



A telling point : CMD, ONGC briefs Shri S. Jaipal Reddy, Hon'ble Minister for P&NG at Mumbai Offshore

ONGC believes that Corporate Governance is the set of processes, customs, policies, rules, regulations and laws, by which companies are directed, controlled and administered by the management in the best interest of the stakeholders. It ensures fairness, transparency, accountability and integrity of the management. It is a way of life rather than a mere legal compulsion.

The premise of Corporate Governance framework in ONGC is based on the following key drivers:

- Adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders including customers, employees and society at large.
- A sound system of internal control to mitigate the risks.
- Compliance of law, rules & regulations in true letter and spirit.
- Independent verification of the Company's financial reporting.
- Strategic supervision by the Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities.
- Timely and balanced disclosure of all material information to all the stakeholders.
- Clearly defined standards against which performance of responsibilities can be measured.
- A clear delineation of shareholders' rights.
- Accuracy and transparency in disclosures regarding operations, performance, risk and financial position.

Based on the aforesaid objectives and in compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges as well as the Guidelines on Corporate Governance for Public Sector Enterprises, issued by the Department of Public Enterprises(DPE), the detailed Corporate Governance Report of ONGC is as follows:



1. CORPORATE GOVERNANCE RECOGNITIONS

At the outset, it may be mentioned that many organisations have recognised the excellence in Corporate Governance in ONGC and the following accolades have been conferred on ONGC in recent years:

- (i) 'ICSI National Award for Excellence in Corporate Governance-2003' - by the Institute of Company Secretaries of India;
- (ii) 'SCOPE Meritorious Award for Corporate Governance 2006-07' by the Standing Conference on the Public Enterprises;
- (iii) 'Golden Peacock Award for Excellence in Corporate Governance' by the Institute of Directors in the years 2002, 2005 and 2006;
- (iv) 'Golden Peacock Global Award' for Corporate Governance by World Council for Corporate Governance, U.K. in the years 2005, 2007, 2008 and 2009;
- (v) 'ICSI National Award for Excellence in Corporate Governance-2010' - by the Institute of Company Secretaries of India;
- (vi) 'Golden Peacock Award for Excellence in Corporate Social Responsibility in Emerging Economics - 2006' by World Council for Corporate Governance, U.K in 2006.

2. BOARD OF DIRECTORS

2.1 COMPOSITION, MEETINGS AND ATTENDANCE

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically. The Chairman & Managing Director (CMD) and six Whole-Time Directors viz. Director (Onshore), Director (Technology & Field Services), Director (Finance), Director (Offshore), Director (Exploration) and Director (Human Resource), manage the business of the Company under the overall supervision, control and guidance of the Board.

2.2 COMPOSITION

The Board of Directors has an adequate combination of Executive (Functional) and Non-executive Directors. As on 31st March, 2011, the Board had 12 members, comprising of 5 Functional Directors (including the Chairman & Managing Director) and 7 Non-executive Directors (comprising 2 part-time official nominee Directors and 5 part-time non-official Directors) nominated by the Government of India. To share the global experience and business strategies, Managing Director, ONGC Videsh Limited (OVL) is a permanent invitee to the meetings of the Board.

The composition of the Board of Directors of ONGC as on 31.03.2011, does not comply with provisions of Clause 49 of the Listing Agreement. It may be noted that in terms of Article 104 of Articles of Association of ONGC, the President of India has the powers to appoint all directors on the Board of ONGC. The matter of appointment of requisite number of independent directors to comply with the provisions of Clause 49 of the Listing Agreement is under consideration of the Government of India. The matter is being pursued with Ministry of Petroleum & Natural Gas.

2.3 Board/ Committee Meetings and Procedures

(A) Institutionalised decision making process

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussion/ decisions by the Board, the Company has defined guidelines for the meetings of the Board of Directors and Committees thereof. These guidelines seek to systematize the decision making process at the 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) The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board/ Committee. To address specific urgent need, meetings are also being called at a shorter notice. In case of exigencies or urgency, resolutions are passed by circulation.
- (ii) Detailed agenda containing the management reports and other explanatory statements are circulated in advance in the defined agenda format amongst the members for facilitating meaningful, informed and focused decisions at the meetings. Where it is not practicable to circulate any document or the agenda is of confidential nature, the same is tabled with the approval of CMD. Sensitive subject matters are discussed at the meeting without written material being circulated. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted.

- (iii) The agenda papers are prepared by the concerned officials, sponsored by the concerned functional Directors and approved by the CMD. Duly approved agenda papers are circulated amongst the members of the Board/Committee by the Company Secretary or by the convener of the Committee.
- (iv) The meetings of the Board/Committees are generally held at the Company's Registered Office in New Delhi.
- (v) Presentations are made to the Board/Committee covering Finance, Production, Operations, major Business Segments, Human Resources, Marketing, Joint Venture operations.
- (vi) 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 agenda for discussion. Senior officials are called to provide additional inputs to the items being discussed by the Board/Committee, as and when required.
- (vii) Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist the Committee in its work.

(C) Recording minutes of proceedings at the Board / Committee Meeting

Minutes of the proceedings of each Board/Committee meeting are recorded. Draft minutes are circulated amongst all members of the Board/ Committee for their critical appreciation and comments. The comments are incorporated in the minutes, which are finally approved by the Chairman of the Board/Committee. These minutes are confirmed in the next Board/ Committee Meeting. Minutes of the meetings of the Committees are also noted by the Board in its next meeting. The finalized minutes are entered in the Minutes Book.

(D) Follow-up mechanism

The guidelines for the Board/Committee meetings provide for an effective post-meeting follow-up, review and reporting process for the action taken on decisions/instructions/directions of the Board and Committee. As per the Board's decision, the Company Secretary intimates the Action Points arising from deliberation during the meeting to the Functional Directors who in turn provide updates to be apprised to the Board on the areas of their responsibilities in the next meeting. Functional Directors submit follow-up Action Taken Report (ATR) once in a quarter.

(E) Compliance

Functional Directors are responsible to ensure adherence to all the applicable provisions of law, rules, guidelines etc. A Quarterly Compliance Report (collected from all work centres) confirming adherence to all the applicable laws, rules, guidelines and internal instructions/ manuals, including on Corporate Governance, is reviewed by the Audit & Ethics Committee and the Board.

