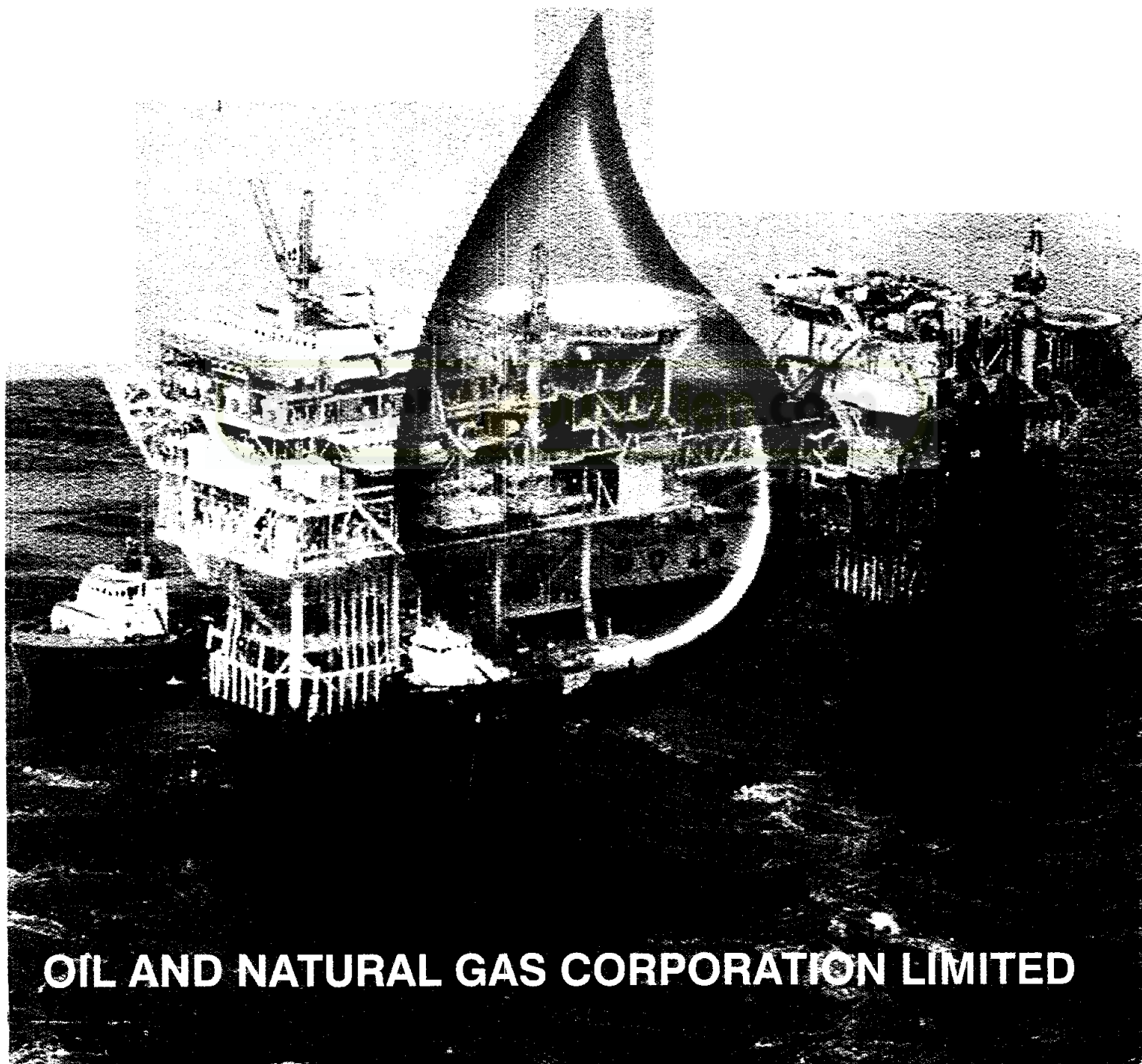
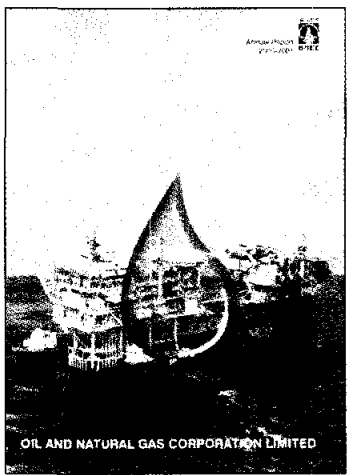




