



A n n u a l R e p o r t
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OIL AND NATURAL GAS CORPORATION LTD.

1956-2001

5 000 000 000

2001-2020

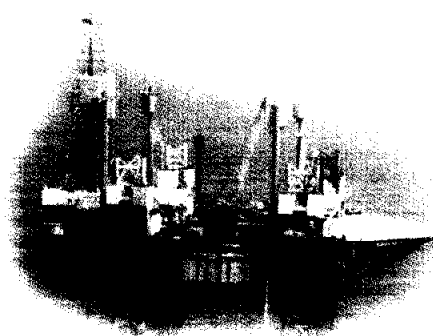
12 000 000 000

The quest began in 1956.

In 45 years, we have found 6 billion tonnes of oil & gas
(Initial In-place Oil & Oil Equivalent) in India.

In the next 20 years, we aim to find another 6 billion tonnes.

ONGCpeople. Making dreams happen.



Sagar Samrat

India's first Offshore Rig. 27th year of service.
270 kms cumulative drilling.
125th well completed. Unmatched in the world.



**making
tomorrow
brighter**

Oil and Natural Gas Corporation Ltd.

Jeevan Bharati Building, Tower II,
124, Indira Chowk, New Delhi-110001
Tel. EPABX : 3310156-58, 3310880.

Fax : 011-3316413 Gram : COMONG

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CONTENTS

| | |
|---|-----|
| □ Vision and Mission | 2 |
| □ Board of Directors | 3 |
| □ Highlights | 5 |
| □ Notice | 8 |
| □ Directors' Report | 10 |
| □ Comments & Review by C&AG and Management's Replies | 25 |
| □ Auditors' Report | 32 |
| □ Balance Sheet, Profit and Loss Account and Schedules | 36 |
| □ Cash Flow Statement | 70 |
| □ Balance Sheet abstract and Company's general business profile | 73 |
| □ Statement Pursuant to Section 212 of the Companies Act, 1956 | 75 |
| □ Management Discussion & Analysis | 76 |
| □ Corporate Governance | 80 |
| □ Shareholders' Information | 91 |
| □ Secretarial Compliance Report | 98 |
| □ ONGC VIDESH LIMITED (wholly-owned subsidiary) | |
| Directors' Report | 100 |
| Comments & Review by C&AG | 103 |
| Auditors' Report | 106 |
| Balance Sheet, Profit and Loss Account and Schedules | 110 |
| Cash Flow Statement | 127 |
| Balance Sheet abstract and Company's general business profile | 129 |
| □ CONSOLIDATED FINANCIAL STATEMENTS | |
| Auditors' Report | 132 |
| Balance Sheet, Profit and Loss Account and Schedules | 134 |
| Cash Flow Statement | 164 |



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.

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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

Shri Jauhari Lal
Director (Human Resource)

Shri R.C. Gourh
Director (Onshore)

Shri Y. B. Sinha
Director (Exploration)

Shri V. K. Sharma
Director (Offshore)

Shri Nathu Lal
Director (T&FS)

Shri R.S. Sharma
Director (Finance)
(from 01.03.2002)

Shri Atul Chandra

Shri G. S. Dutt

Shri J. M. Mauskar

Dr. Surajit Mitra
(from 09.05.2002)

Late Ravi Saxena
(upto 21.02.2002)

Smt. Renuka Devi Barkataki

Shri J. Jayaraman

Dr. K.R.S. Murthy

Shri Jawahar Vadivelu

Shri P. Sugavanam
(from 16.04.2002)

Shri M. S. Ramachandran
(upto 01.04.2002)



REFERENCE INFORMATION

Shri S. C. Setia

Dy. Company Secretary

Registered Office

Jeevan Bharti, Tower II,
124, Indira Chowk,
New Delhi - 110001

Corporate Office

Tel Bhavan,
Dehradun - 248003
Uttaranchal

Statutory Auditors

M/s Lovelock & Lewes
M/s Thakur, Vaidyanath Aiyar & Co.
M/s Chandabohy & Jassoobhoy
M/s M.R. Narain & Co.
M/s Chaturvedi & Shah

Bankers

State Bank of India

Registrar & Transfer Agents

M/s. MCS Limited,
Srivenkatesh Bhavan,
212-A, Shahpurjat,
Behind Panchsheel Club,
New Delhi - 110049
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.



