	3,033.27	-	-
i) New Mangalore Port Trust	Trade & other receivable	8.78	8.82	349.87
Amount payable:				
a)Indian Oil Corporation Limited	Trade & other payable	199.33	91.75	409.72
b) Hindustan Petroleum Corporation Ltd	Trade & other payable	326.39	12.17	180.33
c) Bharat Petroleum Corporation Ltd	Trade & other payable	237.14	120.73	233.88
d) GAIL (India) Limited	Trade & other payable	539.03	135.69	-
e) Bharat Heavy Electricals Limited	Trade & other payable	1,956.65	1,997.54	2,474.57
f) United India Insurance Company Ltd	Trade & other payable	-	-	0.56
g) Balmer Lawrie & Co Ltd	Trade payable & other payable	64.61	38.05	37.96
h) Engineers India Ltd	Trade payable & other payable	1,087.32	1,986.15	1,935.80
i) Shipping Corporation of India Limited	Trade payable & other payable	309.97	37.88	41.54
j) Karnataka Industrial Area Development Board	Advance for Land	5,909.11	4.32	4.31

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Group has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

48. Financial instruments Disclosure

48.1. Capital Management

The Group's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Group is able to provide maximum return to stakeholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

The Group maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of net debt (borrowings as detailed in note 27 and 28 offset by cash and bank balances) and total equity (Refer Note 24 and 25).

The Group's financial management committees review the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

48.1.1. Gearing Ratio

In respect of MRPL, the gearing ratio is worked out as follows: **(₹ in million)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i) Debt *	154,768.92	143,951.72	147,347.17
ii) Total cash and bank balances	21,438.32	138,088.48	102,687.37
Less : cash and bank balances required for working capital	21,308.45	138,076.37	102,686.18
Net cash and bank balances	129.87	12.11	1.19
iii) Net Debt	154,639.05	143,939.61	147,345.98
iv) Total equity	98,751..64	65,864.06	60,807.60
v) Net Debt to equity ratio	1.57	2.19	2.42

** long-term and short term borrowings as disclosed in note 27 and note 28*

In respect of OVL, the gearing ratio is worked out as follows: **(₹ in million)**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
i) Debt *	449,717.69	349,925.94	327,461.81
ii) Cash and cash equivalents	8,240.05	4,630.82	12,820.54
iii) Net Debt	441,477.64	345,295.12	314,641.27
iv) Total equity	474,455.30	451,844.59	473,682.32
v) Net Debt to equity ratio	93.05%	76.42%	66.42%

** long-term and short term borrowings as disclosed in note 27 and note 28*

48.2. Categories of financial instruments

(₹ in million)

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Financial assets			
Measured at fair value through profit or loss (FVTPL) (mandatorily measured)			
Investment in mutual funds	54,675.71	43,697.08	11,933.69
Investments in equity instruments	0.28	-	-
Derivative assets	-	247.47	-
Measured at amortised cost			
Investment in GoI Special Bonds	1,975.08	1,975.08	1,975.08
Trade and other receivables	116,926.31	95,012.51	178,328.71
Cash and cash equivalents	11,128.17	18,323.27	27,677.09
Other bank balances	119,008.17	228,567.16	122,568.20
Deposit under Site Restoration Fund	145,942.72	135,985.52	125,650.29
Loans	25,415.06	24,593.32	26,592.24
Other financial assets	81,250.73	88,417.66	84,557.54
Measured at FVTOCI			
Investments in equity instruments (designated on transition date)	289,573.53	153,414.81	146,997.47

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
Financial liabilities			
Measured at fair value through profit or loss (FVTPL) (mandatorily measured)			
(i) Derivative liabilities	1,425.74	1,499.70	1,213.38
Measured at amortised cost			
(a) Borrowings	556,818.85	445,476.52	427,971.91
(b) Trade payables	143,386.25	297,780.24	272,466.90
(c) Other financial liabilities	140,013.95	130,698.70	120,176.22

48.3. Financial risk management objectives

While ensuring liquidity is sufficient to meet Group's operational requirements, the Group financial management committees also monitors and manages key financial risks relating to the operations of the respective companies by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

In case of subsidiary OVL, the Company's management seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

48.4. Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are *commodity price risk, foreign currency risk* and *interest rate risk*.

The primary commodity price risks that the Group is exposed to include international crude oil prices that could adversely affect the value of the Group's financial assets or expected future cash flows. Substantial or extended decline in international prices of crude oil and natural gas may have an adverse effect on the Group's reported results.

Subsidiary Company OVL enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

(a) interest rate swaps to mitigate the variable of rising interest rate

(b) forward foreign exchange contract to hedge its exposure in respect of Euro bond issued by the Company and for certain payments in Russian Rouble.

48.5. Foreign currency risk management

In case of company, selling price of crude oil is denominated in United States dollar (USD) though billed and received in Indian Rupees (INR).The Company is, therefore, exposed to foreign currency risk principally out of INR appreciating against USD. Foreign currency exchange risks are managed by netting off naturally-occurring opposite exposures through export earnings, wherever possible and carry unhedged exposures for the residual considering the natural hedge available to it from domestic sales. The company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters.

Similarly, subsidiary MRPL, undertakes transactions denominated in different foreign currencies, primarily for purchase of crude oil and export sales and has borrowings denominated in foreign currency; consequently, exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters.

In respect of subsidiary company OVL, the functional currency is USD. The company undertakes transactions denominated in different foreign currencies and is consequently exposed to exchange rate fluctuations due to overseas operations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

In respect of the Company

(₹ in million)

Particulars	Liabilities as at		Assets as at	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
USD	66,832.00	69,590.18	12,076.00	11,259.57
GBP	866.29	2,469.95	-	-
EURO	1,135.74	1,271.30	-	-
JPY	451.80	287.30	-	-
Others	47.30	132.40	-	-

In respect of subsidiary company MRPL

(₹ in million)

Particulars	Liabilities as at		Assets as at	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
USD	109,685.43	269,768.17	7,718.22	5,994.92
EURO	-	1.82	-	-

In respect of subsidiary company OVL

(₹ in million)

Particulars	Liabilities as at	
	As at March 31, 2017	As at March 31, 2016
Unsecured 2.75% 7 year EUR Bonds - EUR 525 million	36,180.78	39,435.11
Unsecured non-convertible redeemable bonds in the nature of Debentures- Series II of face value ₹ 1 million each (₹ 3,700 million)	3,700.00	3,700.00

48.5.1. Foreign currency sensitivity analysis

The Group is principally exposed to foreign currency risk against currency other than functional currency. Sensitivity of profit or loss arises mainly against EURO and INR borrowing in case of OVL and from USD denominated receivables and payables in other cases.

In respect of the Company

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in million)

USD sensitivity at year end	2016-2017	2015-2016
Receivables:		
Weakening of INR by 5%	603.80	562.98
Strengthening of INR by 5%	(603.80)	(562.98)
Payable		
Weakening of INR by 5%	(3,341.60)	(3,479.51)
Strengthening of INR by 5%	3,341.60	3,479.51

In respect of subsidiary company MRPL

(₹ in million)

USD sensitivity at year end	2016-2017	2015-2016
Receivables:		
Weakening of INR by 5%	385.91	299.15
Strengthening of INR by 5%	(385.91)	(299.15)
Payable		
Weakening of INR by 5%	(2,786.80)	(10,422.38)
Strengthening of INR by 5%	2,786.80	10,422.38

In respect of subsidiary company OVL,

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-EURO and USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in million)

USD sensitivity at year end	2016-2017	2015-2016
Borrowings		
Euro-USD appreciation by 5%	1,819.24	1,971.76
Euro-USD depreciation by 5%	(1,819.24)	(1,971.76)
USD-INR appreciation by 5%	193.17	519.38
USD-INR depreciation by 5%	(193.17)	(519.38)

In case of Company, sensitivity of profit or loss before tax to change in +/- 1 USD in prices of crude oil, natural gas and value added products (VAP) and +/- Re.1 in exchange rate between INR-USD currency pair is presented as under:

(₹ in million)

Sensitivity of profit or loss before tax	2016-2017	2015-2016
Impact on profit or loss before tax for USD in prices of crude oil, natural gas and VAP	(+/-) 50,010.72	(+/-) 50,180.09
Impact on profit or loss before tax for exchange rate	(+/-) 8,640.13	(+/-) 10,406.84

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

48.5.2. Forward foreign exchange contracts

The subsidiary company OVL generally enters into forward exchange contracts to cover specific foreign currency payments and receipts to reduce foreign exchange fluctuation risk.In current year, the Company has entered certain forward contracts to cover exposure towards EURO bond.

48.6. Interest rate risk management

The Group has availed borrowings at fixed and floating interest rates, hence is exposed to interest rate risk.

48.6.1. Interest rate sensitivity analysis

In respect of subsidiary company MRPL,

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate borrowings, the analysis is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for disclosing the sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended March 31, 2017 would decrease/increase by ₹ 404.64 million (for the year ended March 31, 2016: decrease/increase by ₹477.15 million).This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

In respect of subsidiary company OVL,

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the analysis is as under:

(₹in million)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
i) Impact on profit or loss for the year for increase in interest rate	595.62	581.49
ii) Impact on profit or loss for the year for decrease in interest rate	(595.62)	(581.49)

48.6.2. Interest rate swap contracts

The subsidiary company OVL is engaged in E&P business outside India. Its revenues of crude oil and natural gas are principally denominated in USD. Further, price benchmarks wherever applicable are also principally in USD. The Company has therefore swapped the coupon and the principal amount of 8.54 % Unsecured Redeemable Debenture (face value of ₹ 3700 Million) into USD.

48.7. Price risks

The Company's equity securities price risk arises from investments held and classified in the balance sheet either at fair value through OCI or at fair value through profit or loss. The Company's equity investments in IOC and GAIL are publicly traded.

Investment of short-term surplus funds of the Group in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

48.7.1. Price sensitivity analysis

In respect of Company,

The sensitivity of profit or loss in respect of investments in equity shares and mutual funds at the end of the reporting period for +/-5% change in price and net asset value is presented below:

- Profit before tax for the year ended March 31, 2017 would increase/decrease by ₹ 1,817.16 million (For the year ended March 31, 2016 would increase/decrease by ₹1,501.62 million) as a result of the changes in net asset value of investment in mutual funds; and
- Other comprehensive income for the year ended March 31, 2017 would increase/ decrease by ₹ 14,478.68 million (for the year ended March 31, 2016 would increase/ decrease by ₹ 7,670.74 million) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

In respect of subsidiary company OVL,

The sensitivity of profit or loss in respect of investments in mutual funds at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Profit before tax for the year ended March 31, 2017 would increase/decrease by ₹ 916.62 million (For the year ended March 31, 2016 would increase/decrease by ₹ 683.24 million) as a result of the changes in net asset value of investment in mutual funds.

48.8. Interest rate risk management

The Group invests the surplus fund generated from operations in bank deposits. Bank deposits are made for a period of upto 12 months carry interest rate as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk. Average interest earned on Term Deposits for the year ended March 31, 2017 was 7.74%.

48.9. Credit risk management

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Credit exposure is managed by counter party limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/schemes are with public sector Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits.

Bank balances are held with reputed and creditworthy banking institutions.

In respect of Company,

Major customers, being public sector oil marketing companies (OMCs) and gas companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counter party did not exceed 3.19%(previous year 3.61%) of total monetary assets at any time during the year.

The Company is exposed to default risk in relation to financial guarantees given to banks / vendors on behalf of subsidiaries / joint venture companies for the estimated amount that would be payable to the third party for assuming the obligation. The Company's maximum exposure in this regard on as at March 31, 2017 is ₹443,308.48 million (as at March 31, 2016 is ₹326,089.32 million).

In respect of subsidiary company MRPL,

Major customers, being public sector oil marketing companies (OMCs) having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counter party did not exceed 11% of total monetary assets at any time during the year.

In respect of subsidiary company OVL,

Major customers, of the Company are reputed Oil Marketing Companies (OMCs) / International Oil Companies (IOCs) / National Oil Companies (NOCs) which have highest credit ratings, carrying negligible credit risk.

48.10. Liquidity risk management

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios. The Group manages liquidity risk by maintaining adequate results and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹in million)

	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2017						
Borrowings	Long term - 5.92% Short Term - 7.19% Long term - 6.90% Short Term - 4.21%	10,808.59	29,351.17	59,853.42	6,868.50	**1,06,881.68**
USD 750 millions unsecured non-convertible Reg S Bonds	4.72%	-	-	-	48,255.34	**48,255.34**
USD 500 millions unsecured non-convertible Reg S Bonds	3.76%	-	-	-	32,391.58	**32,391.58**
EUR 525 millions unsecured Euro Bonds	2.84%	-	-	-	36,180.78	**36,180.78**
USD 750 millions unsecured non-convertible Reg S Bonds	3.39%	-	-	48,325.38	-	**48,325.38**
USD 300 millions unsecured non-convertible Reg S Bonds	2.59%	-	-	19,377.55	-	**19,377.55**
USD 600 millions unsecured non-convertible Reg S Bonds	3.802%	-	-	-	38,785.08	**38,785.08**
USD 400 millions unsecured non-convertible Reg S Bonds	2.923%	-	-	-	25,856.72	**25,856.72**
Non-convertible redeemable debentures	8.54%	-	-	3,700.00	-	**3,700.00**
Term loan from bank	3M$Libor + 95 bps	-	-	-	1,13,654.00	**1,13,654.00**
Short Term Loan from Bank (USD 875 Million facility)		53,662.26	-	-	-	**53,662.26**
Short Term Loan from Bank (USD 87.59 Million facility)		-	5,679.56	-	-	**5,679.56**
Short Term Loan from Bank (USD 17 Million facility)		1,102.45	-	-	-	**1,102.45**
Payable to operators		4,744.62	-	-	-	**4,744.62**
Non-recourse deferred credit (net)		371.89	-	-	-	**371.89**
Interest accrued		-	3,484.56	-	-	**3,484.56**
Trade Payable		1,18,301.77	25,082.94	1.54	-	**1,43,386.25**
Security Deposits from Contractors		2,829.09	137.97	35.54	0.34	**3,002.94**