Annual Report
2000-2001



OIL AND NATURAL GAS CORPORATION LIMITED



*Braving the High Seas. From the High Seas, tropical forests to deserts, swamps and mountains, ONGC reaches out the length and breadth of the Country in search of **Black Gold**, fueling India's economy*

CONTENTS

• Vision and Mission	2
• Board of Directors	3
• Highlights	4
• Notice	6
• Directors' Report	9
• Comments & Review of C&AG and Management's Replies	21
• Management Discussion & Analysis	29
• Corporate Governance	32
• Shareholders' Information	40
• Secretarial Compliance Report	44
• Auditors' Report	46
• Balance Sheet	50
• Profit and Loss Account	51
• Schedules	52
• Cash Flow Statement	81
• Balance Sheet Abstract and General Business Profile	84
• Statement Pursuant to Section 212 of the Companies Act, 1956	86
• Annual Report of ONGC Videsh Limited	87
(wholly-owned subsidiary)	



OUR VISION

To be a World-Class Oil and Gas Company integrated in Energy business with dominant Indian leadership and Global presence.

OUR 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 organisational values.
- ◆ Abiding commitment to health, safety 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 maximise shareholder value.

DOMINANT INDIAN LEADERSHIP

- ◆ Retain dominant position in Indian Petroleum Sector and enhance India's energy availability.

BOARD OF DIRECTORS**Shri Subir Raha**

Chairman & Managing Director
(from 25.05.2001)

Shri Naresh Narad

Chairman & Managing Director
(from 01.05.2001 to 24.05.2001)

Shri B.C. Bora

Chairman-cum-Managing Director
(upto 30.04.2001)

Shri Jauhari Lal

Director (Personnel)

Shri I.N. Chatterjee

Director (Finance)
(upto 16.07.2001)

Shri A.S. Soni

Director (Operations)
(upto 31.7.2000)

Shri S.M. Malhatora

Director (Drilling)
(upto 30.9.2000)

Shri R.C. Gourh

Director (Technical)

Shri Y.B. Sinha

Director (Exploration)
(from 05.05.2000)

Shri V.K. Sharma

Director (Operations)
(from 19.02.2001)

Shri Nathu Lal

Director (Drilling)
(from 12.03.2001)

Shri Atul Chandra**Shri G.S. Dutt****Shri J.M. Mauskar****Shri Ravi Saxena****Smt. Renuka Devi Barkataki****Shri J. Jayaraman****Dr. K.R.S. Murthy****Shri Jawahar Vadivelu****Shri M.S. Ramachandran**

(from 25.06.2001)

GM & COMPANY SECRETARY**Shri S.K.C. Mathur****REGISTERED OFFICE**

Jeevan Bharti, Tower-II,
124, Indira Chowk,
New Delhi - 110 001

CORPORATE OFFICE

Tel Bhavan,
Dehradun-248 003,
Uttanchal

STATUTORY AUDITORS

M/s Lovelock & Lewes
M/s Price Waterhouse
M/s Chandabhoy & Jassoobhoy
M/s M.R. Narain & Co.
M/s Chaturvedi & Shah

BANKERS

State Bank of India

SUBSIDIARY

ONGC Videsh Limited

**REGISTRAR AND SHARE
TRANSFER AGENTS**

M/s MCS Limited
Srivenkatesh Bhavan,
212-A, Shahpurjat,
Behind Panchsheel Club,
New Delhi - 110 049
Tel. No. : 6498705 & 6494830