ONGC

HIGHLIGHTS

OPERATIONS

- ❖ 7 Oil & Gas discoveries in India.
- ❖ 191 Million Mt O+OEG (Oil plus Oil equivalent Gas) added to Reserves, from domestic and foreign assets.
- ❖ 1.1 Billion Mt O + OEG producible Reserves from domestic assets, to cover 24 years' of Oil Production and 21 years' of gas production at current rates.
- ❖ India's first skid-mounted Mini-refinery commissioned to exploit isolated fields at Tatipaka, Andhra Pradesh.
- ❖ Total 24 exploration blocks awarded from the Government of India in NELP I and II bidding rounds, out of 47 offered.
- ❖ Mumbai High South re-development plan launched; total Rs.82,000 Million being invested in Mumbai High to add incremental producible Reserve of 76 Million Mt and improve Recovery Factor to the order of 32%.
- ❖ 2 out of 13 projects for augmenting recovery from Onshore fields commissioned; total Rs.38,000 Million being invested to add over 30 Million Mt Producible Reserve.
- ❖ 149 exploratory and 156 developmental wells drilled with 106% rig productivity.
- ❖ Sagar Samrat – India's first offshore rig completed 125th well in service since 1974 – a world record.
- ❖ Sagar Sandhani – only Indian Flag Seismic Survey Vessel was comprehensively re-furbished and upgraded with state-of-the-art equipment.

INTERNATIONAL OPERATIONS

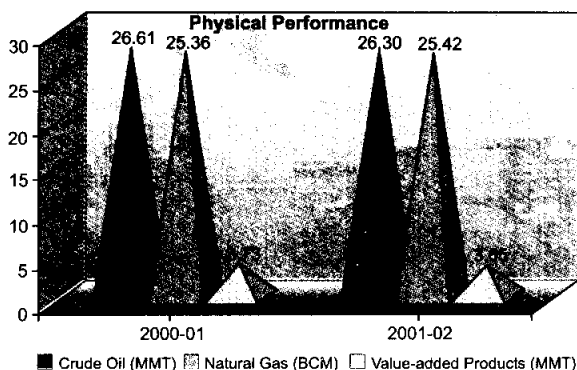
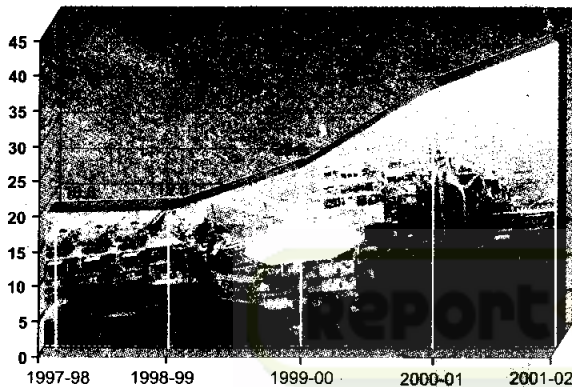
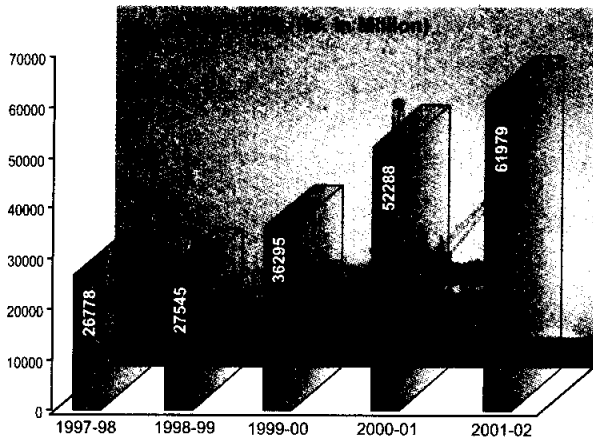
- ❖ Production platform installed at Vietnam Offshore Gas Project, revenue earnings projected by end-2002.
- ❖ 20% equity acquired in Myanmar Offshore gas exploration block A-1.
- ❖ "Commerciality" declared for Sakhalin-1 Offshore Project in Russia; project progressing on schedule.

FINANCIALS

- ❖ Highest among all Indian Corporates :
 - * Net profit of Rs.61,979 Million
 - * Net worth of Rs.295,119 Million
 - * Market capitalisation of Rs.5,00,000 Million (3rd April, 2002)
- ❖ Corporate tax payout reduced from Rs.39,280 Million to Rs.31,012 Million
- ❖ ONGC's case for pricing of Natural Gas on thermal equivalence upheld by the Supreme Court.