	Weighted average effective interest rate	Less 1 month	1 month -1 year	1 year – 3 years	More than 3 years	Total
Other Financial Liabilities		1,01,316.10	21,050.48	82.65	-	**1,22,449.23**
Total		**2,93,136.76**	**84,786.68**	**1,31,376.08**	**3,01,992.34**	**8,11,291.87**
As at March 31, 2016						
Borrowings	Long term - 6.94% Short Term - 7.60% Subsidiary OMPL Long term - 7.27% Short Term - 9.05%	5,405.00	26,121.11	52,106.65	11,365.33	**94,998.09**
USD 750 millions unsecured non-convertible Reg S Bonds	0.0472	-	-	-	49,371.50	**49,371.50**
USD 500 millions unsecured non-convertible Reg S Bonds	0.0376	-	-	-	33,140.80	**33,140.80**
EUR 525 millions unsecured Euro Bonds	0.0284	-	-	-	39,435.11	**39,435.11**
USD 750 millions unsecured non-convertible Reg S Bonds	0.0339	-	-	-	49,443.16	**49,443.16**
USD 300 millions unsecured non-convertible Reg S Bonds	0.0259	-	-	19,825.76	-	**19,825.76**
Non-convertible redeemable debentures	0.0854	-	-	-	3,700.00	**3,700.00**
Term loan from bank	3M$Libor + 95 bps	-	-	-	1,16,282.85	**1,16,282.85**
Payable to operators		5,105.62	-	-	-	**5,105.62**
Non-recourse deferred credit (net)		380.49	-	-	-	**380.49**
Interest accrued		-	2,755.51	-	-	**2,755.51**
Trade Payable		2,82,005.03	15,775.21	-	-	**2,97,780.24**
Security Deposits from Contractors		3,752.88	63.42	42.87	0.82	**3,859.99**
Other Financial Liabilities		99,151.64	8,363.30	182.66	-	**1,07,697.60**
Total		**3,95,800.66**	**53,078.55**	**72,157.94**	**3,02,739.57**	**8,23,776.72**

The following table details the Group's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹in million)

	Interest rate	Upto1 month	1 month - 1 year	1 year – 3 years	More than 3 years	Total
As at March 31, 2017						
Investments	-	-	-	-	418.52	**418.52**
Loans - Interest Bearing	**7.60%**	10.61	44.00	84.79	218.08	**357.48**
Loans - Others		3.27	1.70	0.01	143.71	**148.69**
Fixed Deposits with Banks	**8.03%**	-	94,792.19	-	-	**94,792.19**
Oil Companies GOI Special Bonds	**8.40%**	-	-	-	1,975.08	**1,975.08**
Loan to Employees	**0% - 5%**	234.69	2,384.37	4,018.74	8,057.16	**14,694.96**
Trade Receivables	-	1,16,986.59	26.81	-	-	**1,17,013.40**
Security Deposits	-	2,367.07	2,613.02	78.90	31.32	**5,090.31**
Advances Recoverable	-	13,205.15	180.94	19.07	-	**13,405.16**
Receivable from Joint operations partners	-	8,781.92	-	292.89	-	**9,074.81**
Receivable from operators	-	6,909.70	-	-	-	**6,909.70**
Carried interest	-	-	-	-	17,806.15	**17,806.15**
Other Financial Assets	-	7,660.58	8.80	168.07	66.50	**7,903.95**
Total		**1,56,159.57**	**1,00,051.84**	**4,662.47**	**28,298.01**	**2,89,177.88**
As at March 31, 2016						
Investments	**0%**	-	-	-	375.77	**375.77**
Loans - Interest Bearing	**8.81%**	12.43	34.45	108.45	151.58	**307.00**
Loans - Others		3.27	2.74	-	152.32	**158.33**
Fixed Deposits with Banks	**8.03%**	-	98,968.76	-	-	**98,968.84**
Oil Companies GOI Special Bonds	**8.40%**	-	-	-	1,975.08	**1,975.16**
Loans to Associates	**10.80%**	16.50	16.66	-	-	**33.27**
Loan to Employees	**0% - 5%**	238.19	2,435.73	4,173.44	7,615.38	**14,462.74**
Trade Receivables	-	92,591.42	2,494.54	-	-	**95,085.96**
Security Deposits	-	882.31	32.52	71.88	98.60	**1,085.32**
Advance Recoverable	-	14,485.39	118.93	19.50	-	**14,623.82**
Receivable from Joint operations partners	-	10,950.96	-	299.66	-	**11,250.62**
Receivable from operators	-	7,426.65	-	-	-	**7,426.65**
Carried interest	-	-	-	-	12,595.35	**12,595.35**
Other Financial Assets	-	8,296.33	621.97	168.10	44.38	**9,130.78**
Total		**1,34,903.45**	**1,04,726.30**	**4,841.03**	**23,008.46**	**2,67,479.25**

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

In respect of subsidiary company OVL,

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a gross basis:

(₹in million)

	Less than 3 months	3 months – 6 months	6 months – 1 year	More than 1 year	Total	Carrying amount
As at March 31, 2017						
Gross settled:						
Derivative liabilities	-	-	-	1425.75	1425.75	1425.75
- interest rate swaps	-	-	-	-	-	-
- foreign exchange forward contracts	-	-	-	-	-	-
Total	**-**	**-**	**-**	**1425.75**	**1425.75**	**1425.75**
Gross settled:						
Derivative assets						
- interest rate swaps	-	-	-	-	-	-
- foreign exchange forward contracts	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
As at March 31, 2016						
Gross settled:						
Derivative liabilities	-	-	-	1499.70	1499.70	1499.70
- interest rate swaps	-	-	-	-	-	-
- foreign exchange forward contracts	-	-	-	-	-	-
Total	**-**	**-**	**-**	**1499.70**	**1499.70**	**1499.70**
Gross settled:						
Derivative assets						
- interest rate swaps	-	-	-	-	-	-
- foreign exchange forward contracts	-	-	-	247.47	247.47	247.47
Total	**-**	**-**	**-**	**247.47**	**247.47**	**247.47**
As at April 1, 2015						
Gross settled:						
Derivative liabilities	-	-	-	1213.38	1213.38	1213.38
- interest rate swaps	-	-	-	-	-	-
- foreign exchange forward contracts	-	-	-	-	-	-
Total	**-**	**-**	**-**	**1213.38**	**1213.38**	**1213.38**
Gross settled:						
Derivative assets						
- interest rate swaps	-	-	-	-	-	-
- foreign exchange forward contracts	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The Group has access to committed credit facilities as described below:

In respect of the Company

(₹ in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured bank overdraft facility, reviewed annually and payable at call:		
amount used	-	-
amount unused	5,000.00	5,000.00
	5,000.00	**5,000.00**

In respect of subsidiary company MRPL,

(₹in million)

Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured bank overdraft facility, reviewed annually and payable at call:		
amount used	6,462.47	-
amount unused	9,470.53	14,458.20
	15,933.00	**14,458.20**

48.11. Fair value measurement

This note provides information about how the Group determines fair values of various financial assets.

48.12. Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

(₹ in million)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2017	March 31, 2016		
Investment in equity instruments (quoted)	289,573.81	153,414.81	Level 1	Quoted bid prices from Stock exchange-NSE Ltd.
Investment in mutual funds	54,675.71	43,697.08	Level 2	NAV declared by respective Asset Management Companies.

48.13. Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note 48.12 approximate their fair values.

49. Disclosure of Interests in Joint Operation:

49.1. Joint Operations in India

In respect of certain unincorporated PSC/ NELP/CBM blocks, the Company's Joint Operation (JO) with certain body corporateshave entered into Production Sharing Contracts (PSCs) with GoI for operations in India. As per signed PSC & JOA, Company has direct right on Assets, liabilities, income & expense of blocks. Details of these Joint Operation Blocks are as under:

Sl.No.	Blocks	Company's Participating Interest			Others Partners and their PI in the JO/Operatorship*
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	
A	**Jointly Operated JOs**				
1	Panna, Mukta and Tapti	40%	40%	40%	BGEPIL 30%, RIL 30%
2	NK-CBM-2001/1	55%	55%	80%	IOC 20%, PEPL 25%
B	**ONGC Operated JOs**				
3	CB-OS/1 Development Phase (Note 48.1.1)	55.26%	55.26%	55.26%	TPL 6.70%, HOEC 38.04%
4	AA-ONN-2001/2	80%	80%	80%	IOC 20%
5	CY-ONN-2002/2	60%	60%	60%	BPRL 40%
6	KG-ONN-2003/1	51%	51%	51%	Cairn India-49%
7	CB-ONN-2004/1 (Refer Note 48.1.1)	60%	60%	60%	GSPC 40%,
8	CB-ONN-2004/2	55%	55%	55%	GSPC 45%
9	CB-ONN-2004/3	65%	65%	65%	GSPC 35%
10	CY-ONN-2004/2	80%	80%	80%	BPRL 20%
11	MB-OSN-2005-1	80%	80%	80%	GSPC 20%
12	Raniganj	74%	74%	74%	CIL 26%
13	Jharia	74%	74%	74%	CIL 26%
14	BK-CBM-2001/1	80%	80%	80%	IOC 20%
15	WB-ONN-2005/4	75%	75%	75%	OIL 25%
16	GK-OSN-2009/1	40%	40%	40%	AWEL 20%, GSPC 20%, IOC 20%
17	GK-OSN-2009/2	40%	40%	40%	AWEL 30%, IOC 30%
18	KG-OSN-2009/2	90%	90%	90%	APGIC 10%
19	KG-OSN-2009/4	50%	50%	50%	APGIC 10%, OIL 30%, NTPC 10%
20	CB-ONN-2009/4	50%	50%	50%	GSPC 50%
21	GK-OSN-2010/1	60%	60%	60%	OIL-30%, GAIL-10%
22	CB-ONN-2010/6	80%	80%	80%	IOC- 20%
23	MB-OSN-2005/3	70%	70%	-	EEPL-30%
C	**Operated by JO Partners**				
24	Ravva	40%	40%	40%	Cairn India (Operator) 22.5%, VIL 25%, ROPL 12.5%
25	CY-OS-90/1 (PY3)	40%	40%	40%	HEPI (operator) 18%, HOEC 21% TPL 21%
26	RJ-ON-90/1	30%	30%	30%	Cairn India (Operator) 35%, CEHL 35%
27	CB-OS/2 –Development Phase	50%	50%	50%	Cairn India (operator) 40% , TPL 10%
28	CB-ON/7	30%	30%	30%	HOEC (Operator) 35%, GSPC 35%
29	CB-ON/3 – Development Phase	30%	30%	30%	EOL (Operator)70%
30	AN-DWN-2003/2	45%	45%	45%	ENI (Operator) 40%, GAIL 15%
31	PR-OSN-2004/1	35%	35%	35%	Cairn India (Operator) 35%, TPL 30%

Sl.No.	Blocks	Company's Participating Interest			Others Partners and their PI in the JO/Operatorship*
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	
32	CB-ON/2- Development phase	30%	30%	30%	GSPC (Operator) 56%, Geo-Global Resources 14%
33	CY-OSN-2009/2	50%	50%	50%	OIL 50% (Operator)
34	AA-ONN-2010/2	30%	30%	30%	OIL -50%(Operator), GAIL-20%
35	AA-ONN-2010/3	40%	40%	40%	OIL-40%(Operator), BPRL-20%

**There is no change in previous year details unless otherwise stated.*

49.1.1. Approval towards assignment of PI is awaited from GoI

Abbreviations:- APGIC- AP Gas Infrastructure Corporation Limited, AWEL- Adani Welspun Exploration Limited, BGEPIL- British Gas Exploration & Production India Limited, BPRL- Bharat Petro Resources Limited, Cairn India-Cairn India Limited, CEHL- Cairn Energy Hydrocarbons Limited, CIL- Coal India Limited, EEPL- Essar Exploration & production Limited, ENI- Ente Nazionale Idrocarburi, EOL-Essar Oil Limited, GAIL- Gas Authority of India Limited, GSPC- Gujarat State Petroleum Corporation Limited, HEPI- Hardy Exploration & Production India Limited, HOEC- Hindustan Oil Exploration Company Limited, IOC- Indian Oil Corporation Limited, NTPC- National Thermal Power Corporation Limited, OIL- Oil India Limited, PEPL-Prabha Energy Pvt Limited, RIL- Reliance Industries Limited, ROPL- Ravva Oil (Singapore) Private Limited, TPL- Tata Petrodyne Limited, VIL- Videocon Industries Limited.

49.1.2. List of the blocks surrendered during the year are given below:

Sl. No.	Joint Operation / PSCs	Company's Participating Interest		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
1	VN-ONN-2004/1	100%	100%	100%
2	PA-ONN-2005/2	100%	100%	100%
3	GK-OSN-2010/2	90%	90%	90%
4	MN-DWN-98/3	100%	100%	100%
5	MN-OSN-2000/2	40%	40%	40%
6	AA-ONN-2009/4	50%	50%	50%

49.1.3. The financial statements of 125 (124 in FY 2015-16, 117 as on April 1, 2015) out of 135 (135 in FY 2015-16, 134 as on April 1, 2015) Joint operation block (PSC/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 10 (11 in FY 2015-16, 17 as on April 1, 2015) Joint operation blocks (PSC/NELP), the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Financial statements of Joint operated blocks have been adjusted for changes as per Note No.3.8.The financial positions of Company share of Joint operation (PSC/NELP/CBM blocks) are disclosed in note 49.1.4

49.1.4. Financial position of the Joint Operation –Company's share are as under:

The financial statements of 125 nos.(124 in FY 2015-16, 117 as on April 1, 2015) out of 135 nos.(135 in FY 15-16, 134 as on April 1, 2015) Joint operation block (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 10 (11 in FY 2015-16, 17 as on April 1, 2015) Joint operation blocks (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.3.8.The financial positions of JV/NELP are as under:-

As at March 31, 2017 **(₹in million)**

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit or Loss from continuing operations	Other Comprehensive Income	Total Comprehensive Income
NELP-100% PI (14)	120.01	64,777.15	156.85	11.49	31.55	(2,635.55)	(0.82)	(2,636.37)
Block with other partner (35)	19,186.89	69,831.18	22,140.06	27,714.00	80,032.44	9,529.96	(0.12)	9,529.86
Surrendered (86)	2,005.72	43.51	12,917.39	59.07	262.81	(4,853.44)	(0.58)	(4,854.02)
Total (135)	**21,312.62**	**134,651.84**	**35,214.30**	**27,784.56**	**80,326.80**	**2,040.98**	**(1.52)**	**2,039.46**
Further Break-up of above blocks under :								
Audited (125)	20,084.08	131,281.00	30,242.16	25,057.99	75,613.44	2,362.11	(1.52)	2,360.58
Unaudited (10)	1,228.54	3,370.84	4,972.14	2,726.57	4,713.36	(321.13)	-	(321.12)
Total (135)	**21,312.62**	**134,651.84**	**35,214.30**	**27,784.56**	**80,326.80**	**2,040.98**	**(1.52)**	**2,039.46**