(F) Training and Evaluation of non-executive Board members

The 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 has been advantageous and fruitful in taking business decisions. Detailed presentation on the business module, performance, plans etc of ONGC are made to the non-executive Board members on their induction on the Board of ONGC. They are nominated by the Company for suitable programmes/seminars from time to time. However, at the Board/Committee/other meetings, detailed presentations are made by senior executives/ professionals/consultants on business related issues, risk assessment, impact of regulatory changes on strategy etc. The Company has not adopted any mechanism for evaluating individual performance of non-executive Board members.



2.4 BOARD MEETINGS

During the year 2010-11, 15 Board meetings were held on 26th April, 28th May, 28th & 30th June, 29th July, 26th August, 22nd September, 15th & 28th October, 26th November, 16th December, 2010 and 28th & 29th January, 25th February and 14th March, 2011.

The minimum and maximum interval between any two Board meetings was 1 day and 43 days respectively.

Attendance:

Names & Designation	No. of Board meetings held during the tenure	No. of Board meetings attended	Whether attended last AGM held on 23-09-2010	As on 31.03.2011			
				No. of Directorships in other companies [#]		No. of Committee memberships [*]	
				Listed	Others	Chairman	Member
a) Executive Directors							
Shri R.S. Sharma Chairman & Managing Director (upto 31.01.2011)	13	13	Yes	1	5	Nil	Nil
Dr. A.K. Balyan, Director (Human Resources) (upto 15.07.2010)	4	4	NA	2	6	Nil	1
Shri A.K. Hazarika, Director (Onshore) Additional charge of CMD w.e.f. 01.02.2011	15	15	Yes	1	6	Nil	Nil
Shri D.K. Pande, Director (Exploration) (upto 31.01.2011)	13	13	Yes	Nil	1	Nil	1
Shri U.N. Bose Director (T&FS)	15	15	Yes	1	1	Nil	2
Shri D.K. Sarraf Director (Finance)	15	15	Yes	2	5	Nil	3
Shri Sudhir Vasudeva Director (Offshore)	15	13	No	1	3	Nil	2
Shri S.V. Rao, Director (Exploration) (from 25.02.2011)	1	1	NA	Nil	1	Nil	Nil
b) Non-Executive Directors							
(i) Part-time Official Directors- Govt. nominees.							
Smt. L.M. Vas Special Secretary, MoF	15	8	No	Nil	Nil	Nil	Nil
Shri Sudhir Bhargava Addl. Secretary, MoP&NG	15	11	No	2	Nil	Nil	Nil
(ii) Part-time Independent Directors							
Shri S.S. Rajsekar	15	14	Yes	1	2	Nil	4
Shri S. Balachandran	15	15	Yes	2	2	1	5
Shri Santosh Nautiyal	15	15	No	1	3	1	1
Smt Anita Das	15	14	No	Nil	1	1	1
Dr D. Chandrasekharam (from 11.03.2011)	1	1	NA	Nil	2	Nil	Nil

[#] Does not include Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

^{*} Chairmanship/Membership of the Audit Committee and Shareholders'/Investors' Grievance 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.

3. CONCLAVE

To have the benefit of cumulative knowledge and experience of the elders of the ONGC family, an assembly of the past and present members of the erstwhile Oil & Natural Gas Commission and Board is organized every year. 9th ONGC Conclave was organized during July 10th & 11th, 2010 at Goa. The Conclave focused on SWOT analysis of ONGC and future growth strategy.

4. VICHAR VISHLESHAN

The Key Executives In-charges of Assets, Basins, Services, Institutes and Corporate Functions meet periodically with CMD and the functional Directors to review performance and to formulate future plans. During the year under review, 10th Key Executives Meet (Vichar Vishleshan-X) was organized on 17th, 18th & 19th December, 2010 at Mumbai. The theme of the meet was "Unleashing Potential: Chartering Growth".

5. RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED

The brief resume of Directors retiring by rotation and Additional Director 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 is appended to the notice for calling Annual General Meeting.

6. BOARD COMMITTEES

The Company has the following Committees of the Board:

6.1 AUDIT & ETHICS COMMITTEE

The terms of reference of the Audit & Ethics Committee are in accordance with Section 292A of the Companies Act, 1956, guidelines set out in Clause 49 of the Listing Agreement and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises in May, 2010.

Composition

The Committee is headed under the stewardship of Shri S.Balachandran, an Independent non-executive Director w.e.f. 11.11.2008. Shri S. Balachandran is a B.Sc Gold medalist and an M.Sc. First class. He joined Indian Railway Accounts Service in 1971. He served in the Senior Management level in Indian Railway Finance Corporation Limited including as its Managing Director. He worked as Under Secretary and Deputy Secretary of UPSC and Joint Director of C&AG. All members of the Committee have requisite financial and management experience and have held senior positions in other reputed organizations.

Director (Finance), Chief-Corporate Finance and Chief Internal Audit are the permanent invitees. Representatives of Statutory Auditors and Cost Auditors are invited to attend and participate in the meetings. Functional Directors, Executives of Finance and other departments are invited on need basis.

The Chairman of the Audit & Ethics Committee was present at the last AGM of the Company.

Company Secretary acts as the Secretary to the Committee.

The role of the Audit & Ethics Committee includes the following:

- (i) 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.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees of the Statutory Auditors.
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (iv) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:



- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- (vi) 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (viii) 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.
- (ix) Discussion with internal auditors any significant findings and follow up there on.
- (x) 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.
- (xi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (xii) To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividends) and creditors.
- (xiii) To review the functioning of the Whistle Blower Mechanism.
- (xiv) The Audit Committee should have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- (xv) To review the Audit paras referred to A&EC by the Internal Audit / Board and / or Govt. of India and to provide its suggestions / guidance / comments on the issues referred to it.
- (xvi) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (xvii) The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary company

Annual Report on the working of the Audit & Ethics Committee

As advised by the Comptroller & Auditor General (C&AG) in its Report No. CA22 on Corporate Governance in Listed Government Companies, in order to present a comprehensive view of the working of the Audit & Ethics Committee of ONGC the second and third Annual Report on the working of the Audit Committee for the year 2009-10 and 2010-11 are under finalisation and shall be presented to the Audit & Ethics Committee shortly.

The aforementioned report briefly give a background about the constitution, the legal framework, terms of reference, items considered by the Audit Committee and the details of observation/suggestion of Audit Committee and action taken thereon during the year.