HEALTH, SAFETY & ENVIRONMENT

- ❖ Organisational set-up created for sustained Occupational Health Management;
- ❖ Comprehensive third-party Safety Audit carried out for all establishments, facilities and vessels;





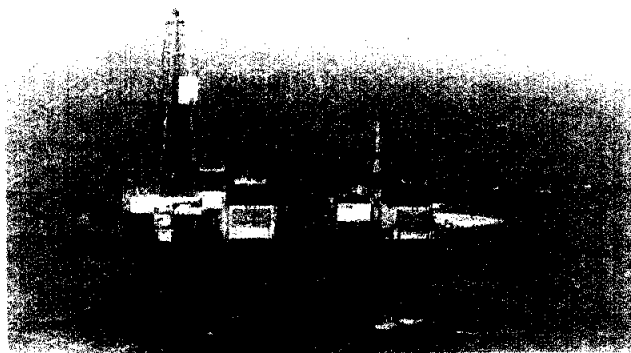
ONGC



Smt. Asha M. Seth, daughter of ONGC's founder Chairman, Shri KD Malviya, at the inauguration of the 10th KD Malviya Memorial Lecture organised by ONGC on 7th October, 2001 in New Delhi. The Memorial Lecture was delivered by Shri GV Ramakrishna, former Secretary, P&NG, former Ambassador to European Union and former Chairman of Disinvestment Commission. Shri Ram Nath, Minister for Petroleum & Natural Gas presided over the function.



Six ONGC scientists won the National Mineral Award 2000. They share this moment with Mr. Y.B. Sinha, Director (Exploration). From L to R - Mr. Debashis Das and Dr. Sushanta Kumar Das, Superintending Geologists, Dr. Joydev Kundu, DGM (Geology), Mr. P. N. Hazra, Chief Chemist, Mr. Y.B. Sinha, Director (Exploration), Mr. Gautam Sen, GM (Geophysics) and Mr. James Peters, DGM (Geology).



Sagar Samrat, the first offshore rig of ONGC created a record of drilling 125 wells and serving the Nation for 27 years.

- ❖ Continuous monitoring of effluents from the processing facilities at Uran and Hazira, and Mumbai Offshore water samples indicate sustained environmental protection;
- ❖ 7 Oil Industry Safety Directorate (OISD) Awards for 1999-2000 & 2000-2001;
- ❖ Best Performing Upstream Oil Company (2000-2001) in Energy Conservation – award by Petroleum Conservation Research Association (PCRA).

ACCREDITATIONS

- ❖ 4 New ISO 14001
- ❖ 8 New ISO 9001 and 1 New ISO 9002

AWARDS

- ❖ 6 executives received National Mineral Awards, 2000 for the Ministry of Coal & Mines
- ❖ National Petroleum Management Programme Awards (NPMP) for excellence in Financial Management, Project Management and Creativity Innovation (Team Category) for 2000-01
- ❖ Petroleum Minister's Trophy (Championship) for 2000-01 for the Petroleum Sports Development Board.

STRATEGIC INITIATIVES

- ❖ Comprehensive Organisational restructuring – "Corporate Rejuvenation Campaign" (CRC) – conceptualized and launched across the entire organization, changing for Business Groups to Asset-basin Management, with focus on results rather than activities.
- ❖ Substantive decentralization of administrative authorities together with delegation of financial authorities carried out to empower the field executives.

STRATEGIC GOALS SET FOR TWO DECADES OVER 2001-2020

- * **Doubling Reserve Accretion to 12 billion Mt O+OEG**
- * **Improving Recovery Factors to the order of 40%, and**
- * **Acquiring 20 Million Mt Per year O+OEG equity abroad.**
- ❖ Comprehensive review of Information Technology and Communication & Control Networks carried out. Plans finalized for modernization, expansion and integration of all Info-com Systems over a 3 years period with investment of the order of Rs. 6,000 Million.
- ❖ Terms and conditions for purchase and project contracts rationalized to improve competitiveness and consequently cost effectiveness.