As at March 31, 2016 **(₹in million)**

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Revenue	Profit or Loss from continuing operations	Other Comprehensive Income	Total Comprehensive Income
NELP-100% PI (15)	124.93	62,250.73	153.14	12.41	15.82	3,926.23	-	3,926.23
Block with other partner (40)	16,968.43	69,402.18	28,572.89	15,563.70	84,192.37	10,815.51	-	10,815.51
Surrendered (80)	3,208.83	38.04	12,635.90	44.21	353.85	(784.16)	-	(784.16)
Total (135)	**20,302.19**	**131,690.95**	**41,361.93**	**15,620.32**	**84,562.04**	**13,957.58**	**-**	**13,957.58**
Further Break-up of above blocks under :								
Audited (124)	19,779.99	130,961.61	37,553.70	14,928.54	84,130.50	14,526.90	-	14,526.90
Unaudited (11)	522.20	729.34	3,808.23	691.78	431.54	(569.32)	-	(569.32)
Total (135)	**20,302.19**	**131,690.95**	**41,361.93**	**15,620.32**	**84,562.04**	**13,957.58**	**-**	**13,957.58**

As at April 1,2015 **(₹in million)**

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities
NELP-100% PI (16)	150.73	30,197.32	220.39	11.66
Block with other partner (48)	20,869.76	72,046.50	31,202.78	14,389.57
Surrendered (70)	4,665.92	14.53	12,324.12	39.14
Total (134)	**25,686.41**	**102,258.35**	**43,747.29**	**14,440.37**
Audited (117)	22,990.60	97,374.24	36,239.48	11,115.96
Unaudited (17)	2,695.81	4,884.11	7,507.81	3,324.41
Total (134)	**25,686.41**	**102,258.35**	**43,747.29**	**14,440.37**

49.1.5. Additional Financial information related to Joint Operation blocks are as under:

As at March 31, 2017 **(₹in million)**

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense
NELP-100% PI (14)	0.02	89.74	12.61	0.06	0.88
Block with other partner (35)	1,453.27	17,093.31	14,753.48	530.80	1,195.82
Surrendered (86)	0.27	12,098.49	889.65	0.99	4.27
Total (135)	**1,453.56**	**29,281.54**	**15,655.74**	**531.85**	**1,200.97**
Audited (125)	1,450.26	25,252.55	14,365.56	321.76	934.83
Unaudited (10)	3.30	4,028.99	1,290.18	210.09	266.14
Total (135)	**1,453.56**	**29,281.54**	**15,655.74**	**531.85**	**1,200.97**

As at March 31, 2016 **(₹in million)**

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense
NELP-100% PI (15)	0.02	89.75	21.38	0.08	0.69
Block with other partner (40)	1,251.01	23,079.83	13,560.48	537.68	1,177.00
Surrendered (80)	7.35	12,356.59	217.65	85.19	3.20
Total (135)	**1,258.38**	**35,526.17**	**13,799.51**	**622.95**	**1,180.89**
Audited (124)	1,207.75	31,959.78	13,660.56	578.35	1,123.64
Unaudited (11)	50.63	3,566.39	138.95	44.60	57.25
Total (135)	**1,258.38**	**35,526.17**	**13,799.51**	**622.95**	**1,180.89**

As at April 1, 2015 **(₹in million)**

Particulars	Cash and Cash Equivalents	Current Financial Liabilities
NELP-100% PI (16)	0.11	157.36
Block with other partner (48)	1,178.67	23,358.88
Surrendered (70)	5.18	11,992.63
Total (134)	**1,183.96**	**35,508.87**
Audited (117)	1,150.91	29,327.50
Unaudited (17)	33.05	6,181.37
Total (134)	**1,183.96**	**35,508.87**

49.1.6. In respect of 6 NELP blocks (previous year 10) which have expired as at March 31, 2017, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to ₹1,167.54 million (previous year ₹ 2,966.53 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 Defence, Ministry of Commerce, environmental clearances, State Govt. permissions etc. The above MWP amount of ₹ 1,167.54 (previous year ₹2,966.53 million) is included in MWP commitment under note 52.3.2(a).

49.1.7. As per the Production Sharing Contracts signed by the Company with the GoI, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) are payable for extension of time to complete MWP. Further, in case the Company does not complete MWP or surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI.LD (net of reversal) amounting to (-) ₹ 14.90 (Previous year Nil) and cost of unfinished MWP (net of reversal) ₹ 965.69 million (Previous year ₹ 454.13 million), paid/payable to the GoI is included in survey and wells written off expenditure respectively.

49.1.8. The Company has proposed to relinquish30% Participating Interest (PI) in SGL Field with future interest in block RJ-ON/6 Jaisalmer Basin Rajasthan to Focus Energy Limited (Operator) which is subject to approval from Government, 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.

49.1.9. In respect of Jharia CBM block, there are certain overlapping issues with Steel Authority of India Limited (SAIL).Due to overlap issue, operations (except incidental gas production) is suspended since June 2014.A Co-Development Plan / Agreement with SAIL is being finalised to commence the activity in the overlap area. Similarly, in Raniganj CBM Block, Airport City Project of Bengal Aerotropolis Projects Limited (BAPL) overlaps affecting both FDP and assessment areas of Raniganj CBM Block. The issue is being discussed with BAPL and Government of West Bengal. Techno-economics of the block is being re-worked.

49.1.10. The Company has approved the proposal for acquisition of the entire 80% Participating Interest (PI) of Gujarat State Petroleum Corporation Limited (GSPC) along with operatorship rights, at a purchase consideration of US$ 995.26 million (₹ 64,542.61 million) for Deen Dayal West (DDW) Field in the Block KG-OSN-2001/3.The Company shall also pay part consideration of US$ 200 million (₹ 12,970.00 million) to GSPC towards acquisition rights for discoveries other than DDW Field in the Block KG-OSN-2001/3 to be adjusted against the valuation of such fields based on valuation parameters agreed between the GSPC and ONGC.A Farm-in Agreement has been signed with GSPC on March 10, 2017, with an economic date of March 31, 2017 (23:59 hours – IST).

49.2. Joint Operation outside India

The details of Group's joint operations are as under:

S.No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members*	Operator*	Project status
1.	Azeri, Chirag, Guneshli Fields (ACG), Azerbaijan, Offshore	2.72%	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
2.	Block 06.1, Vietnam, Offshore	45%	TNK Vietnam B.V.- 35% Petro Vietnam - 20%	TNK Vietnam B.V.	The project is under development and production
3.	Block 5A, South Sudan, Onshore	24.125%	Petronas - 67.875% Nilepet - 8%	Joint Operatorship by all partners.	The project is under exploration, development and production. Currently under temporary shutdown due to security situation.
4.	Block A-1, Myanmar, Offshore	17%	Daewoo – 51% MOGE- 15% GAIL – 8.5% KOGAS – 8.5%	Daewoo	The project is under Production.
5.	Block A-3, Myanmar, Offshore	17%	Daewoo – 51% MOGE- 15% GAIL – 8.5% KOGAS – 8.5%	Daewoo	The project is under production
6.	Block Area 1, Mozambique, Offshore	16%	Anadarko- 26.5% MITSUI-20% ENH-15% BPRL-10% BREML-10% # PTTEP-8.5%	Anadarko	The project is under development
7.	Block B2, Myanmar, Onshore	97%	Machinery and Solutions Company Ltd.- 3%	ONGC Videsh	The project is under exploration
8.	Block CPO-5, Colombia, Onshore	70%	PetroDorado – 30%	ONGC Videsh	The project is under exploration
9.	Block EP3, Myanmar, Onshore	97%	Machinery and Solutions Company Ltd.- 3%	ONGC Videsh	The project is under exploration
10.	Block Farsi, Iran, Offshore	40%	IOC – 40% OIL - 20%	ONGC Videsh	The project 's exploration period ended on 24 June 2009. Agreement on MDP and Development service contract is pending.
11.	Block RC-8, Colombia, Offshore	40%	Ecopetrol - 40% Petrobras – 20%	ONGC Videsh	License expired on November 29, 2013.Relinquished on October 20, 2016.
12.	Block RC-9, Colombia, Offshore	50%	Ecopetrol - 50%	Ecopetrol	The project is under exploration
13.	Block RC-10, Colombia, Offshore	50%	Ecopetrol - 50%	ONGC Videsh	The project is under exploration

S.No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members*	Operator*	Project status
14.	Block SS 04, Bangladesh, Offshore	45%	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
15.	Block SS 09, Bangladesh, Offshore	45%	OIL-45% BAPEX-10%	ONGC Videsh	The project is under exploration
16.	Block SSJN-7, Colombia, Onshore	50%	Pacific - 50%	Pacific	The project is under exploration
17.	Block XXIV, Syria, Onshore	60%	IPRMEL - 25% Triocean-15%	IPR MEL	The project is under force majeure
18.	Sakhalin -1, Russia, Offshore	20%	ENL - 30% SODECO - 30% SMNG - 11.5% R N Astra - 8.5%	ENL	The project is under development and production.
19.	Satpayev Contract Area 3575, Kazakhstan, Offshore	25%	KMG – 75%	SOLLP	The project is under exploration
20.	SHWE Offshore Pipeline, 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
21.	Port Sudan Product Pipeline, Sudan	90%	OIL – 10%	ONGC Videsh	Pipeline is completed and handed over to Govt.of Sudan
22.	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.
23.	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.
24.	Block BC-10 Brazil, Offshore (Through ONGC Nile Ganga B.V.)	27%	Shell – 50% QPI – 23%	Shell	The project is under development and production
25.	Block BM-SEAL-4, Brazil, Offshore (Through ONGC Nile Ganga B.V)	25%	Petrobras- 75%	Petrobras	The project is under exploration

Note: There is no change in previous year details unless otherwise stated

Abbreviations used:

Anadarko - Anadarko Petroleum Corporation; BAPEX - Bangladesh Petroleum Exploration & Production Company Limited; BP - British Petroleum; BPRL - Bharat PetroResources Limited; BREML - Beas Rovuma Energy Mozambique Limited; Chevron - Chevron Corporation; Daewoo - Daewoo International Corporation; Ecopetrol - Ecopetrol S.A, Colombia; ENH - Empresa Nacional De Hidrocarbonates, E.P.; ENL - Exxon Neftegas Limited; Exxon Mobil - Exxon Mobil Corporation; GAIL - GAIL (India) Limited; INPEX - INPEX Corporation; IOC - Indian Oil Corporation Limited; IPRMEL - IPR Mediterranean Exploration Limited; Itochu - Itochu Corporation; KMG - Kazmunaygas; KOGAS - Korea Gas Corporation; MITSUI - MITSUI & Co.Limited; MOGE - Myanmar Oil and Gas Enterprise; Nilepet - Nile Petroleum Corporation; OIL - Oil India Limited; ONGC Videsh - ONGC Videsh Limited; Pacific - Pacific Stratus Energy, Colombia; Petrobras - Petrobras Colombia Ltd; PetroDorado - PetroDorado South America S.A.; Petronas - Petronas Carigali Overseas SdnBhd; Petrovietnam - Vietnam Oil and Gas Group; PTTEP - PTT Public Company Limited; SMNG - Sakhalinmorneftegas Shelf; SOCAR - State Oil Company of Azerbaijan Republic; SODECO - Sakhalin Oil Development Company Limited; SOLLP - Satpavey Operating LLP; STATOIL - Den Norske Stats Oljeselskap; TPAO - Turkiye Petrolleri A.O; Triocean - TriOcean Mediterranean

 # ONGC Videsh holds 60% shares in BREML.

49.2.1. List of the blocks surrendered during the year are given below:

Sl. No.	Joint Operation / PSCs	Company's Participating Interest		
		Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended April 1, 2015
1	GUA OFF 2 (Group's share: 100%) License expired on January 25, 2017.Relinquishment under process.	100%	100%	100%
2	RC 8 (Group's share: 40%, Ecopetrol-40%, Petrobras-20%) OVL is Operator for the block. License expired on November 29, 2013.Relinquished on October 20, 2016.	40%	40%	40%

49.2.2. The Financial position of the Joint Operation projects/ blocks are as under:

As at March 31, 2017 (₹in million)

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from dis-con-tinued opera-tions	Other Compre-hensive Income	Total Com-prehensive Income
A. Audited as at 31 March, 2017									
Block 06.1, Vietnam	897.52	3,795.89	401.03	1,475.99	8,021.91	3,390.20	-	-	3,390.20
Port Sudan Product Pipeline, Sudan	-	-	-	-	-	-	-	-	-
Block Farsi, Iran	7.13	0.15	-	-	-	(50.34)	-	-	(50.34)
Block SS-04, Bangladesh	60.31	0.02	-	-	-	(318.32)	-	-	(318.32)
Block SS-09, Bangladesh	35.02	0.02	-	-	-	(101.27)	-	-	(101.27)
GNPOC & GPOC, Sudan	39,172.08	13,630.08	10,692.27	3,769.71	11,477.64	(629.46)	-	-	(629.46)
BC-10, Brazil	5,210.79	63,004.05	8,538.93	47,119.96	11,483.14	(4,215.74)	-	-	(4,215.74)
Total (A)	**45,382.85**	**80,430.21**	**19,632.23**	**52,365.66**	**30,982.69**	**(1,924.93)**	**-**	**-**	**(1,924.93)**
B.Audited as at 31 December, 2016									
Block Sakhalin 1, Russia	14,929.77	290,422.34	-	25,489.94	46,602.15	13,837.36	-	-	13,837.36
Block RC-8, Colombia	-	0.08	-	-	-	(10.39)	-	-	(10.39)
Block RC-9, Colombia	18.81	5.05	-	-	-	(100.42)	-	-	(100.42)
Block RC-10, Colombia	-	22.05	-	-	-	(22.28)	-	-	(22.28)
Block CPO 5, Colombia	-	2,139.88	-	-	-	(90.36)	-	-	(90.36)
Total (B)	**14,948.58**	**292,589.40**	**-**	**25,489.94**	**46,602.15**	**13,613.91**	**-**	**-**	**13,613.91**
C.Unaudited									
Block ACG, Azerbaijan	2,581.68	31,889.23	80.96	5,398.11	8,735.40	3,624.28	-	-	3,624.28
Block SSJN-7, Colombia	-	-	-	-	-	(10.62)	-	-	(10.62)
Block A-1, Myanmar	631.64	13,395.27	-	-	4,340.12	2,442.05	-	-	2,442.05

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
Block A-3, Myanmar	488.32	5,159.36	-	-	4,079.00	1,201.73	-	-	1,201.73
SHWE Offshore Pipeline, Myanmar	214.65	1,762.52	-	-	1,546.05	1,127.63	-	-	1,127.63
Myanmar Block EP 3, O/S (Non-Op)	-	-	-	-	-	-	-	-	-
Myanmar Block B2 Onshore	-	-	-	-	-	-	-	-	-
Block Area 1, Mozambique	407.91	168,425.65	-	-	-	(955.42)	-	-	(955.42)
Block 5A, Sudan	428.01	14,462.71	-	-	-	4,786.70	-	-	4,786.70
Block Satpayev, Kazakhstan	83.66	6,254.82	-	-	-	(407.91)	-	-	(407.91)
Block 24, Syria	165.37	69.42	-	-	-	(0.18)	-	-	(0.18)
Total (C)	**5,001.24**	**241,418.98**	**80.96**	**5,398.11**	**18,700.57**	**11,808.26**	-	-	**11,808.26**
Grand Total	**65,332.67**	**614,438.59**	**19,713.19**	**83,253.71**	**96,285.41**	**23,497.24**	-	-	**23,497.24**