Audit & Ethics Committee Meetings

During the year 2010-11, nine meetings of Audit & Ethics Committee were held on April 26, May 28, June 25, July 29, August 26, September 22 & October 28, 2010 and January 28 and February 25, 2011.

Attendance:

Members	No. of Meetings held during the tenure	No. of Meetings Attended
Shri S. Balachandran	9	9
Shri Santosh Nautiyal	9	9
Shri S.S. Rajsekar	9	9
Smt Anita Das	9	8
Permanent Invitees:		
Shri D.K. Sarraf, Director (Finance)	9	9
Shri S. Dhandapani, GGM-Chief Corporate Finance	9	9
Shri Pradeep Prasad - Chief Internal Audit	9	7

6.2 REMUNERATION COMMITTEE

The Department of Public Enterprises has directed that each CPSE should constitute a Remuneration Committee headed by an Independent Director. Accordingly, the Remuneration Committee of ONGC is headed by Smt Anita Das, an Independent Director. Shri Santosh Nautiyal, Independent Director, Shri S. Balachandran, Independent Director, Shri S.S. Rajsekar, Independent Director are the members of the Committee. Director (HR) and Director (Finance) are permanent Invitees.

ONGC being a Government Company, terms and conditions of appointment and remuneration of Executive (whole-time functional) Directors are determined by the Government through administrative ministry, the Ministry of Petroleum & Natural Gas. Non-executive (part-time official) Directors do not draw any remuneration. The Non-executive (part-time non-official) Directors are paid sitting fees @ ₹ 20,000/- for each Board/Committee meeting attended by them.

Two meetings of the above Committee were held on 16th December, 2010 and 25th February, 2011. All members were present.

6.2.1 DIRECTORS' REMUNERATION

Remuneration of Directors for the year ended 31st March, 2011 was as follows:

a) Executive Directors

Sl. No.	Names	Salary including DA	Other benefits & perks	Performance Incentives	Contribution to PF & other Funds	Provision for Leave, Gratuity & PRBS as per AS- 15	Grand Total	Term
1.	Shri R.S. Sharma	1.60	1.10	1.70	0.15	-	4.55	31.01.2011
2.	Dr. A. K. Balyan	0.41	2.62	0.43	0.03	-	3.49	15.07.2010
4.	Shri A.K. Hazarika	1.85	0.41	1.48	0.17	0.48	4.39	30.09.2012
5.	Shri D.K. Pande	1.70	1.12	1.27	0.14	0.36	4.23	31.01.2011
6.	Shri U.N. Bose	2.12	0.30	1.47	0.17	0.46	4.52	
7.	Shri D.K. Sarraf	1.98	0.07	1.43	0.17	0.36	4.01	26.12.2012
8.	Shri Sudhir Vasudeva	1.69	0.38	1.39	0.16	0.31	3.93	31.01.2014
9.	Shri S.V. Rao	0.19	-	1.44	0.02	0.28	1.93	31.03.2013

Note: • Notice period of 3 months or salary in lieu thereof is required for severance of service.



b) Non-Executive Directors (Part-time non-official)

Non-Executive non-official Directors were paid sitting fees @ ₹ 20,000/- for attending each meeting of the Board/Committees thereof. Details of sitting fees paid during the year under review are as follows:

Names	Sitting fees (₹ in million)
Shri S. Balachandran	1.06
Shri Santosh Nautiyal	0.94
Smt Anita Das	0.82
Shri S.S. Rajsekar	1.00
Dr D.Chandrasekharam	0.02
Total	3.84

6.2.2 STOCK OPTIONS

The Company has not issued any Stock Options to its Directors/ Employees.

6.2.3 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:

Name of Directors	No. of Shares held*
Shri R.S. Sharma	4,300
Dr. A.K. Balyan	2,400
Shri A.K. Hazarika	4,640
Shri D.K. Pande	5,400
Shri U.N. Bose	1,192
Shri D.K. Sarraf	3,192
Shri Sudhir Vasudeva	2,580
Shri S.V. Rao	2,880
Shri Sudhir Bhargava	360

*Post Bonus/Post Split



Sucker Rod Pump : Mainstay in brownfield production

6.3 SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE

The Shareholders'/Investors' Grievances Committee specifically looks into redressing of Shareholders' and Investors' complaints/ grievances pertaining to transfer/transmission of shares, non-receipt of annual reports, dividend payments, issue of duplicate share certificates and other miscellaneous complaints. The Committee oversees and reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of Company's Code of Conduct for Prevention of Insider Trading in ONGC's securities.

The Committee is headed by Smt Anita Das, an Independent Director. Shri S.S. Rajsekar, Shri S. Balachandran, Director (HR) and Director (Finance) are the Members of the Committee. The Company Secretary acts as a Convener to the Committee.

During the year 2010-11, three meetings were held on 28th June, 2010, 18th January and 25th February, 2011. The attendance particulars are as under:

Members	No. of Meetings held during the tenure	No. of Meetings attended
Smt Anita Das	3	3
Shri S.S. Rajsekar	3	3
Shri S. Balachandran	3	3
Dr. A. K. Balyan (Up to 15.07.2010)	1	0
Shri D. K. Sarraf	3	3
Shri A. K. Hazarika (As Director HR)	1	1

6.3.1 COMPLIANCE OFFICER

Shri N K Sinha, Company Secretary is the Compliance Officer. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and the regulatory authorities for governance matters.

6.3.2 REDRESSAL OF INVESTORS' GRIEVANCE

The Company addresses all complaints, suggestions and grievances of the investors expeditiously and usually sends/ resolves the issues within 7 days except in case of dispute over facts or other legal constraints.

Except for the complaints pertaining to 'Offer for Sale' by Government of India, the Company received 18 shareholders' complaints from Stock Exchanges/ SEBI which inter-alia includes non-receipt of dividend/ annual report, issue of Bonus Shares, payment for fraction Bonus Shares etc. The complaints were duly attended to and the Company/ RTA have furnished necessary documents / information to the shareholders. As far as the Investors' Grievances on "ONGC Offer for Sale-2004" is concerned, considerable progress has been made by constant interaction with SEBI and MCS.

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

The total number of complaints/ queries/ correspondence received and replied/ attended to the satisfaction of the shareholders was 4256. There was no complaint pending as on 31st March, 2011.