Mr. Subir Raha, C&MD presenting a cheque for Rs. 1,09, 28,585.26 as contribution of one day's salary by all ONGCians to the Prime Minister's Relief Fund, in the presence of Mr. Ram Naik, Minister of Petroleum & Natural Gas, Mr. B. K. Chaturvedi, Secretary, MOPNG, Mr. Jauhari Lal, Director (HR), Mr. R.C. Gourh, Director (Onshore) and Mr. Sridhar Vyas, President, Association of Scientific & Technical Officers (ASTO)



The second ONGC Conclave was organised at Hyderabad in August 2002. Mr. Subir Raha, C&MD shares his thoughts with former Chairmen and Members of the Commission and present Board of Directors. L to R - Mr. Subir Raha, C&MD, Mr. N.B. Prasad, former Chairman, Mr. R Srinivasan, former Director (Exploration), Col. S.P. Wahi, former Chairman, Mr. R.C. Gourh, Director (Onshore) and Mr. S.N. Talukdar, former Member (Exploration)

HRD

- ❖ Intra-organisational transparency and work-ethic being enhanced through extensive internal communications.
- ❖ Effective measures taken to redress grievances of serving -as well as retired employees.
- ❖ Climate creation achieved for thorough review of HR Policies and procedures.

PROJECTS

- ❖ Offshore ZA and HV platform made Ready-for-Drilling (RFD) on target, and within budget.
- ❖ CRINE (Cost Reduction Initiatives in the New Era) concept, proven in North Sea E&P Development, introduced in all major Projects.
- ❖ Provision for bonus for early completion of projects on specification has been introduced in major construction projects.
- ❖ Advanced drilling techniques for side-tracks, multi-laterals and extended reach wells absorbed and implemented on fast-track.
- ❖ Engineering design audit introduced, with significant cost savings.

QUARTER -1 (APRIL - JUNE 2002)

- ❖ Crude Production increased by 0.5 Million Mt, nearly 10%.
- ❖ Foreign currency loans of Rs. 24,753 Million pre-paid, with significant reduction in interest charges and achieving "debt-free" status with debt-equity ratio of 0.02:1.
- ❖ Package Insurance Cover for US\$ 14 Billion renewed without any reduction in scope, restricting incremental premium below other Indian Corporates.



Continuing interactions across all ranks to build synergy.



ONGC

NOTICE

Notice is hereby given that the 9th Annual General Meeting of **OIL AND NATURAL GAS CORPORATION LIMITED** will be held on **Friday, the 20th September, 2002 at 11.30 a. m. at Convention Hall, Hotel Ashoka, 50- B, Chankyapuri, New Delhi-110021** to transact the following Ordinary Business:

1. To receive, consider and adopt Profit and Loss Account for the year ended March 31, 2002 and the Balance Sheet as at that date and Reports of Directors' and Auditors' thereon along with review of C&AG.
2. To declare dividend.
3. To appoint a Director in place of Shri R.C. Gourh, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri Y.B. Sinha, who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Shri V.K. Sharma, who retires by rotation and is eligible for re-appointment.
6. To appoint a Director in place of Shri G.S. Dutt, who retires by rotation and is eligible for re-appointment.
7. To appoint a Director in place of Dr. Surajit Mitra, 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. C. Setia
S. C. Setia

Dy. Company Secretary

New Delhi
August 20, 2002.

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. The Register of Members and Share Transfer Books of the Corporation shall remain closed from Tuesday, the 27th day of August, 2002 to Friday, the 20th day of September, 2002 (both days inclusive).
3. 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 as on 20th September, 2002 and the respective Beneficial Owners as at 27th August, 2002.
4. Members desiring 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 meeting to Company Secretary at the Registered Office of the Corporation, so that the same may be attended to appropriately.
5. In order to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide, quoting Folio Number, details of Bank Account Number, Name and Address of the Bank/Branch to Registrar & Transfer Agents, M/s MCS Limited, at Srivenkatesh Bhavan, 212-A, Shahpurjat, Behind Panchsheel Club, New Delhi-110049 to enable them to incorporate the same in the dividend warrant.
6. Members holding shares in multi-folios are requested to apply to the Corporation and send relevant certificate for consolidation.
7. As per the provisions of the Finance Act, 2002, payment of dividend will be subject to deduction of tax at source. However, no tax will be deducted at source in case of dividend payment to an individual (Resident in India) does not exceed such limit as prescribed under the provisions of Income Tax Act / Rules, in force at the time of payment. Shareholders, who are eligible may file duly executed Form 15 G, in duplicate with the Registrar & Transfer Agents, M/s MCS Limited, at the above mentioned address on or before 15th September, 2002 for non deduction of tax at source.