As at March 31, 2016 **(₹in million)**

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
A.Auditedas at 31 March, 2016									
Block 06.1, Vietnam	673.45	8,171.80	756.77	1,553.14	7,646.46	3,191.51	-	-	3,191.51
Port Sudan Product Pipeline, Sudan	-	-	-	-	-	-	-	-	-
Block Farsi, Iran	3.32	-	-	-	-	(23.37)	-	-	(23.37)
Block SS-04, Bangladesh	-	-	-	-	-	(38.03)	-	-	(38.03)
Block SS-09, Bangladesh	-	-	-	-	-	(66.77)	-	-	(66.77)
GNPOC & GPOC, Sudan	37,279.42	11,695.42	11,621.99	4,621.46	12,312.70	(866.33)	-	-	(866.33)
BC-10, Brazil & Block BM-SEAL-4	2,280.88	67,341.47	6,302.11	50,346.38	10,894.39	(4,083.59)	-	-	(4,083.59)
Block Sakhalin 1, Russia	293.27	206,681.87	141.79	24,837.58	42,016.55	16,848.05	-	-	16,848.05
Block RC-8, Colombia									
Block RC-9, Colombia	25.21	-	-	-	-	(245.81)	-	-	(245.81)

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Total Revenue	Profit or Loss from continuing operations	Profit or Loss from discontinued operations	Other Comprehensive Income	Total Comprehensive Income
Block RC-10, Colombia	7.30	0.12	-	-	-	(98.36)	-	-	(98.36)
Block CPO 5, Colombia	10.62	2,046.39	-	-	-	(759.67)	-	-	(759.67)
Block ACG, Azerbaijan	373.55	39,878.96	-	3,123.67	9,182.33	(7,520.59)	-	-	(7,520.59)
Block SSJN-7, Colombia	-	-	-	-	-	(8.76)	-	-	(8.76)
Block A-1, Myanmar	-	21,387.19	-	-	5,654.09	3,259.10	-	-	3,259.10
Block A-3, Myanmar									
SHWE Offshore Pipeline, Myanmar	-	1,756.63	-	-	1,904.63	1,415.08	-	-	1,415.08
Myanmar Block EP 3, O/S (Non-Op)	-	-	-	-	-	-	-	-	-
Myanmar Block B2 Onshore	-	-	-	-	-	-	-	-	-
Block Area 1, Mozambique	-	168,820.51	-	-	-	(2,804.28)	-	-	(2,804.28)
Block 5A, Sudan	37.82	9,743.12	-	-	-	(518.17)	-	-	(518.17)
Block Satpayev, Kazakhstan	-	6,292.52	-	-	-	(3,107.55)	-	-	(3,107.55)
Block 24, Syria	-	77.65	-	-	-	(2.47)	-	-	(2.47)
Grand Total	**40,984.84**	**552,298.52**	**18,822.66**	**84,482.23**	**94,324.49**	**6,789.76**	**-**	**-**	**6,789.76**

As at April 1, 2015 **(₹in million)**

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities
Block 06.1, Vietnam	712.60	9,453.70	-	1,412.91
Port Sudan Product Pipeline, Sudan	-	-	-	-
Block Farsi, Iran	-	0.16	-	-
Block SS-04, Bangladesh	-	-	-	-
Block SS-09, Bangladesh	-	-	-	-
GNPOC & GPOC, Sudan	37,829.29	7,627.26	11,183.04	5,829.59
BC-10, Brazil & Block BM-SEAL-4	3,301.76	58,836.35	27,374.07	19,866.33
Block Sakhalin 1, Russia	3,470.68	273,337.19	279.93	22,329.18
Block RC-8, Colombia	-	0.10	-	-
Block RC-9, Colombia	-	0.30	-	-

Particulars	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities
Block RC-10, Colombia	-	0.25	-	-
Block CPO 5, Colombia	-	1,823.25	-	-
Block ACG, Azerbaijan	423.47	56,389.79	-	2,876.88
Block SSJN-7, Colombia	-	-	-	-
Block A-1, Myanmar	-	21,023.78	-	-
Block A-3, Myanmar	-	9,874.43	-	-
SHWE Offshore Pipeline, Myanmar	17.54	1,944.24	-	-
Myanmar Block EP 3, O/S (Non-Op)	-	-	-	-
Myanmar Block B2 Onshore	-	-	-	-
Block Area 1, Mozambique	395.07	167,907.98	-	-
Block 5A, Sudan	32.96	16,240.62	-	-
Block Satpayev, Kazakhstan	75.49	5,872.01	-	-
Block 24, Syria	-	108.49	-	-
Grand Total	**46,258.86**	**630,439.90**	**38,837.04**	**52,314.89**

49.2.3. Additional Financial information related to Joint Operation blocks are as under:

As at March 31, 2017 **(₹in million)**

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
A. Audited as on 31 March, 2017							
Block 06.1, Vietnam	-	1,070.03	-	1,180.92	0.72	-	-
Port Sudan Product Pipeline, Sudan	3.89	889.74	-	-	0.02	-	-
Block Farsi, Iran	1.95	3.24	-	-	0.66	-	-
Block SS-04, Bangladesh	74.58	165.37	-	-	-	-	-
Block SS-09, Bangladesh	16.21	63.55	-	-	-	-	-
GNPOC & GPOC, Sudan	6,135.28	10,692.27	283.03	4,132.03	1,117.25	(0.84)	249.99
BC-10, Brazil	2,544.81	8,416.43	44,212.43	10,183.34	179.54	7,123.41	-
Total (A)	**8,776.72**	**21,300.63**	**44,495.46**	**15,496.29**	**1,298.19**	**7,124.25**	**249.99**
B. Audited as on 31 December, 2016							
Block Sakhalin 1, Russia	-	15,323.41	-	17,117.81	174.28	-	2,945.84
Block RC-8, Colombia	26.59	-	-	-	0.13	-	-
Block RC-9, Colombia	0.65	-	-	-	0.37	-	-
Block RC-10, Colombia	157.59	-	-	-	0.31	-	-

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Block CPO 5, Colombia	5.84	-	-	-	0.51	-	-
Total (B)	**190.66**	**15,323.41**	**-**	**17,117.81**	**175.60**	**-**	**2,945.84**
C.Unaudited							
Block ACG, Azerbaijan	-	850.83	-	4,811.87	-	-	738.78
Block SSJN-7, Colombia	-	-	-	-	-	-	-
Block A-1, Myanmar	-	1,803.48	-	814.52	1.91	-	-
Block A-3, Myanmar	-	680.28	-	1,780.13	-	-	-
SHWE Offshore Pipeline, Myanmar	-	679.63	-	254.21	0.23	-	-
Myanmar Block EP 3, O/S (Non-Op)	-	-	-	-	-	-	-
Myanmar Block B2 Onshore	-	-	-	-	-	-	-
Block Area 1, Mozambique	-	570.68	-	43.45	-	-	-
Block 5A, Sudan	-	916.98	-	47.34	-	-	-
Block Satpayev, Kazakhstan	-	(44.75)	-	-	-	-	-
Block 24, Syria	-	537.61	-	-	-	-	-
Total (C)	**-**	**5314.46**	**-**	**7,751.52**	**2.14**	**-**	**738.78**
Grand Total	**8,967.38**	**39,604.55**	**44,495.46**	**40,365.62**	**1,475.93**	**7,124.25**	**3,934.61**

As at March 31, 2016 **(₹in million)**

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
A.Audited as on 31 March, 2016							
Block 06.1, Vietnam	-	-	-	1,625.58	1.07	-	-
Port Sudan Product Pipeline, Sudan	3.98	-	-	-	-	-	-
Block Farsi, Iran	1.33	-	-	-	0.16	-	-
Block SS-04, Bangladesh	16.59	-	-	-	-	-	-
Block SS-09, Bangladesh	17.91	6.85	-	-	-	-	-
GNPOC & GPOC, Sudan	6,450.39	11,621.99	267.56	5,904.72	986.07	(0.12)	(238.15)
BC-10, Brazil & Block BM-SEAL-4	39.06	6,251.78	47,549.74	5,590.62	22.92	5,242.42	-
Block Sakhalin 1, Russia	-	-	-	16,261.72	36.01	-	2,667.57

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities	Depreciation and Amortisation	Interest Income	Interest Expense	Income Tax Expense or Income
Block RC-8, Colombia							
Block RC-9, Colombia	-	-	-	-	0.24	-	-
Block RC-10, Colombia	145.31	-	-	-	0.10	-	-
Block CPO 5, Colombia	11.94	-	-	-	0.46	-	-
Block ACG, Azerbaijan	-	5,462.60	-	8,370.05	6.64	-	50,023.92
Block SSJN-7, Colombia	-	-	-	-	51.75	-	-
Block A-1, Myanmar	-	-	-	981.98	-	-	-
Block A-3, Myanmar							
SHWE Offshore Pipeline, Myanmar	-	-	-	299.24	-	-	-
Myanmar Block EP 3, O/S (Non-Op)	-	-	-	-	-	-	-
Myanmar Block B2 Onshore	-	-	-	-	-	-	-
Block Area 1, Mozambique	-	21,705.74	-	63.70	-	-	-
Block 5A, Sudan	-	17,586.73	-	191.75	-	-	-
Block Satpayev, Kazakhstan	-	-	-	-	-	-	-
Block 24, Syria	-	-	-	2.65	-	-	-
Grand Total	**6,713.71**	**100,426.34**	**47,817.30**	**40,597.12**	**1,105.46**	**5,242.30**	**52,453.34**

As at April 1, 2015 **(₹in million)**

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities
Block 06.1, Vietnam	-	420.63	-
Port Sudan Product Pipeline, Sudan	3.76	98.06	-
Block Farsi, Iran	3.76	-	-
Block SS-04, Bangladesh	13.15	-	-
Block SS-09, Bangladesh	12.53	-	-
GNPOC & GPOC, Sudan	7,734.85	11,183.04	279.41
BC-10, Brazil & Block BM-SEAL-4	2,718.08	27,156.68	19,866.33
Block Sakhalin 1, Russia	-	6,734.64	-
Block RC-8, Colombia	23.18	1.91	-
Block RC-9, Colombia	0.63	-	-
Block RC-10, Colombia	97.72	-	-
Block CPO 5, Colombia	11.28	-	-
Block ACG, Azerbaijan	-	1,042.33	-
Block SSJN-7, Colombia	-	-	-

Particulars	Cash and Cash Equivalents	Current Financial Liabilities	Non-Current Financial Liabilities
Block A-1, Myanmar	-	2,520.65	-
Block A-3, Myanmar	-	158.64	-
SHWE Offshore Pipeline, Myanmar	-	24.49	-
Myanmar Block EP 3, O/S (Non-Op)	-	-	-
Myanmar Block B2 Onshore	-	-	-
Block Area 1, Mozambique	-	581.49	-
Block 5A, Sudan	-	263.08	-
Block Satpayev, Kazakhstan	-	10.18	-
Block 24, Syria	-	523.62	-
Grand Total	**10,618.94**	**50,719.44**	**20,145.74**

50. Disclosure of Interests in Joint Arrangements and Associates:

Disclosure of related to joint venture and associate has been disclosed at note no.12.1.3 and 12.1.4.

51. Disclosure under Indian Accounting Standard 36 – Impairment of Assets

51.1. 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.

51.2. 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.

51.3. In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 14.88% (as at March 31, 2016 -19.06%) for Rupee transactions and 10.57% (as at March 31, 2016-13.37%) for crude oil and value added products revenue, which are measured in USD. Future cash inflows from sale of crude oil and value added products have been computed using the future prices, on the basis of market-based average prices of dated Brent crude oil as per 'Platt's Crude oil market wire' and its Co-relations with benchmark crude and other petroleum products. Future cash flows from sale of natural gas 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 34.3)

51.4. The Company had provided for an impairment loss of ₹ 32,520.07 million in the previous year, mainly pertaining to on onshore CGU Sibsagar amounting to ₹ 29,972.00 million and ₹ 1,569.00 million in Pre NELP JV block RJ-ON-90/1 considering the major decrease in crude oil prices in the international market. However, there has been improvement in prices of crude oil and reduction in the Gas prices in the current financial year. Accordingly, the Company has assessed the impairment as at March 31, 2017 for its CGUs. As a result of the change in prices and other variables, there has been a reversal of an amount of ₹ 13,979.63 million (Previous year ₹ 254.21 million) mainly consisting of ₹ 12,203.54 million for onshore CGU Sibsagar and ₹ 1,569 million in Pre NELP JV block RJ-ON-90/1. Balance reversal of impairment loss amounting to ₹ 207.09 million pertains to other CGUs.

51.5. During the year ₹ 715.62 million has been provided for impairment loss mainly consisting of ₹ 468.11 million in respect of RJ-ON-6 (Previous year ₹127.09 million) and ₹ 235.11 million in respect of onshore CGU Silchar and Jodhpur (Previous year ₹ 18.87million). Balance impairment loss amounting to ₹ 12.41 million (Previous year ₹833.11million) pertains to other CGUs.

51.6. The following 2P reserves for respective CGU were considered as a basis for the impairment testing:

Name of the CGU	Quantity of Reserves used for Impairment Assessment (In MMT)
G1 GS 15	8.97
Jodhpur Onshore Asset	1.06
Silchar Onshore Asset	0.31
RJ-ON-90/1 (Pre NELP PSC Block)	6.77
B-193	15.23
Sibsagar Onshore Asset	43.56
WO 16	12.32
Rajahmundry Onshore	13.99

51.7. In respect of Company, impairment testing of assets under exploratory phase (Exploratory wells in progress) has been carried out as on March 31, 2017 and an amount of ₹ 4,539.44 million (₹ 626.36 million for the year ended March 31, 2016) has been provided during the year 2016-17 as impairment loss. Further, ₹966.05 million (₹ 3,466.20 million for the year ended March 31, 2016) impairment losses has been reversed in the Standalone statement of Profit and Loss as exploratory phase assets have been transferred to Oil and Gas Assets

51.8. In respect of subsidiary OVL, carried out impairment test as at March 31, 2017 in respect of its Cash Generating Units (CGUs) based on value in use method. The Company identified write back of impairment in respect of two CGUs and impairment in respect of three CGU and recognised net impairment provision of ₹ 10,062.78 million during the year ended March 31, 2017 (for the year ended March 31, 2016 impairment provision of ₹ 47,166.83 million was recognised in respect of 4 CGUs).The current year provision for impairment is considered as exceptional item. Refer note 41.