6.3.3 SETTLEMENT OF GRIEVANCES

Investors may register their complaints in the manner stated below

SI. No.	Nature of Complaint	Contact Office	Action to be taken
1	Complaint regarding allocation of Shares, Refund order under Offer for Sale, 2004 by Govt. of India	Shri S Biswas, Director MCS Limited, F-65, Okhla Industrial Area, Phase-I, Delhi- 110020. PhoneNos.011-41406149,51-52 Fax Nos. 011-41709881. e-mail: admin@mcsdel.com	Application giving details of Application No, No. of shares applied, No. of Shares allotted, DP ID, Client ID, Nature of complaint, Applicant Name(s) and complete postal address.
2	Dividend from financial years 2003-2004 (final) to 2010-11 (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.	M/s Karvy Computershare Private Ltd., Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081. Phone Nos. 040- 23420815-819. Fax No: 040- 23420814. e-mail: mailmanager@karvy.com OR Karvy Computershare Private Ltd., 105-108 Arunachal Building, 1st floor, 19, Barakhamba Road, New Delhi-110001, Phone Nos. 011-41036370 (tele-fax) & 43528522 e-mail: delhi@karvy.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 2003-04 before 30th September, 2011. The unpaid dividend amount for the year 2003-04 will be transferred on or before 28th October, 2011 by the Company to the Investor Education & Protection Fund (IEPF) set up by Govt. of India and no claim will lie neither against IEPF nor against the Company.
3	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
4	All complaints except of Sl.no.3	Company Secretary Oil and Natural Gas Corporation Ltd.,124, Indira Chowk, New Delhi-110001 Phone: 011-23301299 & 23301257 e-mail: secretariat@ongc.co.in	On plain paper stating nature of complaint, folio/DPID/Client ID No., Name and address.

6.3.4 INVESTOR RELATIONS CELL

In line with global practices, the Company is committed to maintain, 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 seeking information.

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

6.4 HUMAN RESOURCE MANAGEMENT COMMITTEE

The terms of reference include consideration of all issues/ areas concerning Human Resource Planning & Management, HR policies & initiatives and Promotions for the post of Group General Manager (GGM) and Executive Director (ED) and appeals of officers in terms of CDARules of ONGC.

Shri S. S. Rajsekar is the Chairman of the Committee. Shri Sudhir Bhargava, Shri S. Balachandran, CMD and all Functional Directors are the members of the Committee. Director (HR) is the Member-Convener of the Committee.

During the year 2010-11, **six** meetings were held on 26th April, 28th May, 28th July, 22nd September, 26th November, 2010 and 12th March, 2011. These meetings were attended by the members of the Committee, as under:

Members	No. of meetings held during the tenure	No. of meetings attended
Shri S.S. Rajsekar	6	6
Shri S. Balachandran	6	6
Shri R.S. Sharma (Upto 31.01.2011)	5	5
Dr. A.K. Balyan (Upto 15.07.2010)	2	2
Shri A.K. Hazarika*	6	6
Shri D.K. Pande (Upto 31.01.2011)	5	5
Shri U.N. Bose	6	6
Shri D.K. Sarraf	6	5
Shri Sudhir Vasudeva	6	5
Shri S.V. Rao (From 25.02.2011)	1	1
Shri Sudhir Bhargava	6	2

* Shri A.K. Hazarika holding additional charge of Director (Exploration) and Director (HR)

6.5 PROJECT APPRAISAL COMMITTEE

The Project Appraisal Committee examines and makes recommendations to the Board on projects/ capital investment exceeding ₹ 2500 million. Proposals upto ₹ 2500 million are appraised in-house, while the proposals exceeding ₹ 2500 million are first appraised by Financial Institutions and thereafter considered by the Project Appraisal Committee which recommends the proposal to the Board with its views. The Project Appraisal Committee also monitors IOR/ EOR Schemes.

Shri Santosh Nautiyal, Independent Director is the Chairman of the Committee. Shri Sudhir Bhargava, Shri S. Balachandran, Shri S.S. Rajsekar, Smt Anita Das, Shri Sudhir Vasudeva, Shri D.K. Sarraf & concerned Functional Directors are the members of the Committee. Director (Offshore) is the Member-Convener of the Committee.

During the year 2010-11, **seven** meetings were held on: 28th June, 28th July, 26th August, 28th October, 24th November, 2010, 18th January and 12th March, 2011. These meetings were attended by the members of the Committee, as under:



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Members	No. of meetings held during the tenure	No. of meetings attended
Shri S. Balachandran	7	7
Shri Santosh Nautiyal	7	7
Shri S.S. Rajsekar	7	7
Smt Anita Das	7	6
Shri Sudhir Vasudeva	7	7
Shri D.K. Sarraf	7	7
Shri Sudhir Bhargava	7	4
Dr. A.K. Balyan*	1	1
Shri A.K. Hazarika*	1	1
Shri D.K. Pande*	1	1
Shri U.N. Bose *	2	2

*These Directors attended the meetings as member concerning the Projects of their responsibilities

6.6 HEALTH, SAFETY & ENVIRONMENT COMMITTEE

The terms of reference includes review of policy, processes and systems on Safety, Health, Environment and Ecology aspects. Shri S.S. Rajsekar, an Independent Director is the Chairman of the Committee. Director (Onshore) acts as a Member-Convener. The other members of the Committee are Shri Sudhir Bhargava, Shri Santosh Nautiyal, CMD and all functional Directors.

During the year 2010-11, **two** meetings were held on: 23rd September and 29th December, 2010. These meetings were attended by the members of the Committee, as under:

Members	No. of meetings held during the tenure	No. of meetings attended
Shri S.S. Rajsekar	2	2
Shri Santosh Nautiyal	2	2
Shri R.S. Sharma (Upto 31.01.2011)	2	1
Shri A.K. Hazarika	2	2
Shri D.K. Pande (Upto 31.01.2011)	2	1
Shri U.N. Bose	2	2
Shri D.K. Sarraf	2	0
Shri Sudhir Vasudeva	2	1
Shri Sudhir Bhargava	2	1

6.7 FINANCIAL MANAGEMENT COMMITTEE

Mandate of the Committee includes looking into 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, Periodical Performance Review of subsidiaries.

Shri S. Balachandran is the Chairman of the Committee. Shri Santosh Nautiyal, Smt Anita Das, Shri D.K. Sarraf and concerned Functional Directors are the members. Director (Finance) is the Member –Convener.