LISTED AT

Delhi Stock Exchange
Mumbai Stock Exchange
National Stock Exchange

DEPOSITORIES

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



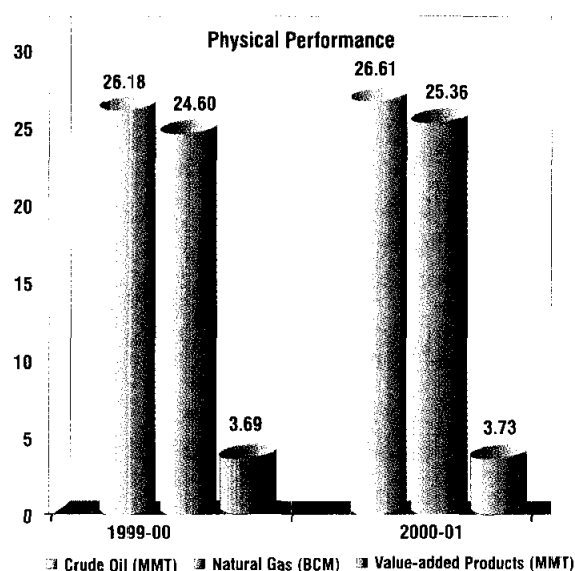
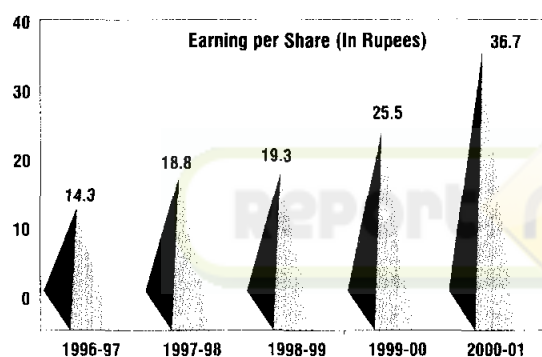
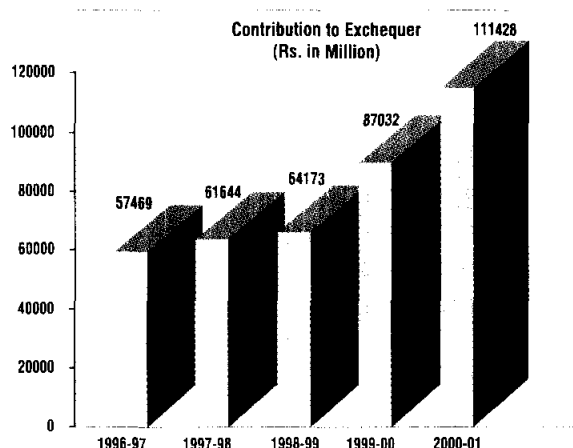
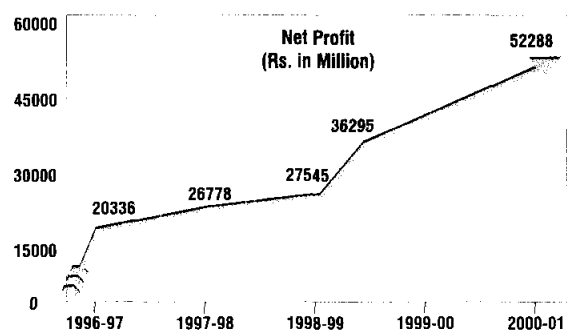
HIGHLIGHTS

FINANCIAL

- Profit after Tax Rs. 52,288 million – an increase of 44% over the previous year;
- 110% Dividend recommended which is highest ever in the history of the Corporation;
- Operating Revenue at Rs. 242,704 million – an increase of Rs. 39,468 million over the previous year;
- Foreign Currency Loans reduced by Rs. 25,742 million;
- Contribution to Exchequer Rs. 111,428 million;
- Earning per Share increased to Rs. 36.7 from Rs. 25.5 in the previous year;
- Book Value per Share as at 31st March, 2001 was Rs. 211;
- Debt-Equity Ratio improved to 0.14:1 from 0.26:1.

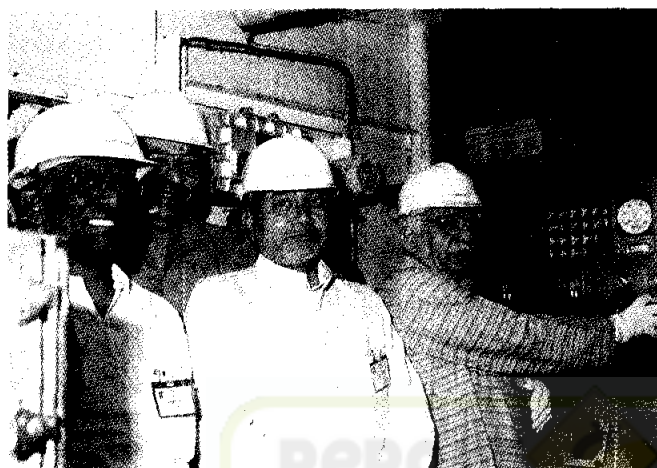
PHYSICAL

- Crude Oil production at 26.61 MMT is 101.9% of the target;
- Natural Gas production was 25.36 BCM as against 24.60 BCM in the previous year;
- Value-added Products rose to 3.73 MMT;
- 12 new Hydrocarbon finds ;
- Signed 8 Blocks as Operator under NELP-I;
- Bagged 16 Blocks – 6 on stand alone basis and 10 in consortium under NELP-II;
- 19 schemes in 15 fields for IOR and EOR projects identified. Out of these, 11 projects have been approved at a cost of Rs. 47,950.1 million to yield an incremental oil production of about 61.53 million tonnes in the next 20 years.
- 289 Wells drilled;
- To improve productivity, horizontal drilling, drilling of slim-hole, etc. initiated.