The following 2P reserves of the respective CGUs have been considered for the impairment assessment:

No	CGU	Proved and Probable Reserves (MMToe)
1	Imperial, Russia	95.705
2	Sakhalin-1, Russia	143.235
3	Block 06.1, Vietnam	8.247
4	GNPOC, Sudan	9.106
5	GPOC, South Sudan	6.473
6	Block-5A, South Sudan	6.311
7	MECL, Colombia	2.128
8	Block BC-10, Brazil	5.016
9	PIVSA, Venezuela	8.542
10	Carabobo-1, Venezuela	52.653
11	Blocks A1, A3, Myanmar	18.563
12	ACG, Azerbaijan	11.855
13	Area-1,Mozambique	214.785

52. Contingent liabilities and commitments (to the extent not provided for)

52.1. Contingent Liabilities:Claims against the Company/ disputed demands not acknowledged as debt:-

(₹ in million)

	Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I	**In respect of Company**			
	Income Tax	103,425.55	88,271.14	92,686.82
	Excise Duty	15,889.86	8,354.08	8,892.30
	Custom Duty	1,120.02	1,115.88	2,412.03
	Royalty (Note –52.1.2)	496.81	149,219.29	117,738.83
	Cess	6.57	6.57	6.57
	Sales Tax	16,932.93	31,088.24	27,656.95
	Octroi and other Municipal Taxes	233.98	222.22	205.52
	AP Mineral Bearing Land (Infrastructure) Cess	2,704.18	2,543.98	2,371.76
	Specified Land Tax (Assam)	4,531.38	4,197.21	3,863.05
	Claims of contractors (Incl. LAQ) in Arbitration / Court	158,711.59	116,300.11	79,498.31
	Service tax	69,947.61	62,679.65	59,265.86
	Employees Provident Fund	66.35	66.35	66.35
	Other matters	56,000.77	50,076.72	64,853.12
	Sub Total (A)	**430,067.60**	**5,14,141.44**	**4,59,517.47**
II	**In respect of Joint Ventures and Associates**			
	Income Tax	206.40	390.70	378.64
	Custom Duty	116.97	116.97	116.06
	Sales Tax	99.81	1,567.17	1,605.00
	Service Tax	100.46	213.65	194.76
	Claims of contractors in Arbitration / Court	597.73	693.99	846.68
	Others	7,487.15	4,608.35	1,380.97
	Sub Total (B)	**8,608.52**	**7,590.83**	**4,522.11**
	Total (A+B)	**438,676.12**	**521,732.27**	**464,039.58**

52.1.1. 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 Group does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

52.1.2. 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 Central Government (GoI) and State Governments, on production of Crude Oil and Natural Gas from offshore fields and onshore fields, respectively. Since 2008-09, in terms of GoI directives, the Company had been paying royalty on crude oil at realized price which was net of discount (share of under-recovery of the OMCs as per GoI directives). On an application filed by the State of Gujarat, The Hon'ble High Court of Gujarat in its order dated November 30, 2013 had 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 April 1, 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 February 13, 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.February 1, 2014 onwards. Accordingly, w.e.f. February 1, 2014, the Company had started depositing royalty with the State of Gujarat on pre-discount prices in respect of crude oil production from Gujarat.

Government of Assam had also filed a Writ Petition in The Hon'ble High Court of Guwahati for payment of differential royalty on pre- discount sale price of crude oil for the period 2008-09 to 2013-14 which was pending adjudication. Government of Assam had also filed an Interlocutory Application seeking payment of royalty on pre-discount sale price of crude oil w.e.f. February 1, 2014in terms of The Hon'ble Supreme Court order dated February 13, 2014.

In the meantime in terms of GoI order dated July 15, 2016, the Company paid royalty w.e.f. February 1, 2014to other similarly placed states at pre-discount prices.

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) of ₹148,722.46 million on this account for the period from April, 2008 to March, 2016 had been considered as Contingent Liability as at March 31, 2016.

Differential royalty amounting to ₹24,444.27million paid to the State Governments w.e.f. February, 2014 had been considered as deposit.

During the year, a settlement was made by GoI on February 17, 2017 amongst GoI, State of Gujarat/ Assam and the Company wherein following was agreed:

(i) The outstanding amount towards differential royalty would be paid by the GoI directly to the Government of Gujarat and Assam.

(ii) Any payments already made to the State Governments by the Company shall not be re-opened and will not be reimbursed or paid by GoI.

(iii) All other mutual claims and liabilities shall be extinguished on the basis of the agreement.

Subsequently, based on affidavits filed by the Petitioners, Hon'ble Supreme Court disposed the pending SLP with Supreme Court and Writ Petition with Guwahati High Court. In view of settlement and disposal of pending SLP, the Company has charged differential royalty amounting to ₹24,444.27 million paid to State Governments w.e.f. February 1,2014 to Consolidated Statement of Profit and Loss.

52.2. Contingent asset

Contingent is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

In respect of ONGC Videsh Ltd,contingent assets represent interest in respect of carried finance in respect of exploratory assets that would be recognised on certainty of receipt, the details of the same are mentioned below:-

(₹in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Contingent Assets	566.86	430.36	302.16

52.3. Commitments

52.3.1. Capital Commitments:

a. Estimated amount of contracts remaining to be executed on capital account:-

i. In respect of the Group: ₹143,977.62million (as at March 31, 2016 of ₹157,742.62 million; as at April 1, 2015 of ₹187,401.34 million).

ii. In respect of group share in Joint Ventures and Associates: ₹4,594.37 million (as at March 31, 2016 of ₹ 7,461.01 million; as at April 1, 2015 of ₹11,547.46 million)

b. Unconditional purchase obligation:

i. In respect of the Group: ₹1,042.02 million (previous year ₹6,946.81 million).

ii. In respect of group share in Joint Ventures and Associates: ₹3,795.09million (as at March 31, 2016 of ₹7,399.76 million; as at April 1, 2015 of ₹6,408.34 million)

c. Non-cancellable Operating Lease commitment in respect of the Group is ₹168,207.27 million (previous year ₹206,265.05 million).

52.3.2. Other Commitments

(a) Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts' with Government of India/ Nominated Blocks:

i. In respect of NELP blocks in which the Company has 100% participating interest: ₹3,325.69 million (Previous year ₹2,394.45 million).

ii. In respect of NELP blocks in Joint Ventures, Company's share: ₹7,576.08 million (Previous year ₹24,680.51 million).

(b) Estimated amount of Minimum Work Programme (MWP) committed under various Joint operating Contracts' outside India is ₹12,637.91 million (Previous year ₹13,412.65million)

(c) 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.

(d) The Company has entered into an arrangement on July 2, 2016 for backstopping support towards repayment of principal and cumulative coupon amount for three years for compulsory convertible debentures amounting to ₹56,150.00 Million issued by OPAL and interest for the year ending March 31, 2017 amounting to ₹3612.06 million.

(e) The Company has approved the proposal for acquisition of the entire 80% Participating Interest (PI) of Gujarat State Petroleum Corporation Limited (GSPC) along with operatorship rights, at a purchase consideration of US$ 995.26 million (₹64,542.61 million) for Deen Dayal West (DDW) Field in the Block KG-OSN-2001/3.The Company shall also pay part consideration of US$ 200 million (₹12,970.00 million) to GSPC towards acquisition rights for discoveries other than DDW Field in the Block KG-OSN-2001/3 to be adjusted against the valuation of such fields based on valuation parameters agreed between the GSPC and ONGC.A Farm-in Agreement has been signed with GSPC on March 10, 2017.(Note 49.1.10)

(f) In respect of subsidiary MRPL,

a. The company has pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 39.76 acres ceded by HPCL for use by MRPL Phase III expansion and upgradation work. The consideration for such land is mutually agreed to be by way of swapping of land in possession of MRPL/HPCL.The final documentation in this regard is pending to be executed.

b. Pending commitment on account of Refinery performance improvement programme by M/s. Shell Global International Solution (M/s. Shell GIS) as at March 31, 2017 USD 1.46 Million (As at March 31, 2016 USD 2.06 Million; As at April 1, 2015 USD 2.44 Million)

c. The Company has an export obligation as at March 31,2017 ₹ 1,313.68 million (As at March 31, 2016 ₹ 1,556.36 million; As at April 1, 2015 ₹ 1,346.93 Million) on account of concessional rate of customs duty availed under EPCG licence scheme on import of capital goods.

d. The subsidiary company, OMPL has taken 441.438 acres of land on lease for a period of 47 years and 10 months from Mangalore SEZ Limited. The annual lease rental payable to Mangalore SEZ Limited is ₹23.40 million.

53. Disclosure under Guidance Note on Accounting for "Oil and Gas Producing Activities" (Revised)

53.1. Group's share of Proved Reserves on the geographical basis is as under:

Particular	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (note 53.2.1)	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
A. In India							
Offshore	**Opening**	**200.76**	**208.13**	**176.306**	**187.882**	**377.05**	**396.00**
	Addition	14.48	9.36	27.375	5.689	41.86	15.05
	Production	16.26	16.73	17.606	17.265	33.86	34.00
	Closing	**198.98**	**200.76**	**186.075**	**176.306**	**385.05**	**377.05**
Onshore	**Opening**	**187.73**	**189.75**	**145.083**	**148.051**	**332.81**	**337.80**
	Addition	3.91	6.33	2.864	2.002	6.77	8.33
	Production	8.34	8.35	5.364	4.970	13.70	13.32
	Closing	**183.30**	**187.73**	**142.583**	**145.083**	**325.88**	**332.81**
Total	**Opening**	**388.49**	**397.88**	**321.389**	**335.933**	**709.88**	**733.81**
	Addition	18.39	15.69	30.239	7.691	48.62	23.39
	Production	24.60	25.08	22.970	22.235	47.57	47.32
	Closing	**382.28**	**388.49**	**328.658**	**321.389**	**710.93**	**709.88**
B.Outside India							
GNOP, Sudan	Opening	8.901	8.988	-	-	8.901	8.988
	Addition		0.540	-	-	-	0.540
	Deduction/Adjustment	(2.019)		-	-	(2.019)	
	Production	0.481	0.627	-		0.481	0.627
	Closing	**6.401**	**8.901**	**-**	**-**	**6.401**	**8.901**
GPOC, South Sudan	Opening	6.377	6.377	-	-	6.377	6.377
	Addition	-	-	-	-	-	-
	Deduction/Adjustment		-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**6.377**	**6.377**	**-**	**-**	**6.377**	**6.377**
Block 5A, South Sudan	Opening	5.886	5.887	-	-	5.886	5.887
	Addition	-	-	-	-	-	-
	Deduction/Adjustment		0.001	-	-	-	0.001
	Production	-	-	-	-	-	-
	Closing	**5.886**	**5.886**	**-**	**-**	**5.886**	**5.886**
Sakhalin-1, Russia	Opening	37.810	36.605	72.525	72.780	110.335	109.385
	Addition	-	2.947	-	0.334	-	3.281
	Deduction/Adjustment		-	0.001	-	0.001	-
	Production	1.809	1.742	0.555	0.588	2.364	2.33
	Closing	**36.001**	**37.810**	**71.969**	**72.525**	**107.970**	**110.335**

Particular	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (note 53.2.1)	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Block 06.1, Vietnam	Opening	0.563	0.535	4.380	2.789	4.943	3.324
	Addition	0.055	0.057	2.919	3.250	2.974	3.307
	Deduction/Adjustment	-	-	-	0.001	-	0.001
	Production	0.024	0.029	1.478	1.659	1.502	1.688
	Closing	**0.594**	**0.563**	**5.821**	**4.380**	**6.415**	**4.943**
AFPC, Syria	Opening	2.581	2.581		-	2.581	2.581
	Addition		-		-	-	-
	Deduction/Adjustment		-		-	-	-
	Production	-	-		-	-	-
	Closing	**2.581**	**2.581**	**-**	**-**	**2.581**	**2.581**
BC-10, Brazil	Opening	6.737	9.081	0.464	0.663	7.201	9.744
	Addition	-	(0.001)	-	0.001	-	-
	Deduction/Adjustment	(3.114)	1.694	(0.225)	0.160	(3.339)	1.854
	Production	0.604	0.649	0.039	0.040	0.643	0.689
	Closing	**3.019**	**6.737**	**0.200**	**0.464**	**9.897**	**7.201**
MECL, Colombia	Opening	2.744	3.355	-	-	2.744	3.355
	Addition		0.004		-	-	0.004
	Deduction/Adjustment	(0.207)	0.001		-	(0.207)	0.001
	Production	0.543	0.614		-	0.543	0.614
	Closing	**1.994**	**2.744**	**-**	**-**	**2.408**	**2.744**
IEC, Russia	Opening	16.397	14.317	4.750	4.661	21.147	18.978
	Addition	-	2.385	-	0.119	-	2.504
	Deduction/Adjustment	(1.438)	-	(0.797)	-	(2.235)	-
	Production	0.271	0.305	0.027	0.030	0.298	0.335
	Closing	**14.688**	**16.397**	**3.926**	**4.750**	**18.614**	**21.147**
PIVSA, Venezuela	Opening	8.969	9.554	-	-	8.969	9.554
	Addition		-		-	-	-
	Deduction/Adjustment		-		-	-	-
	Production	0.427	0.585		-	0.427	0.585
	Closing	**8.542**	**8.969**	**-**	**-**	**8.542**	**8.969**
Carabobo - 1, Venezuela	Opening	3.622	3.734	-	-	3.622	3.734
	Addition	0.874	-		-	0.874	-
	Deduction/Adjustment		-		-	-	-
	Production	0.140	0.112		-	0.140	0.112
	Closing	**4.356**	**3.622**	**-**	**-**	**4.356**	**3.622**

Particular	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (note 53.2.1)	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
BLOCK-XXIV, Syria	Opening	1.803	1.803	-	-	1.803	1.803
	Addition	-	-	-	-	-	-
	Deduction/Adjustment	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**1.803**	**1.803**	**-**	**-**	**1.803**	**1.803**
BLOCK-A1 & A3, Myanmar	Opening	-	-	10.138	11.029	10.138	11.029
	Addition		-		-	-	-
	Deduction/Adjustment		-		-	-	-
	Production		-	0.843	0.891	0.843	0.891
	Closing	**-**	**-**	**9.295**	**10.138**	**9.295**	**10.138**
ACG, Azerbaijan	Opening	7.057	7.904	-	-	7.057	7.904
	Addition	-	-		-	-	-
	Deduction/Adjustment	(0.584)	-		-	(0.584)	-
	Production	0.818	0.847		-	0.818	0.847
	Closing	**5.655**	**7.057**	**-**	**-**	**5.655**	**7.057**
Vankor, Russia	Opening	-		-	-	-	-
	Addition	78.115	-	8.553	-	86.668	-
	Deduction/Adjustment	-	-	0.001	-	0.001	-
	Production	3.317	-	1.228	-	4.545	-
	Closing	**74.798**	**-**	**7.326**	**-**	**82.123**	**-**
Total Reserves	**Opening**	**109.446**	**110.720**	**92.256**	**91.921**	**201.702**	**202.641**
	Addition	79.044	5.932	11.473	3.704	90.517	9.636
	Deduction/Adjustment	(7.362)	1.696	(1.023)	0.160	(8.385)	1.856
	Production	8.434	5.510	4.170	3.208	12.604	8.718
	Closing	**172.694**	**109.446**	**98.536**	**92.256**	**271.230**	**201.702**