During the year 2010-11, **four** meetings of the Committee were held on 25th June, 15th October, 24th November, 2010 and 28th January, 2011. These meetings were attended by the members of the Committee, as under:

Members	No. of meetings held during the tenure	No. of meetings attended
Shri S. Balachandran	4	4
Shri Santosh Nautiyal	4	4
Smt Anita Das	4	3
Shri D.K. Sarraf	4	4

6.8 COD FOR REDRESSAL OF GRIEVANCES OF THE PARTIES

COD for Redressal of grievances of the parties has been constituted to review the grievances of the parties for suitable Redressal.

Shri Santosh Nautiyal, an Independent Director is the Chairman of the Committee. Other members of the Committee are Shri S.S. Rajsekar, Shri S. Balachandran, Smt Anita Das, Shri A.K. Hazarika, Shri U.N. Bose, Shri D.K. Sarraf and concerned Functional Directors. Director (T&FS) is the Member-Convener of the Committee.

During the year 2010-11, **six** meetings of the committee were held on 27th May, 26th August, 26th November, 29th December, 2010, 18th January and 25th February, 2011. These meetings were attended by the members of the Committee, as under:

Members	No. of meetings held during the tenure	No. of meetings attended
Shri S.S. Rajsekar	6	6
Shri Santosh Nautiyal	6	6
Shri S. Balachandran	6	4
Smt Anita Das	6	5
Shri A.K. Hazarika	6	5
Shri D.K. Pande*	1	1
Shri U.N. Bose	6	5
Shri D.K. Sarraf	6	4
Shri A.K. Balyan*	1	1
Shri Sudhir Vasudeva*	3	3

*These Directors attended the meetings as member concerning the Projects of their responsibilities.

6.9 OTHER FUNCTIONAL COMMITTEES

Apart from the above, the Board also from time to time, constitutes Functional Committees with specific terms of reference as it may deem fit. Meetings of such Committees are held as and when the need for discussing the matter concerning the purpose arises. Time schedule for holding the meetings of such Committees is finalized in consultation with the Committee members.

7. CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. A code of conduct, evolved in line with the industry practices was adopted by the



Board on the recommendations of Audit and Ethics Committee. 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:

"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 for Directors and senior management in respect of the financial year 2010-11"

7.1 ONGC'S CODE ON INSIDER TRADING

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has approved "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 CEO/ CFO CERTIFICATION

In terms of revised Clause 49 of the Listing Agreement, the certification by the CEO/ CFO on the financial statements and internal controls relating to financial reporting for the year 2010-11 was submitted to the Board in its meeting held on 30th May, 2011

8. FINANCE MANUAL

With the approval of EC, Finance Manual has been issued on 4th June, 2009. ONGC Finance Manual is a compendium based on the existing practices and systems, comprehensively covering various finance activities such as accounting, budgeting, costing, pre-audit, treasury management etc. 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 followed. The detailed documented guidelines/policies of Finance function in ONGC is also of great help for new incumbents and Finance officers on transfers. The knowledge documented would enlighten new team members including outside agencies like Statutory Auditors, Government Auditors associated with ONGC for years to come.

9. SUBSIDIARY MONITORING FRAMEWORK

The Company has two direct subsidiary companies, Mangalore Refinery & Petrochemicals Ltd. (MRPL, listed, material) and ONGC Videsh Ltd. (OVL, unlisted, non-material). The list of subsidiaries of MRPL and OVL is given in the consolidated accounts of ONGC, which forms part of the Annual Report.

All subsidiaries of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of subsidiary companies and monitors the performance of such companies periodically.

In terms of Clause 49.III (ii) and (iii) of the Listing Agreement and DPE guidelines, performance of the listed and unlisted subsidiary companies is reviewed by the Audit and Ethics Committee and the Board as under:

- a) Financial Statements of the listed and unlisted subsidiary companies, are reviewed by the Audit and Ethics Committee;
- b) Minutes of the meetings of the Board of Directors are placed before the Company's Board, periodically;
- c) A statement of all significant transactions and arrangements entered into by the Subsidiary Company are also reviewed by the Company.

The Company does not have any material unlisted subsidiary companies in terms of the Clause 49 of the Listing Agreement.

10. ANNUAL GENERAL MEETINGS

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

Year	Location	Date	Time (IST)
2007-08	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi- 110049	19.09.2008	10.00 a.m
2008-09	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi- 110049	23.09.2009	10.00 a.m
2009-10	Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi- 110049	23.09.2010	10.00 a.m

There was no special resolution passed by the Company at the last 3 AGMs. A Special Resolution (to amend the Articles of Association for sub-division of equity shares of ₹10 each into 2 equity shares of ₹ 5 each) was passed on 28.01.2011 by the Company's members through postal ballot for the purpose of Split of Shares and issue of Bonus shares. A total number of 22,886 postal ballots were polled for 1,976,757,932 shares. Out these, 20,929 postal ballots (91.449%) for 1,976,474,669 shares (99.986%) were polled in favour of the Special Resolution and 120 postal ballots (0.524%) for 16,788 shares (0.001%) were polled against the resolution and 1,837 postal ballots (8.027%) for 266,394 shares (0.013%) were declared invalid. The Postal Ballot was conducted in accordance with Section 192A of the Companies Act, 1956 read with Companies (Passing of resolutions by Postal Ballot) Rules, 2001 by Shri AN Kukreja of M/s AN Kukreja & Co., Practising Company Secretaries who were appointed by the Board. At the ensuing AGM, there is no Resolution proposed to be passed through postal ballot.

11. DISCLOSURES

11.1 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.

Transactions with related parties are disclosed in Note No. 17 of Schedule 27 to the Accounts in the Annual Report. Being a State Enterprise, no disclosure has been made in respect of the transactions with State Enterprises, including subsidiary companies, in line with Accounting Standard-18 on Related Party Transactions.

11.2 COMPLIANCES

The Company has complied with applicable rules and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during last three years.

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

12. 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 shareholders information is available. Full Annual Report, Shareholding Pattern and Corporate Governance Report etc. are also available on the web-site in a user-friendly manner.
- **Annual Report:** Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Management Discussion and Analysis (MD&A) Report, Auditors' Report, Corporate Governance Report including Information for the Shareholders and other important information is circulated to the members and others entitled thereto.



13. SHAREHOLDERS' INFORMATION

13.1 ANNUAL GENERAL MEETING

Date : 30th August, 2011

Time : 10:00 Hrs

Venue : Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi-110049.