ONGC bagged 16 of 23 Production Sharing Contracts under NELP-II. Shri Subir Raha, C&MD, signs in presence of Shri Ram Naik, Hon'ble Union Minister (right) and Shri V.N. Kaul, Secretary (middle) Ministry of Petroleum & Natural Gas.



Shri Ram Naik, Hon'ble Union Minister of Petroleum & Natural Gas, formally inaugurating Mumbai High-North Redevelopment programme on January 12th, 2001.



Shri R.C. Gourh, Director (Technical) receiving NPMP Award for Excellence in Project Management from Shri Ram Naik, Hon'ble Union Minister of Petroleum & Natural Gas.

HIGHLIGHTS

RECOGNITION OF EXCELLENCE

AWARDS

- ◆ Best performing Upstream Oil Sector Company Award by PCRA;
- ◆ Ministry of Petroleum re-confirmed 'Excellent Rating' in HR parameters;
- ◆ National Petroleum Management Programme (NPMP) Awards for Excellence in HRM and Project Management;
- ◆ All India Organisation of Employers Award for Outstanding Achievement in Industrial Relations for the year 1999-00;
- ◆ Golden Peacock National Training Award for Excellence to Institute of Petroleum Safety & Environment Management, Goa;
- ◆ Ministers' Petroleum Trophy for Overall Efficiency in Sports;
- ◆ Special Commendation 'Golden Peacock' for outstanding achievement in the field of Environment Management to Ankleshwar Assets by 2nd World Congress;
- ◆ OSID Award for Safety Performance for the year 1998-99 to South Santhal GGS, Mehsana, CTF Mehsana and Ehtane-Propane Recovery, Uran under various categories;
- ◆ DGMS National Safety Award (Mines) for Longest Accident Free Period to Cauvery Drilling Mine for 1999;

QUALITY

- ◆ ISO-9001 to Institute of Drilling Technology, Dehradun;
- ◆ ISO-9002 to Quality Assurance Department at multiple locations;
- ◆ ISO-14001 to Uran and Hazira Plants.



NOTICE

Notice is hereby given that the 8th Annual General Meeting of the Members of **OIL AND NATURAL GAS CORPORATION LIMITED** will be held on **Thursday, the 27th day of September, 2001 at 11.30 a.m. at Convention Hall, Hotel Ashoka, 50-B, Chanakyapuri, New Delhi – 110 021** to transact the following **Ordinary Business**:

1. To consider and adopt the audited Balance Sheet as at March 31, 2001 and Profit & Loss Account for the year ended March 31, 2001 along with the Reports of Directors' and Auditors' thereon.
2. To declare dividend.
3. To appoint a Director in place of Smt. Renuka Devi Barkataki, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri J. Jayaraman, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Dr. K.R.S. Murthy, who retires by rotation and is eligible for re-appointment.
6. To appoint a Director in place of Shri Jawahar Vadivelu, who retires by rotation and is eligible for re-appointment.
7. To appoint a Director in place of Shri J.M. Mauskar, who retires by rotation and is eligible for re-appointment.
8. To fix remuneration of the Auditors.

By Order of the Board of Directors
for OIL AND NATURAL GAS CORPORATION LIMITED


S.K.C. Mathur
GM & Company Secretary

New Delhi
July 27, 2001



NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Corporation. Proxy form duly completed should be deposited at the Registered Office of the Corporation not less than forty-eight hours (48 hrs.) before the scheduled time of the Annual General Meeting. Blank proxy form is attached.
2. Bio-graphical sketch of Directors eligible for re-election is annexed.
3. The Register of Members and Share Transfer Books of the Corporation shall remain closed from Wednesday, the 29th day of August, 2001 to Thursday, the 27th day of September, 2001 (both days inclusive).
4. The Dividend as recommended by the Board of Directors, if declared at the meeting, will, subject to the provisions of Section 206A of the Companies Act, 1956 be paid to those Members, whose names appear on the Register of Members of the Corporation and the respective Beneficial Owners as at 27th September, 2001.