53.2. Group's share of Proved Developed Reserves on the geographical basis is as under:

Particulars	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (note 53.2.1)	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
A. In India							
Offshore	**Opening**	**146.61**	**154.48**	**113.525**	**122.693**	**260.14**	**277.17**
	Addition	3.73	8.86	16.622	8.097	20.35	16.97
	Production	16.26	16.73	17.606	17.265	33.87	34.00
	Closing	**134.08**	**146.61**	**112.541**	**113.525**	**246.62**	**260.14**
Onshore	**Opening**	**142.71**	**143.74**	**100.172**	**103.835**	**242.88**	**247.57**
	Addition	3.49	7.33	(0.370)	1.360	3.12	8.69
	Production	8.35	8.36	5.364	5.023	13.71	13.39
	Closing	**137.85**	**142.71**	**94.438**	**100.172**	**232.29**	**242.87**
Total	**Opening**	**289.32**	**298.22**	**213.697**	**226.528**	**503.02**	**524.75**
	Addition	7.22	16.19	16.252	9.457	23.47	25.66
	Production	24.61	25.09	22.970	22.288	47.58	47.39
	Closing	**271.93**	**289.32**	**206.979**	**213.697**	**478.91**	**503.02**
B. Outside India							
GNOP, Sudan	Opening	2.463	2.297	-	-	2.463	2.297
	Addition	0.272	0.793	-	-	0.272	0.793
	Deduction/ Adjustment	-	-	-	-	-	-
	Production	0.481	0.627	-	-	0.481	0.627
	Closing	**2.254**	**2.463**	**-**	**-**	**2.254**	**2.463**
GPOC, South Sudan	Opening	4.312	4.312	-	-	4.312	4.312
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment		-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**4.312**	**4.312**	**-**	**-**	**4.312**	**4.312**
Block 5A, South Sudan	Opening	2.565	2.565	-	-	2.565	2.565
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment	-	-	-	-	-	-
	Production	-	-	-	-	-	-
	Closing	**2.565**	**2.565**	**-**	**-**	**2.565**	**2.565**
Sakhalin-1, Russia	Opening	16.197	12.848	10.169	9.691	26.366	22.539
	Addition	2.378	5.091	0.223	1.065	2.601	6.156
	Deduction/ Adjustment	(0.001)	-	0.001	-0.001	0.000	(0.001)

Particulars	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (note 53.2.1)	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
	Production	1.809	1.742	0.555	0.588	2.364	2.330
	Closing	**16.765**	**16.197**	**9.839**	**10.169**	**26.603**	**26.366**
Block 06.1, Vietnam	Opening	0.563	0.536	4.380	2.789	4.943	3.324
	Addition	0.047	0.057	1.000	3.250	1.047	3.307
	Deduction/ Adjustment		0.001		-	-	0.001
	Production	0.024	0.029	1.478	1.659	1.502	1.688
	Closing	**0.586**	**0.563**	**3.902**	**4.380**	**4.488**	**4.943**
AFPC, Syria	Opening	2.206	2.206	-	-	2.206	2.206
	Addition	-	-	-	-	-	-
	Deduction/ Adjustment		-		-	-	-
	Production	-	-	-	-	-	-
	Closing	**2.206**	**2.206**	**-**	**-**	**2.206**	**2.206**
BC-10, Brazil	Opening	6.737	6.783	0.464	0.450	7.201	7.233
	Addition		0.603		0.054	-	0.657
	Deduction/ Adjustment	(3.114)	-	(0.225)	-	(3.339)	-
	Production	0.604	0.649	0.039	0.040	0.643	0.689
	Closing	**3.019**	**6.737**	**0.200**	**0.464**	**3.219**	**7.201**
MECL, Colombia	Opening	2.403	3.014	-	-	2.403	3.014
	Addition		0.004		-	-	0.004
	Deduction/ Adjustment	(0.111)	0.001		-	(0.111)	0.001
	Production	0.543	0.614		-	0.543	0.614
	Closing	**1.749**	**2.403**	**-**	**-**	**1.971**	**2.403**
IEC, Russia	Opening	5.206	4.178	1.110	1.071	6.316	5.249
	Addition	-	1.333	-	0.069	-	1.402
	Deduction/ Adjustment	(0.001)	-	0.001	-	-	-
	Production	0.271	0.305	0.027	0.030	0.298	0.335
	Closing	**4.934**	**5.206**	**1.084**	**1.110**	**6.018**	**6.316**
PIVSA, Venezuela	Opening	1.697	2.282		-	1.697	2.282
	Addition		-		-	-	-
	Deduction/ Adjustment		-		-	-	-
	Production	0.427	0.585		-	0.427	0.585
	Closing	**1.270**	**1.697**		**-**	**1.270**	**1.697**

Particulars	Details	Crude Oil (MMT)		Gas (Billion Cubic Meter)		Total Oil Equivalent (MMTOE) (note 53.2.1)	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Carabobo - 1, Venezuela	Opening	1.231	0.920	-	-	1.231	0.920
	Addition	0.722	0.423		-	0.722	0.423
	Deduction/ Adjustment		-		-	-	-
	Production	0.140	0.112		-	0.140	0.112
	Closing	**1.813**	**1.231**	**-**	**-**	**1.813**	**1.231**
BLOCK-XXIV, Syria	Opening	0.049	0.049	-	-	0.049	0.049
	Addition		-		-	-	-
	Deduction/ Adjustment		-		-	-	-
	Production		-		-	-	-
	Closing	**0.049**	**0.049**	**-**	**-**	**0.049**	**0.049**
BLOCK-A1 & A3, Myanmar	Opening		-	6.716	5.654	6.716	5.654
	Addition		-	-	1.953	-	1.953
	Deduction/ Adjustment		-	0.001	-	0.001	-
	Production		-	0.843	0.891	0.843	0.891
	Closing		**-**	**5.872**	**6.716**	**5.872**	**6.716**
ACG, Azerbaijan	Opening	2.585	2.928			2.585	2.928
	Addition	2.725	0.504			2.725	0.504
	Deduction/ Adjustment		-			-	-
	Production	0.818	0.847			0.818	0.847
	Closing	**4.492**	**2.585**			**4.492**	**2.585**
Vankor, Russia	Opening	-	-	-	-	-	-
	Addition	59.213	-	6.620	-	65.833	-
	Deduction/ Adjustment		-	(0.000)	-	(0.000)	-
	Production	3.317	-	1.228	-	4.545	-
	Closing	**55.896**	**-**	**5.392**	**-**	**61.289**	**-**
Total Reserves	**Opening**	**48.214**	**44.918**	**22.840**	**19.654**	**71.054**	**64.573**
	Addition	65.356	8.807	7.843	6.392	73.200	15.199
	Deduction/ Adjustment	(3.227)	0.002	(0.222)	(0.001)	(3.449)	0.001
	Production	8.434	5.510	4.170	3.208	12.604	8.718
	Closing	**101.910**	**48.214**	**26.289**	**22.839**	**128.199**	**71.053**

53.2.1. MMTOE denotes "Million metric Tonne Oil Equivalent" and for calculating Oil equivalent of Gas, 1000 M^3 of Gas has been taken to be equal to 1 MT of Crude Oil. Variations in totals, if any, are due to internal summations and rounding off.

53.3 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.

54. 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.

55. First-time Ind AS adoption-Reconciliations

55.1. Reconciliation of total equity as at March 31, 2016 and April 1, 2015

(₹ in million)

Particulars	Notes	As at March 31, 2016	As at April 1, 2015
Total equity (shareholders' funds) under Previous GAAP as per Consolidated financial statement		1,872,510.39	1,829,275.36
Adjustments for:			
Equity instruments measured at fair value	(i)	110,535.77	104,118.44
Remeasurement of decommissioning provisions including related effect of depletion on oil and gas assets	(ii)	(1,597.84)	(1,088.43)
Exchange differences arising on translation of foreign operations	(iii)	10,344.52	6,847.81
Derecognition of proposed dividend and related distribution tax	(iv)	33,465.84	5,148.60

Particulars	Notes	As at March 31, 2016	As at April 1, 2015
Reedemable preference shares classified as a part of liabilities under Ind AS	(v)	(10,083.03)	(10,385.70)
Impairment of receivables for expected credit loss	(vi)	4,878.08	4,039.79
Reversal of Goodwill Amortisation	(vii)	(670.57)	-
Effect of losses restricted to Group ownership interest in joint venture	(viii)	9,060.16	8,553.56
Effect of foreign exchange losses capitalised to Oil and Gas assets for ONGC Campos Ltda.	(ix)	9,118.79	7,758.06
Impairment of loans to ONGC Mittal Energy Limited under Ind AS	(x)	(10,052.88)	(9,490.76)
Effect of true up adjustments on profit of equity accounted JV and associates	(xi)	4,428.74	469.74
Employee loans measured at amortised cost	(xii)	(4,102.09)	(3,883.38)
Borrowing cost amortisation	(xiii)	1,915.11	824.89
Others		1,603.04	18.89
Income tax adjustments relating to above, as applicable	(xiv)	(26,699.52)	(29,654.55)
Total adjustment to equity		**132,144.12**	**83,276.96**
Total equity under Ind AS		**2,004,654.51**	**1,912,552.32**

(i) **Fair valuation of Investments in Equity Instruments:** Under the Previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under the Ind AS, investments in equity instruments of companies other than Subsidiaries, Associates & Joint Ventures are measured at fair value. As at the transition date, the Company has made irrevocable choice to account for these investments at fair value through other comprehensive income (OCI), resulting in increase in total equity by ₹ 104,118.44 million and ₹ 110,535.77 million as at April 1 2015 and March 31, 2016 respectively.

(ii) **Adjustment to Oil and gas assets and Decommissioning Provisions:** Under the Previous GAAP, discounting of provisions was not required whereas under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. Accordingly, decommissioning provisions have been re-measured (as mentioned in note 5.2.(a) at the transition date by availing optional exemption as per para D21 of Ind AS 101 'First time Adoption of Indian Accounting Standards'. This has resulted in change in decommissioning provisions and related effect of depletion on oil and gas assets by ₹ 1,088.43 million as at April 1, 2015 and by ₹ 1,597.84 million as at March 31, 2016.

(iii) **Exchange difference on account of translation of the financial statements from functional currency to presentation currency:** Under Previous GAAP the Company's subsidiary OVL prepared its financial statements in Indian rupee " ₹" on transition to Ind AS, OVL has assessed its functional currency as United States Dollars (USD) considering the primary economic environment in which it operates. OVL has translated its consolidated Ind AS financial statements from functional currency to presentation currency " ₹"as per the principles mentioned in note 3.21 the resulted exchange differences resulted in increase in equity by ₹ 6,847.81 million as at April 1, 2015 and ₹10,344.52 million as at March 31, 2016.

(iv) **Proposed Dividend:** Under the Previous GAAP, final dividend on equity shares recommended by the Board of Directors after the end of the reporting period and was recognised as a provision in the financial statements. On transition to Ind AS, such dividends are not recognized until the same is approved by shareholders in the annual general meeting. Accordingly, the provision for proposed dividend of ₹ 5,148.60 million as at April 1, 2015 included under provisions has been derecognised with corresponding adjustment to retained earnings and the same has been recognized during the year ended March 31, 2016. Similarly, the proposed dividend as at March 31, 2016 has also been derecognised the final divided resulting in increase in total equity by an amount of ₹ 33,465.84 million as at March 31, 2016.

(v) **Classification of preference shares:** Preference shares were classified as equity under Previous GAAP. On transition to Ind AS, preference shares are to be classified under equity or liability depending upon the terms and conditions attached with preference shares. The preference shares issued do not meet the definition of equity and therefore the same have been classified as liability. This has resulted in decrease in equity by ₹ 10,385.70 million as at April 01, 2015 and by ₹ 10,083.03 as at March 31, 2016.

(vi) **Expected credit loss:** Impairment for doubtful receivables were created based on incurred loss model under previous GAAP, on transition to Ind AS, impairment of receivables has been done based on expected credit loss method. This has resulted in reversal of impairment considered under Previous GAAP, this has in increase the equity by ₹ 4,039.79 million as at April 1, 2016 and by ₹ 4,878.08 million as at March 31, 2016.

(vii) **Reversal of Amortisation on Goodwill:** Goodwill was amortised over the useful life of the assets under Previous GAAP, under Ind AS Goodwill is required to be tested for impairment at each reporting period and cannot amortised. Accordingly, goodwill as the transition date has been tested for impairment under Ind AS and Impairment of goodwill amounting to ₹ 670.57 million for the year ended March 31, 2016 has been recognised resulting in decrease in equity.

(viii) **Equity pickup of Joint ventures:** Under Previous GAAP, Joint ventures were proportionately consolidated, however under Ind AS, in case of loss in joint venture, entity's share of loss is recognised only to the extent of entity's carrying value of investment. This has resulted in increase in equity by ₹ 8,553.56 million as at April 1, 2015 and by ₹ 9,060.16 million as at March 31, 2016.

(ix) **Capitalisation of foreign exchange:** Under Ind AS, ONGC Campos Ltda has capitalised foreign exchanges losses to Oil and gas assets which has resulted in increase in equity by ₹ 7,758.06 million as at April 1, 2015 and ₹ 9,118.79 million as at March 31, 2016.

(x) **Impairment of loan:** There has been a decrease in equity on account of impairment of loan given to ONGC Mittal Energy Limited done under Ind AS resulting in decrease in equity by ₹ 9,490.76 million as at April 1, 2015 and ₹10,052.88 million as at March 31, 2016.

(xi) **True up adjustment:** Accounts of Dahej SEZ Ltd.(JV) and Pawan Hans Ltd (associate) were accounted on the basis of unaudited management certified accounts under previous GAAP at the time of transition to Ind AS the audited account of the JV's have been received. The change in profit / loss between unaudited management certified accounts and audited accounts have been trued up which has resulted in increase in equity by ₹ 469.74 million as at April 1, 2015 and ₹ 4,428.74 million as at March 31, 2016.

(xii) **Accounting of loans to employees on amortised cost method under effective rate of interest:** Under the Previous GAAP, loans to employees were recorded in the financial statements at transaction value. Under Ind AS, loans given to employees at concessional rate are required to be recognized at amortised cost method with Effective Interest Rate. The difference between the amortized cost of such loans and transaction value as on the transition date 1st April 2015, has been adjusted to retained earnings, resulting in decrease in total equity by ₹ 3,883.38 million. The amortized cost accounting of such loan under the effective interest rate method, has resulted in increase in interest income by ₹ 218.71 million for the year ended March 31, 2016.The net effect of above is decrease in total equity by ₹ 4,102.09 million as at March 31, 2016.