13.2 FINANCIAL CALENDAR

Adoption of Quarterly Results for the Quarter ending	Tentative date of the meeting of the Board
June 30, 2011	28 th July, 2011
September 30, 2011	31 st October, 2011
December 31, 2011	30 th January 2012
March 31, 2012(audited)	30 th May, 2012

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

13.3 BOOK CLOSURE PERIOD

The Book Closure period is from Tuesday, the 23rd August, 2011 to Tuesday, the 30th August, 2011 (both days inclusive) for the payment of Final Dividend.

13.4 DIVIDEND PAYMENT DATE

Final Dividend would be paid on or after 3rd September, 2011.

13.5 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	Trading Symbol
Bombay Stock Exchange (BSE) P.J.Towers, Dalal Street, Mumbai-400001	Telephone:022-22721233/4 Fax: 022-22721919 E-mail: info@bseindia.com Website:www.bseindia.com	500312 ONG CORP. LTD.
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Plot no. C/1, G-Block, Bandra-Kurla Complex, Bandra(E), Mumbai-400051	Telephone: 022-26598100-8114 Facsimile: 022-26598120 E-mail: cc_nse@nse.co.in Website:www.nseindia.com	ONGC

13.6 LISTING FEES

Annual listing fees for the year 2010-11, as applicable has been paid to the above Stock Exchanges.

13.7 DEMAT ISIN NUMBERS IN NSDL and CDSL

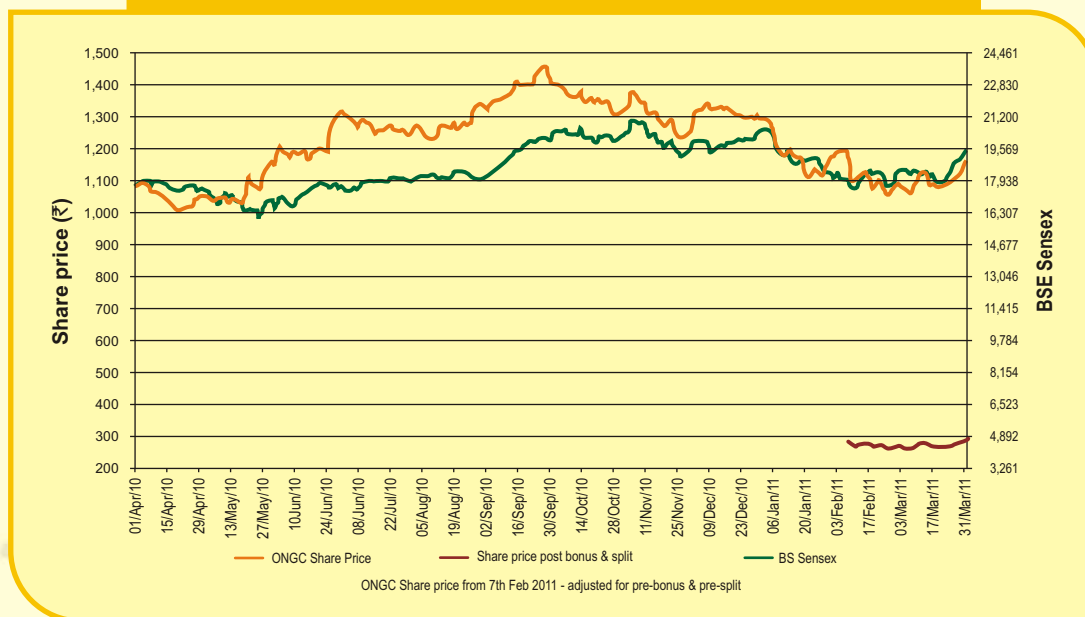
(Stock Code): **INE213A01011**

Custody Fee of NSDL and CDSL has been paid till 31st March, 2011

13.8 STOCK MARKET INFORMATION

The stock price performance of ONGC scrip during the last financial year in comparison to BSE is plotted below:

ONGC Share price performance: ONGC vs BSE Sensex (2010-11)



13.8.1 MARKET PRICE DATA; HIGH, LOW DURING EACH MONTH IN LAST FINANCIAL YEAR

Month	Bombay Stock Exchange			National Stock Exchange		
	High(₹)	Low(₹)	Volume	High(₹)	Low(₹)	Volume
Apr'10	1,106.95	997.35	2,555,700	1,110.00	996.00	14,824,347
May'10	1,175.00	1,014.00	3,508,210	1,177.65	1,012.00	29,531,538
Jun '10	1,330.80	1,140.00	5,908,595	1,331.40	1,140.00	33,585,420
Jul '10	1,346.00	1,221.10	2,617,352	1,346.90	1,220.00	22,363,352
Aug '10	1,360.00	1,151.30	2,677,050	1,359.90	1,208.00	19,894,847
Sep '10	1,472.00	1,320.25	2,641,912	1,472.60	1,320.00	23,757,134
Oct '10	1,444.65	1,289.50	2,314,317	1,444.40	1,290.00	19,993,164
Nov '10	1,395.00	1,192.00	1,871,614	1,396.00	1,192.00	14,577,627
Dec '10	1,364.90	1,247.00	3,879,897	1,363.85	1,246.50	21,295,768
Jan '11	1,299.50	1,101.40	3,328,078	1,304.00	1,122.20	23,160,546
Feb'11	1,231.90	261.00*	9,625,389	1,233.15	260.10*	66,887,897
Mar'11	292.70	262.10*	8,753,773	294.20*	262.00*	70,737,027

Source: Web-sites of BSE and NSE

*Post-split & post-bonus



14. SHARE TRANSFER SYSTEM

Karvy Computershare Private Ltd. (Karvy) is the Registrar and Share Transfer Agent (RTA) for physical shares. Karvy is also the depository interface of the Company with both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)

With a view to expedite the process of share transfer which are received in physical form, the Board had constituted an Officers Committee which usually meets once in a fortnight to consider and approve the shares received for transfer, transmission, re-materialization and dematerialization etc. The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the share transfer is not under any dispute. The Minutes of the aforesaid Committee are placed to the Shareholders'/ Investors' Grievance Committee. A summary of transfer/ transmission of securities so approved by the aforesaid Committee are placed at Board Meetings. The share certificates duly endorsed are sent to the shareholders by RTA. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL, expeditiously.