5. Members desirous of obtaining any information/clarification(s) concerning the accounts and operations of the Corporation or intending to raise any query are requested to forward the same at least 10 days before the date of the meeting to Company Secretary at the Registered Office of the Corporation, so that the same may be attended to appropriately.
6. In order to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to M/s MCS Limited, R&T Agents of the Corporation, quoting Folio Number, at Srivenkatesh Bhavan, 212-A, Shahpurjat, Behind Panchsheel Club, New Delhi-110 049 to enable them to incorporate the same in the dividend warrant.
7. Members holding shares in multi-folios are requested to apply to the Corporation and send relevant share certificates for consolidation.
8. **Members are requested :**
 - a) to bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting. No brief case or bag will be allowed to be taken inside the meeting Hall for security reasons.
 - b) to quote their Folio/Identification Nos. in all correspondence.
 - c) to immediately notify change in their addresses, if any, with Pin Code Nos. etc. to M/s MCS Ltd. R&T Agents of the Corporation at their above mentioned address.
 - d) to note that no gifts will be distributed at the meeting.

By Order of the Board of Directors
for OIL AND NATURAL GAS CORPORATION LIMITED



S.K.C. Mathur
GM & Company Secretary

New Delhi
July 27, 2001

Report Junction.com



BIO-GRAPHICAL SKETCH OF DIRECTORS ELIGIBLE FOR RE-ELECTION

Smt. Renuka Devi Barkataki, Shri J. Jayaraman, Dr. K.R.S. Murthy and Shri Jawahar Vadivelu were inducted as non-official part-time Directors on 16th April, 1999 on attainment of Navratna status by the Corporation. Shri J.M. Mauskar, Jt. Secretary, Ministry of Petroleum & Natural Gas, Government of India was also appointed by President of India on 14th May, 1999 as part-time official Director on the Board.

Smt. Renuka Devi Barkataki, a renowned social worker, is holding position of Secretary in Bharat Seva Mission, a social organization in North-East hills and Tribal areas; connected with co-operative movement, education, women and children welfare. She was Commander of Seva Dal, when Gandhiji visited Guwahati in 1947. She was Member of Parliament in 1962 and 1977 and Minister of State for Education, Social Welfare, Culture, Youth and Women's Welfare, Government of India in 1977. She was conferred 'Shield of Honour' by Prime Minister in 1997 in recognition of her services to the working class.

She is a member of Audit and Human Resource Management Committees of the Corporation.

Shri J. Jayaraman, has wide, varied and multifarious experience of over four decades in Oil Industry. He has served as Chief Executive Officer and Chairman & Managing Director of Cochin Refineries Limited. He was also a member of various high powered committees constituted by Government of India and Government of Tamilnadu for the purpose of restructuring, repositioning, performance review and de-regulating of Public Sector Enterprises, particularly, in the Oil industry.

He is presently on the Board of several other Companies covering a diverse group. He serves on the Audit Committee of Andhra Cements Ltd., Kothari Pioneer AMC Ltd. and on Audit and Share Transfer Committees of Coromandel Fertilizers Limited. He is also a member of Audit, Project Appraisal and Safety, Health, Environment & Business Development Committees of the Corporation.

Dr. K.R.S. Murthy, former Director, Indian Institute of Management, Bangalore & Vice Chairman AICTE, has more than three decades of academic and administrative experience to his credit. Dr. Murthy holds Doctorate in Business Administration with specialisation in Business Policy from Harvard Business School and SM in Management from Sloan School of Management, Massachusetts Institute of Technology and is a visiting Professor to Boston University, USA. He has written many articles on wide variety of topics, especially, on Public Enterprises and Strategic Management.

Presently, he is on the Boards/Governing Councils of several other Companies/Institutes such as, CMC Limited, National Stock Exchange, UTI Institute of Capital Market and IIM, Kozhikode. He is also member of the Audit Committee of CMC Limited. Dr. Murthy chairs the Audit Committee and is also a member of the Safety, Health, Environment & Business Development and Human Resources Management Committees of the Corporation.

Shri Jawahar Vadivelu, holder of Master Degree in Business Management from Asian Institute of Management, Manila, The Philippines and having attended programmes on Corporate Finance & Investment Banking and Economics from London Business School and London School of Economics, respectively, has varied and enriched experience of about two decades in managing affairs of Bodies Corporate. He is also on the Executive Committee of Southern India Chamber of Commerce & Industry, Chennai and on the Boards of several Companies and Educational Trusts.

Shri Vadivelu also serves on the Audit Committee of National Trust Housing Finance Ltd. and is also a member of Project Appraisal, Shareholders'/Investors' Grievance and Remuneration Committees of the Corporation.

Shri J.M. Mauskar, IAS, Joint Secretary in the Ministry of Petroleum & Natural Gas, Government of India, has held many responsible positions in the Central and State Government(s); last being Finance Secretary to Government of Meghalaya.

Presently, he is also on the Board of Directors and acts as a member of the Audit Committee of Oil India Ltd. He is also a member of Human Resource Management, Remuneration and Safety, Health, Environment & Business Development Committees of the Corporation.