(xiii) **Borrowing Cost:** Costs related to borrowings were capitalised with the cost of property, plant and equipment if eligible for capitalization under Previous GAAP. Under Ind AS, borrowings are to be recognisednet of transactions costs, on initial recognition and subsequently measured at amortised cost. As at April 1, 2015, transaction costs amounting to ₹ 824.89 million has been adjusted from retained earnings resulting in increase in total equity and corresponding reduction in borrowings. As at March 31, 2016, transaction cost amounting to ₹ 1,915.11 million has been adjusted resulting in increase in total equity and corresponding reduction in borrowings. Subsequent to April 1, 2015, the transaction cost is amortised over the loan period using effective interest rate method.

(xiv) **Deferred tax:** Deferred tax has been recognised on account of adjustments made due to application of Ind AS. These adjustments have resulted in a decrease in equity by ₹29,654.55 million as at April 1, 2015 and by ₹26,699.52 million as at March 31, 2016.

55.2. Reconciliation of total comprehensive income for the year ended March 31, 2016 **(₹ in million)**

Particulars	Notes	Year ended March 31, 2016
Profit as per Previous GAAP as per Consolidated financial statement		**143,135.25**
Adjustments:		
Effect on profit due to change in functional currency of Group's subsidiary ONGC Videsh Limited	(i)	(17,341.20)
Effect of financial assets measured at amortised cost	(ii)	1,633.62
Effect on finance cost due to unwinding of discount on decommissioning liabilities	(iii)	(13,136.26)
Effect on depletion of Oil and Gas assets due to adjustment of decommissioning liabilities	(iv)	7,520.33
Effect on Impairment Loss due to adjustment of decommissioning liabilities	(iv)	(843.72)
Effect on other income due to re-measurement of decommissioning liabilities	(iv)	6,084.86
Effect on other expenditure due to foreign exchange difference on remeasurement of decommissioning liability	(iv)	225.57
Others		(500.10)
Income tax adjustments relating to above, as applicable	(v)	4,237.18
Total effect of transition to Ind AS		**(12,119.72)**
Profit for the year as per Ind AS		**131,015.53**
Other comprehensive income for the year (net of income tax)		
Items that will not reclassified to profit or loss		
Equity instrument through other comprehensive income (net of income tax)	(vi)	6,417.97
Remeasurement of the defined benefit plans (net of tax)	(vii)	(299.33)
Items that will be reclassified to profit or loss		
Exchange difference in translating the financial statement of foreign operations (net of income tax)	(viii)	16,346.67
Total comprehensive income under Ind AS		**153,480.84**

Note:

(i) **Exchange difference on account of translation of the financial statements from functional currency to presentation currency:** Under Previous GAAP the Company's subsidiary OVL prepared its financial statements in Indian rupee "₹" on transition to Ind AS, OVL has assessed its functional currency as United

States Dollars (USD) considering the primary economic environment in which it operates The effect of recognising the transactions on the basis of the functional currency, derecognition of borrowing cost from fixed assets etc. has resulted in decrease in profit amounting to ₹17,341.20 million

(ii) **Financial Assets measured at amortised cost:** Loans given to employees at concessional rate have been valued by applying amortised cost method using Effective Interest Rate as per requirements of Ind AS 109 'Financial Instruments'. Similarly other financial assets are also valued at amortised under Effective Interest Rate. The amortized cost accounting of such financial assets under the effective interest rate method, has resulted in increase in interest income by ₹ 1,633.62 million for the year ended March 31, 2016

(iii) **Unwinding of discount on Decommissioning Provision:** Under the Previous GAAP, discounting of provisions was not required whereas under Ind AS, provisions are measured at discounted amounts, if the effect of time value of money is material. As a result, the unwinding of discount on decommissioning provisions has been recognized in the Statement of profit and loss as finance cost i.e. ₹ 13,136.26 million for the year ended March 31, 2016..

(iv) **Adjustments on account of decommissioning provision:** As stated at note no. 55.1.ii Oil and gas assets were adjusted as on the transition date consequent to application of para D21 of Ind AS 101 on First time Adoption of Indian Accounting Standards. This has resulted in decrease in carrying value of oil and gas assets as at the transition date. Accordingly, the depletion under Ind AS for the year ended 31st March 2016 has reduced by ₹ 7,520.33 million. Further impairment shown as exceptional item under previous GAAP has a reducing impact on profit by₹ 843.72 million on account of the same.

Any change in the present value of the estimated decommissioning expenditure other than the periodic unwinding of discount is adjusted to the decommissioning provision and the carrying value of the corresponding asset. In case reversal of provision exceeds the carrying amount of the related asset, the excess amount is recognized in the Statement of Profit and Loss. On remeasurement of decommissioning provision where the provision exceeded the carrying amount of the related assets, the excess provision of ₹ 6,084.86 million has been written back as other income during the year ended 31st March, 2016. Further there is a decrease in other expenditure amounting to ₹ 225.57 million due to foreign exchange difference on re-measurement of decommissioning provisions.

(v) **Deferred Tax:** Deferred tax has been recognized on the account of adjustments made due to application of Ind AS. These adjustments have resulted in an decrease in deferred tax by ₹ 4,237.18 million during year ended March 31, 2016.

(vi) **Fair valuation of Investments in Equity Instruments:** As stated at note no.3.39 (vii), the Company has irrevocably elected to present the changes in fair value of equity instruments of companies other than Subsidiaries, Associates & Joint Ventures in Other Comprehensive Income (OCI), as at April 1 2015. Subsequent fair value changes have been recognized in Other Comprehensive Income (OCI). This has resulted in increase in other comprehensive income by ₹ 6,417.97 million during year ended March 31, 2016.

(vii) **Remeasurement of defined benefit plans:** Under Ind AS 19 Employee Benefits' Remeasurement i.e. actuarial gains and losses of defined benefit plans amounting to ₹ 299.33 million (net of deferred tax) have been recognised in other comprehensive income

(viii) **Exchange difference on account of translation of the financial statements from functional currency to presentation currency:** Under Previous GAAP the Company's subsidiary OVL prepared its financial statements in Indian rupee "₹" on transition to Ind AS, OVL has assessed its functional currency as United States Dollars (USD) considering the primary economic environment in which it operates. OVL has translated its consolidated Ind AS financial statements from functional currency to presentation currency "₹"as per the principles mentioned in note 3.21the resulted exchange differences resulted in increase in other comprehensive income by ₹ 16,346.67 million as at March 31, 2016.

56. Additional disclosure under Schedule-III

a) Schedule-III additional disclosure in Consolidated Financial Statements as on March 31, 2017

SL. No.	Name of the entity in the group	Country of incorpora-tion	Net Asset, i.e., total assets minus total liabilities as on March 31, 2017		Share in profit or loss for the financial year ended March 31, 2017		Share in other compre-hensive income for the financial year ended March 31, 2017		Share in total compre-hensive income for the financial year ended March 31, 2017	
			As % of con-solidated net assets	(₹ in million)	As % of consolidated profit or loss	(₹ in million)	As % of consolidated other com-prehensive income	(₹ in million)	As % of consol-idated total compre-hensive income	(₹ in million)
	1		2	3	4	5				
A	**Parent**									
A.1	ONGC	India	71.59%	1,613,103.54	76.62%	157,051.27	86.87%	124,681.51	80.84%	281,732.78
B	**Subsidiaries (Group's share)**									
B.1	Indian									
B.1.1	ONGC Videsh Limited (OVL)		14.08%	317,332.40	8.53%	17,493.79	6.90%	9,905.34	7.86%	27,399.13
B.1.2	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	India	4.03%	90,747.54	17.83%	36,548.65	-0.04%	(50.35)	10.47%	36,498.30
B.1.3	ONGC Mangalore Petrochemicals Ltd. (OMPL)	India	0.17%	3,858.94	-0.91%	(1,867.55)	0.00%	(1.26)	-0.54%	(1,868.81)
B.2	**Foreign**									
B.2.1	ONGC Nile Ganga B.V.(ONGBV)	The Netherlands	-1.08%	(24,344.42)	-0.98%	(2,016.06)	0.77%	1,099.22	-0.26%	(916.84)
B.2.2	ONGC Campos Ltda.	Brazil	-0.07%	(1,637.07)	-4.44%	(9,099.21)	0.00%	-	-2.61%	(9,099.21)
B.2.3	ONGC Nile Ganga (Cyprus) Ltd.	Cyprus	0.00%	(0.05)	0.00%	(2.28)	0.00%	-	0.00%	(2.28)
B.2.4	ONGC Nile Ganga (San Cristobal) B.V.	The Netherlands	-0.27%	(6,003.11)	0.00%	7.58	0.00%	-	0.00%	7.58
B.2.5	ONGC Caspian E&P B.V.	The Netherlands	-0.04%	(1,000.05)	0.16%	328.12	0.00%	-	0.09%	328.12
B.2.6	ONGC Nile Ganga B.V.(ONGBV)	The Netherlands	0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.7	ONGC Narmada Limited (ONL)	Nigeria	0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.8	ONGC Amazon Alaknanda Limited (OAAL)	Bermuda	-0.15%	(3,270.17)	-3.40%	(6,970.37)	0.00%	-	-2.00%	(6,970.37)
B.2.9	Imperial Energy Limited (*)	Cyprus	-0.94%	(21,223.72)	0.05%	109.22	1.34%	1,924.48	0.58%	2,033.70
B.2.10	Imperial Energy Tomsk Limited	Cyprus	0.00%	(82.48)	0.00%	(2.70)	0.00%	-	0.00%	(2.70)
B.2.11	Imperial Energy (Cyprus) Limited	Cyprus	-0.09%	(2,077.70)	0.00%	(2.65)	0.00%	-	0.00%	(2.65)
B.2.12	Imperial Energy Nord Limited	Cyprus	-0.38%	(8,626.63)	0.00%	(2.58)	0.00%	-	0.00%	(2.58)
B.2.13	Biancus Holdings Limited	Cyprus	-0.01%	(160.65)	0.07%	146.38	0.00%	-	0.04%	146.38
B.2.14	Redcliffe Holdings Limited	Cyprus	-0.02%	(509.85)	0.00%	(2.73)	0.00%	-	0.00%	(2.73)
B.2.15	Imperial Frac Services (Cyprus) Limited	Cyprus	0.00%	(6.95)	0.00%	(4.52)	0.00%	-	0.00%	(4.52)
B.2.16	San Agio Investments Limited	Cyprus	0.00%	8.90	-0.06%	(122.66)	0.00%	-	-0.04%	(122.66)
B.2.17	LLC Sibinterneft (**)	Russia	0.01%	206.75	-0.05%	(99.20)	0.00%	-	-0.03%	(99.20)
B.2.18	LLC Allianceneftegaz	Russia	0.03%	751.25	-0.48%	(974.05)	0.00%	-	-0.28%	(974.05)
B.2.19	LLC Nord Imperial	Russia	-0.09%	(1,960.14)	0.16%	321.89	0.00%	-	0.09%	321.89
B.2.20	LLC Rus Imperial Group	Russia	0.00%	66.71	-0.14%	(281.35)	0.00%	-	-0.08%	(281.35)

SL. No.	Name of the entity in the group	Country of incorpora-tion	Net Asset, i.e., total assets minus total liabilities as on March 31, 2017		Share in profit or loss for the financial year ended March 31, 2017		Share in other compre-hensive income for the financial year ended March 31, 2017		Share in total compre-hensive income for the financial year ended March 31, 2017	
			As % of con-solidated net assets	(₹ in million)	As % of consolidated profit or loss	(₹ in million)	As % of consolidated other com-prehensive income	(₹ in million)	As % of consol-idated total compre-hensive income	(₹ in million)
B.2.21	LLC Imperial Frac Services	Russia	0.00%	(61.14)	-0.79%	(1,620.66)	0.00%	-	-0.47%	(1,620.66)
B.2.22	Carabobo One AB	Sweden	-0.02%	(454.87)	0.00%	-	0.10%	146.60	0.04%	146.60
B.2.23	Petro Carabobo Ganga B.V.	The Netherlands	-0.06%	(1,448.94)	0.00%	-	0.00%	-	0.00%	-
B.2.24	ONGC (BTC) Ltd	Cayman Islands	0.00%	(0.74)	0.24%	500.94	0.00%	-	0.14%	500.94
B.2.25	Beas Rovuma Energy Mozambique Ltd	British Virgin island	-0.20%	(4,396.12)	-0.09%	(191.09)	0.00%	-	-0.05%	(191.09)
B.2.26	ONGC Videsh Rovuma Ltd.	Republic of Mauritius	0.00%	0.03	0.00%	(1.50)	0.00%	-	0.00%	(1.50)
B.2.27	ONGC Videsh Atlantic Inc.	Texas	0.00%	(19.08)	0.01%	27.17	0.00%	-	0.01%	27.17
B.2.28	ONGC Videsh Singapore Pte.Ltd.	Singapore	0.00%	1.31	-0.01%	(23.91)	4.06%	5,825.80	1.66%	5,801.89
B.2.29	ONGC Videsh Vankorneft Pte.Ltd.	Singapore	-0.10%	(2,241.12)	-2.64%	(5,407.76)	0.00%	-	-1.55%	(5,407.76)
C	**Non controlling interest in all subsidiaries**		1.83%	41,242.96	4.78%	9,804.76	0.00%	(1.21)	2.81%	9,803.55
D	**Associates (Investments as per the equity method)**			-	0.00%	-	0.00%		0.00%	
D.1	**Indian**			-	0.00%	-	0.00%		0.00%	
D.1.1	Pawan Hans Ltd.(PHL)	India	0.18%	3,978.88	0.45%	927.11	0.00%	-	0.27%	927.11
D.1.2	Petronet LNG Limited (PLL)	India	0.45%	10,222.99	0.75%	1,533.31	0.00%	(2.69)	0.44%	1,530.62
D.2	Foreign									
D.2.1	**Petro Carabobo S.A.**	**Venezuela**	**0.03%**	**579.73**	**0.29%**	**599.61**	**0.00%**	**-**	**0.17%**	**599.61**
D.2.2	Carabobo Ingeniería y Construcciones, S.A.	Venezuela	0.00%	0.27	0.00%	-	0.00%	-	0.00%	-
D.2.3	South-East Asia Gas Pipeline Company Limited	Hongkong	0.05%	1,016.26	0.44%	900.41	0.00%	-	0.26%	900.41
D.2.4	Tamba B.V.	The Netherlands	1.23%	27,792.13	1.97%	4,027.86	0.00%	-	1.16%	4,027.86
D.2.5	JSC Vankorneft	Russia	6.36%	143,221.57	3.66%	7,501.93	0.00%	-	2.15%	7,501.93
D.2.6	SUDD Petroleum Operating Company	Mauritius	0.00%	-	0.00%	-	0.00%	-	0.00%	-
D.2.7	Petrolera Indovenezolana S.A.	Venezuela	1.17%	26,294.95	1.69%	3,456.32	0.00%		0.99%	3,456.32
E	**Joint Ventures (Investments as per the equity method)**									
E.1	**Indian**									
E.1.1	Petronet MHB Ltd (PMHBL)	India	0.10%	2,182.36	0.12%	253.96	0.00%	(0.05)	0.07%	253.91
E.1.2	Mangalore SEZ Ltd (MSEZ) (note 3.1)	India	0.01%	180.12	-0.01%	(16.05)	0.00%	(0.39)	0.00%	(16.44)