Pursuant to the Clause 47-C of the Listing Agreement, certificates on quarterly 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 Secretarial Audit Report for reconciliation of the share capital 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
2010-11	475	11,991
2009-10	175	16,575
2008-09	420	17,944

15. SHAREHOLDING PATTERN AS ON 31st MARCH, 2011

Category	No. of Shares held	Percentage of Shareholding
President of India	6,342,962,692	74.14
Banks, Financial Institutions and Insurance Companies	472,078,320	5.52
Foreign Institutional Investors	380,659,367	4.45
Mutual Funds & UTI	180,081,629	2.11
NRIs	4,550,052	0.05
Bodies Corporate:		
• Government Companies	863,524,496	10.09
• Others	140,995,992	1.65
Employees	7,059,704	0.08
Public	163,577,868	1.91
Total	8,555,490,120	100.00

15.1 TOP 10 SHAREHOLDERS AS ON 31st MARCH, 2011

S.No	Name	No.of Shares held	% of total Shareholding
1	President of India	6,342,962,692	74.14
2	Indian Oil Corporation Limited	657,923,428	7.69
3	Life Insurance Corporation Of India	261,528,616	3.06
4	GAIL (India) Limited	205,601,068	2.40
5	Franklin Templeton Investment Funds	79,774,484	0.93
6	LIC Of India Money Plus	41,307,106	0.48
7	LIC Of India – Market Plus	41,106,528	0.48
8	ICICI Prudential Life Insurance Company Limited	36,556,692	0.43
9	LIC Of India Market Plus – 1	33,595,504	0.39
10	Life Insurance Corporation of India – Profit Plus	31,252,404	0.37

15.2 DISTRIBUTION OF SHAREHOLDING BY SIZE AS ON 31st MARCH, 2011

Category	Number of Shareholders	% of Shareholders	Total number of Shares	% of Shareholding
1 - 500	458,273	88.74	63,279,760	0.74
501 - 1000	27,075	5.24	19,525,914	0.23
1001 - 2000	13,749	2.66	20,080,548	0.23
2001 - 3000	6,394	1.24	15,944,749	0.19
3001 - 4000	6,114	1.18	21,797,622	0.25
4001 - 5000	1,764	0.34	7,814,312	0.09
5001 - 10000	1,588	0.31	10,444,364	0.12
10001 & Above	1,517	0.29	8,396,602,851	98.15
Total	516,474	100.00	8,555,490,120	100.00

15.3 GEOGRAPHICAL DISTRIBUTION OF SHAREHOLDERS AS ON 31st MARCH, 2011

S. No	City	Shareholders		Shareholding	
		Nos	% age	No of shares	%age of shareholding
1	MUMBAI	108,101	20.93	1,854,109,623	21.67
2	NEW DELHI	37,127	7.19	6,564,845,122	76.73
3	AHMEDABAD	32,468	6.29	11,693,648	0.14
4	KOLKATA	25,327	4.90	14,718,485	0.17
5	BANGALORE	21,475	4.16	5,527,467	0.06
6	PUNE	18,565	3.59	4,612,528	0.05
7	CHENNAI	18,478	3.58	17,919,183	0.21
8	VADODARA	16,501	3.19	7,719,414	0.09
9	DEHRADUN	5,233	1.01	5,816,245	0.07
10	JORHAT	4,148	0.80	4,731,221	0.06
11	OTHERS	229,051	44.35	63,797,184	0.75
	Total	516,474	100.00	8,555,490,120	100.00



15.4 History of Paid-up Equity Share Capital (Face value of ₹ 10 each)

Year	No. of Shares	Cumulative	Details
1993-94	10	10	Initial Subscription to the Memorandum Of Association on 23rd June, 1993
1993-94	34,28,53,716	34,28,53,726	Issued to the President of India on 1st February, 1994 on transfer of Undertaking of Oil and Natural Gas Commission in terms of Oil and Natural Gas Commission(Transfer of Undertaking and Repeal) Act, 1993
1994-95	66,39,300	34,94,93,026	Issued to the Employees at a premium of ₹ 260 per Share (includes 600 shares issued in 1995-96)
1995-96	107,64,40,966	142,59,33,992	Issue of Bonus Shares in ratio of 3.08: 1 on 24.04.1995 by Capitalization of General Reserve
2006-07	(-)18,972	142,59,15,020	Forfeiture of Shares on 12.04.2006
	71,29,57,510	213,88,72,530	Issue of Bonus Shares in ratio of 1:2 on 08.11.2006 by Capitalization of General Reserve.
2010-11		8,555,490,120	Each equity Share of ONGC was split from the face value of ₹10 into two equity shares of the face value of ₹5 each Bonus Shares were issued in the ratio of 1:1 by Capitalization of Reserves to the shareholders as on 09.02.2011 (Record Date).

Note: The face value of equity share changed from ₹ 10 each to ₹ 5 each from 09.02.2011 on split in to two equity shares of ₹ 5 each

16. CORPORATE BENEFITS

DIVIDEND HISTORY

Years	Rate (%)	Per Share (₹)	Amount (₹ in million)
2006-07			
Interim	180	18	38,499.66
Final	130	13	27,805.31
2007-08			
Interim	180	18	38,499.66
Final	140	14	29,944.22
2008-09			
Interim	180	18	38,499.66
Final	140	14	29,944.22
2009-10			
Interim	180	18	38,499.66
Final	150	15	32083.09
2010-11			
Interim	320	32	68443.92
Final (Proposed on each equity share of ₹5)	15	0.75	6416.62

Apart from the above, the Company had issued Bonus Shares in October, 2006 in the ratio of 1 bonus share for every 2 shares held and in February, 2011, in the ratio of 1 Bonus Share for every 1 share held (Post split).

17. TRANSFER OF UNPAID/ UNCLAIMED DIVIDEND AMOUNT TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

During the year under report, an amount of ₹ 34,22,498.00 and ₹ 32,61,846.00 pertaining to unpaid dividend for the financial year 2002-03 and 2003-04(Interim) respectively was transferred to the Investor Education & Protection Fund (IEPF) set up by the

Central Government. This is in accordance with the Sections 205A and 205C of the Companies Act, 1956 requiring transfer of dividend remaining unclaimed and unpaid for a period of 7 years from the due date to the IEPF.

The unpaid/unclaimed amount of Final Dividend declared on 29th September, 2004 for the financial year 2003-04 and interim dividend declared on 24th December, 2004 for the financial year 2004-05 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 28th October, 2011 and 23rd January, 2012 respectively. Members who have not encashed their dividend warrants pertaining to the said years may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof.