SL. No.	Name of the entity in the group	Country of incorpora-tion	Net Asset, i.e., total assets minus total liabilities as on March 31, 2017		Share in profit or loss for the financial year ended March 31, 2017		Share in other compre-hensive income for the financial year ended March 31, 2017		Share in total compre-hensive income for the financial year ended March 31, 2017	
			As % of con-solidated net assets	(₹ in million)	As % of consolidated profit or loss	(₹ in million)	As % of consolidated other com-prehensive income	(₹ in million)	As % of consol-idated total compre-hensive income	(₹ in million)
E.1.3	ONGC Petro Additions Ltd.(OPaL)	India	0.84%	19,024.61	-3.54%	(7,263.01)	0.00%	(0.85)	-2.08%	(7,263.86)
E.1.4	ONGC Tripura Power Company Ltd.(OTPC)	India	0.27%	6,045.11	0.32%	651.83	0.00%	(0.08)	0.19%	651.74
E.1.5	ONGC Teri Biotech Ltd. (OTBL)	India	0.01%	201.05	0.01%	27.53	0.00%	(0.03)	0.01%	27.50
E.1.6	Dahej SEZ Limited (DSEZ)	India	0.05%	1,194.94	0.11%	230.89	0.00%	-	0.07%	230.89
E.1.7	Shell MRPL Aviation Fuels & Services Pvt.Limited (SMASL)(through MRPL)	India	0.02%	415.87	0.02%	45.31	0.00%	3.82	0.01%	49.13
E.1.8										
E.1.9	North East Transmission Company Ltd.(NETC) (through OTPC)	India	0.02%	492.30	0.02%	40.86	0.00%	(0.16)	0.01%	40.70
E.1.10	Mangalore STP Limited (through MSEZ)	India	0.00%	-	0.00%	-	0.00%		0.00%	
E.2	**Foreign**		0.00%	-	0.00%	-	0.00%		0.00%	
E.2.1	ONGC Mittal Energy Limited (OMEL) (through OVL)	Cyprus	0.00%	-	0.00%	-	0.00%	-	0.00%	-
E.2.2	Himalaya Energy (Syria) B.V.	The Netherlands	0.01%	239.59	-0.01%	(21.69)	0.00%	-	-0.01%	(21.69)
E.2.3	Mansarovar Energy Colombia Ltd.	Bermuda	0.99%	22,259.79	-0.76%	(1,564.40)	0.00%	-	-0.45%	(1,564.40)
	Total		100.00%	2,253,137.85	100.00%	204,978.73	100.00%	143,529.70	100.00%	348,508.42

(b) Schedule-III additional disclosure in Consolidated Financial Statements as on March 31, 2016

SL. No.	Name of the entity in the group	Country of incorporation	Net Asset, i.e., total assets minus total liabilities as on March 31, 2016		Share in profit or loss for the financial year ended March 31, 2016		Share in other comprehensive income for the financial year ended March 31, 2016		Share in total comprehensive income for the financial year ended March 31, 2016	
			As % of con-solidated net assets	(₹ in million)	As % of consolidated profit or loss	(₹ in mil-lion)	As % of con-solidated other comprehensive income	(₹ in million)	As % of con-solidated total comprehensive income	(₹ in mil-lion)
	1		2	3	4	5				
A	**Parent**									
A.1	ONGC	India	71.19%	1,427,168.23	118.98%	155,887.41	26.61%	5,977.19	105.46%	161,864.60
B	**Subsidiaries (Group's share)**									
B.1	Indian									
B.1.1	ONGC Videsh Limited (OVL)		14.94%	299,402.12	-29.72%	(38,944.32)	73.40%	16,488.89	-14.63%	(22,455.43)
B.1.2	Mangalore Refinery and Petrochemicals Ltd. (MRPL)	India	2.71%	54,235.14	8.80%	11,526.74	0.01%	3.23	7.51%	11,529.97

SL. No.	Name of the entity in the group	Country of incorporation	Net Asset, i.e., total assets minus total liabilities as on March 31, 2016		Share in profit or loss for the financial year ended March 31, 2016		Share in other comprehensive income for the financial year ended March 31, 2016		Share in total comprehensive income for the financial year ended March 31, 2016	
			As % of consolidated net assets	(₹ in million)	As % of consolidated profit or loss	(₹ in million)	As % of consolidated other comprehensive income	(₹ in million)	As % of consolidated total comprehensive income	(₹ in million)
B.1.3	ONGC Mangalore Petrochemicals Ltd. (OMPL)	India	0.29%	5,727.75	-2.53%	(3,309.26)	-0.01%	(1.93)	-2.16%	(3,311.19)
B.2	**Foreign**									
B.2.1	ONGC Nile Ganga B.V.(ONGBV)	The Netherlands	0.93%	18,598.31	-0.53%	(688.47)	0.00%	-	-0.45%	(688.47)
B.2.2	ONGC Campos Ltda.	Brazil	0.06%	1,277.33	-4.54%	(5,954.54)	0.00%	-	-3.88%	(5,954.54)
B.2.3	ONGC Nile Ganga (Cyprus) Ltd.	Cyprus	0.00%	0.04	0.00%	(0.80)	0.00%	-	0.00%	(0.80)
B.2.4	ONGC Nile Ganga (San Cristobal) B.V.	The Netherlands	0.20%	4,007.80	0.01%	11.30	0.00%	-	0.01%	11.30
B.2.5	ONGC Caspian E&P B.V.	The Netherlands	0.04%	805.63	0.32%	419.72	0.00%	-	0.27%	419.72
B.2.6	ONGC Nile Ganga B.V.(ONGBV)	The Netherlands	0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.7	ONGC Narmada Limited (ONL)	Nigeria	0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.8	ONGC Amazon Alaknanda Limited (OAAL)	Bermuda	0.13%	2,615.62	-3.85%	(5,042.05)	0.00%	-	-3.29%	(5,042.05)
B.2.9	Imperial Energy Limited (*)	Cyprus	0.87%	17,363.03	-0.07%	(97.30)	0.00%	-	-0.06%	(97.30)
B.2.10	Imperial Energy Tomsk Limited	Cyprus	0.00%	67.63	0.09%	119.95	0.00%	-	0.08%	119.95
B.2.11	Imperial Energy (Cyprus) Limited	Cyprus	0.08%	1,700.39	0.00%	2.66	0.00%	-	0.00%	2.66
B.2.12	Imperial Energy Nord Limited	Cyprus	0.35%	7,059.65	0.00%	2.26	0.00%	-	0.00%	2.26
B.2.13	Biancus Holdings Limited	Cyprus	0.01%	124.47	-0.10%	(133.54)	0.00%	-	-0.09%	(133.54)
B.2.14	Redcliffe Holdings Limited	Cyprus	0.02%	417.36	0.00%	2.48	0.00%	-	0.00%	2.48
B.2.15	Imperial Frac Services (Cyprus) Limited	Cyprus	0.00%	5.91	-0.06%	(74.09)	0.00%	-	-0.05%	(74.09)
B.2.16	San Agio Investments Limited	Cyprus	0.00%	(1.41)	0.06%	83.97	0.00%	-	0.05%	83.97
B.2.17	LLC Sibinterneft (**)	Russia	-0.01%	(162.78)	0.05%	66.50	0.00%	-	0.04%	66.50
B.2.18	LLC Allianceneftegaz	Russia	-0.04%	(760.54)	1.04%	1,356.50	0.00%	-	0.88%	1,356.50
B.2.19	LLC Nord Imperial	Russia	0.07%	1,306.17	0.19%	250.02	0.00%	-	0.16%	250.02
B.2.20	LLC Rus Imperial Group	Russia	0.00%	(42.69)	0.04%	50.52	0.00%	-	0.03%	50.52
B.2.21	LLC Imperial Frac Services	Russia	0.00%	35.93	-0.47%	(613.87)	0.00%	-	-0.40%	(613.87)
B.2.22	Carabobo One AB	Sweden	0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.23	Petro Carabobo Ganga B.V.	The Netherlands	0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.24	ONGC (BTC) Ltd	Cayman Islands	0.00%	0.49	4.17%	5,465.36	0.00%	-	3.56%	5,465.36
B.2.25	Beas Rovuma Energy Mozambique Ltd	British Virgin island	0.11%	2,135.89	-0.23%	(295.36)	0.00%	-	-0.19%	(295.36)
B.2.26	ONGC Videsh Rovuma Ltd.	Republic of Mauritius	0.00%	0.01	0.00%	(1.26)	0.00%	-	0.00%	(1.26)
B.2.27	ONGC Videsh Atlantic Inc.	Texas	0.00%	14.31	0.00%	4.56	0.00%	-	0.00%	4.56

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			As % of consolidated net assets	(₹ in million)	As % of consolidated profit or loss	(₹ in million)	As % of consolidated other comprehensive income	(₹ in million)	As % of consolidated total comprehensive income	(₹ in million)
B.2.28	ONGC Videsh Singapore Pte.Ltd.		0.00%	-	0.00%	-	0.00%	-	0.00%	-
B.2.29	ONGC Videsh Vankorneft Pte.Ltd.		0.00%	-	0.00%	-	0.00%	-	0.00%	-
C	**Non controlling interest in all subsidiaries**		1.32%	26,518.09	1.73%	2,263.40	-0.01%	(1.86)	1.47%	2,261.54
D	**Associates (Investments as per the equity method)**									
D.1	**Indian**									
D.1.1	Pawan Hans Ltd.(PHL)	India	0.14%	2,828.35	0.13%	176.81	0.00%	-	0.12%	176.81
D.1.2	Petronet LNG Limited (PLL)	India	0.42%	8,328.04	0.89%	1,159.81	0.00%	(0.06)	0.76%	1,159.75
D.2	**Foreign**									
D.2.1	Petro Carabobo S.A.	Venezuela	0.00%	-	-1.84%	(2,416.13)	0.00%	-	-1.57%	(2,416.13)
D.2.2	Carabobo Ingeniería y Construcciones, S.A.	Venezuela	0.00%	0.28	0.00%	-	0.00%	-	0.00%	-
D.2.3	South-East Asia Gas Pipeline Company Limited	Hongkong	0.08%	1,578.14	0.50%	660.26	0.00%	-	0.43%	660.26
D.2.4	Tamba B.V.	The Netherlands	1.45%	29,162.21	2.12%	2,771.38	0.00%	-	1.81%	2,771.38
D.2.5	JSC Vankorneft	Russia	0.00%	-	0.00%	-	0.00%	-	0.00%	-
D.2.6	SUDD Petroleum Operating Company	Mauritius	0.00%	-	0.00%	-	0.00%	-	0.00%	-
D.2.7	Petrolera Indovenezolana S.A.	Venezuela	1.56%	31,233.07	5.58%	7,315.36	0.00%	-	4.77%	7,315.36
E	**Joint Ventures (Investments as per the equity method)**									
E.1	**Indian**									
E.1.1	Petronet MHB Ltd (PMHBL)	India	0.08%	1,667.54	0.14%	182.63	0.00%	0.07	0.12%	182.70
E.1.2	Mangalore SEZ Ltd (MSEZ) (note 3.1)	India	0.01%	196.56	-0.02%	(32.27)	0.00%	(0.06)	-0.02%	(32.33)
E.1.3	ONGC Petro Additions Ltd.(OPaL)	India	1.40%	28,075.62	-0.66%	(863.29)	0.00%	-	-0.56%	(863.29)
E.1.4	ONGC Tripura Power Company Ltd.(OTPC)	India	0.27%	5,393.36	0.01%	10.97	0.00%	0.39	0.01%	11.35
E.1.5	ONGC Teri Biotech Ltd. (OTBL)	India	0.01%	173.55	0.03%	41.17	0.00%	(0.01)	0.03%	41.16
E.1.6	Dahej SEZ Limited (DSEZ)	India	0.05%	967.23	0.13%	165.81	0.00%	-	0.11%	165.81
E.1.7	Shell MRPL Aviation Fuels & Services Pvt.Limited (SMASL)(through MRPL)	India	0.02%	375.77	0.01%	19.63	0.00%	(0.63)	0.01%	19.00
E.1.8	Mangalam Retail Services Limited (MRSL)(through MRPL)	India	0.00%	0.59	0.00%	0.02	0.00%	-	0.00%	0.02
E.1.9	North East Transmission Company Ltd.(NETC) (through OTPC)	India	0.02%	451.60	0.08%	111.25	0.00%	0.08	0.07%	111.34
E.1.10	Mangalore STP Limited (through MSEZ)	India	0.00%	-	0.00%	-	0.00%		0.00%	

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			As % of consolidated net assets	(₹ in million)	As % of consolidated profit or loss	(₹ in million)	As % of consolidated other comprehensive income	(₹ in million)	As % of consolidated total comprehensive income	(₹ in million)
E.2	**Foreign**									
E.2.1	ONGC Mittal Energy Limited (OMEL) (through OVL)	Cyprus	0.00%	-	0.00%	-	0.00%	-	0.00%	-
E.2.2	Himalaya Energy (Syria) B.V.	The Netherlands	0.01%	280.56	-0.07%	(88.82)	0.00%	-	-0.06%	(88.82)
E.2.3	Mansarovar Energy Colombia Ltd.	Bermuda	1.21%	24,322.16	-0.43%	(557.56)	0.00%	-	-0.36%	(557.56)
	Total		**100.00%**	**2,004,654.51**	**100.00%**	**131,015.52**	**100.00%**	**22,465.30**	**100.00%**	**153,480.82**

57. Approval of financial statements

The Consolidated Financial Statements were approved by the board of directors on May 26, 2017.

FOR AND ON BEHALF OF THE BOARD

(V N Murthy)
Company Secretary

(A K Srinivasan)
Director (Finance)
(DIN:07168305)

(D K Sarraf)
Chairman & Managing Director
(DIN: 00147870)

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

(Prashant Khandelwal)
Partner (M.No.056652)

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

(Naresh Kumar)
Partner (M. No. 082069)

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

(Vishal P.Doshi)
Partner (M. No. 101533)

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

(Sanjay Jain)
Partner (M.No. 086784)

May 26, 2017
New Delhi

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