Given below are the proposed dates for transfer of the unclaimed dividend to IEPF by the Company:

Financial Year	Date of Declaration	Proposed Date for transfer to IEPF*
2003-04-Final	29.09.2004	28.10.2011
2004-05 Interim	24.12.2004	23.01.2012

*Indicative dates, actual dates may vary

18. DEMATERIALIZATION OF SHARES AND LIQUIDITY

S.No.	Description	No. of Share Holders	Shares	% of Equity
1.	CDSL	114,936	7,245,619,913	84.69
2.	NSDL	394,576	1,301,780,992	15.22
3.	PHYSICAL	6,962	8,089,215	0.09
	Total	516,474	8,555,490,120	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. As on 31st March, 2011, 99.91% of the shareholding, stood dematerialized.

19. OUTSTANDING GDRs/ADRs / WARRANTS OR CONVERTIBLE INSTRUMENTS

No GDRs/ADRs/ Warrants or Convertible Instruments have been issued by the Company during the year.

20. ASSETS/ BASINS/ PLANTS/ INSTITUTES

A. ASSETS

- Mumbai High Asset, Mumbai
- Neelam & Heera Asset, Mumbai
- Bassein & Satellite Asset, Mumbai
- Ahmedabad Asset, Ahmedabad
- Ankleshwar Asset, Ankleshwar
- Mehsana Asset, Mehsana
- Rajahmundry Asset, Rajahmundry
- Karaikal Asset, Karaikal
- Assam Asset, Nazira
- Tripura Asset, Agartala
- Eastern Offshore Asset, Kakinada, Andhra Pradesh



B. BASINS

1. Western Offshore Basin, Mumbai
2. Western Onshore Basin, Vadodara
3. KG-PG Basin, Chennai
4. Cauvery Basin, Chennai
5. Assam & Assam-Arakan Basin, Jorhat
6. MBA Basin and CBM Development Project, Kolkata/Bokaro
7. Frontier Basin, Dehradun

C. PLANTS

1. Uran Plant, Uran
2. Hazira Plant, Hazira
3. C₂C₃C₄ Plant, Dahej, Gujarat

D. INSTITUTES

1. Keshava Deva Malaviya Institute of Petroleum Exploration (KDMIPE), Dehradun
2. Institute of Drilling Technology (IDT), Dehradun
3. Institute of Reservoir Studies, (IRS) Ahmedabad
4. Institute of Oil & Gas Production Technology (IOGPT) Navi Mumbai
5. Institute of Engineering & Ocean Technology (IEOT) Navi Mumbai
6. Geo- data Processing & Interpretation Center (GEOPIC), Dehradun
7. ONGC Academy, Dehradun
8. Institute of Petroleum Safety, Health & Environment Management (IPSHEM) Goa
9. Institute of Biotechnology & Geotectonics Studies (INBIGS), Jorhat
10. School of Maintenance Practices (SMP), Vadodara
11. Centre for Excellence in Well Logging (CEWL), Vadodara
12. Regional Training Institutes (RTIs) Navi Mumbai, Chennai, Sivasagar & Vadodara

21. INVESTOR SERVICES AND ADDRESSES FOR SHAREHOLDERS' CORRESPONDENCE

These have been given at **6.3.3** and **6.3.4** above

22. RISK MANAGEMENT

The Risk Management Policy has been rolled out across the organization in all Assets, Basins, Plants, Institutes and offices. The Risk Management Committee reviews various types of risks whether present or future and appraises the same to the management

23. COMPLIANCE CERTIFICATE FROM THE AUDITORS

Certificate from the Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to the Directors' Report forming part of the Annual Report. The Certificate has also been forwarded to the stock exchanges where the securities of the Company are listed.

24. ADOPTION OF NON-MANDATORY REQUIREMENTS OF CLAUSE 49

The following non-mandatory requirements have been implemented and reflected elsewhere in this report:

- The Company has constituted a **Remuneration Committee** refer to para 6.2.
- With regard to **Shareholders' Rights**, communication of financial results are being published widely and also hosted on the Company's website (refer para 12)
- Information on **training of Board members** and **mechanism for evaluation of non-executive Board members** is reflected in para 2.3(f)
- As far as **Audit Qualifications** are concerned, the Company is in the regime of unqualified financial statements

Whistle Blower Policy

In terms of Clause 49 of the Listing Agreement, one of the non-mandatory clauses provides that a Listed company may establish a mechanism for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Also in terms of Clause 8 of DPE guidelines on Corporate Governance for CPSEs issued in 2007, Company may establish a mechanism for employees to report to the management concerns of unethical behaviour etc. Accordingly ONGC has implemented Whistle Blower Policy on 30th November, 2009.

ONGC has provided ample opportunities to encourage the employees to become whistle blowers (employees who voluntarily and confidentially want to bring the unethical practices, actual or suspected fraudulent transactions in the organization to the notice of the competent authority for the greater interest of the organization and the nation). It has also ensured a very robust mechanism within the same framework to protect them (whistle blowers) from any kind of harm. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

25. GUIDELINES ON CORPORATE GOVERNANCE BY DPE

In May, 2010, the Department of Public Enterprises has come out with Guidelines on Corporate Governance for Central Public Sector Enterprises which have replaced the Guidelines issued in 2007. The fresh guidelines of 2010 are now mandatory in nature. ONGC is complying with these guidelines.

No Presidential Directives have been issued during 2010-11.

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

The administrative and office expenses were 4.95% of total expenses during 2010-11 as against 5.21% during the previous year.

26. SECRETARIAL COMPLIANCE REPORT

Secretarial Compliance Report confirming compliance to the applicable provisions of Companies Act, 1956, Listing Agreement, SEBI guidelines, DPE guidelines and all other related rules and regulations relating to capital market, though not mandatory, obtained from a practicing Company Secretary, was noted by the Board and forms part of the Directors' Report.

27. FEE TO STATUTORY AUDITORS

The fee paid / payable to the Statutory Auditors for the year was ₹ 15.85 million (previous year ₹ 12.96 million) including ₹ 0.83 million (previous year ₹ 0.83 million) as fee for certification of Corporate Governance Report, and ₹ 3.31 million (previous year ₹ 3.09 million) for limited review report and ₹ 0.13 million (previous year ₹ 0.22 million) for NELP certification plus reasonable travelling and out of pocket expenses actually incurred / reimbursable.