



Exploring frontiers for the Nation's Energy Security

Annual Report 2006-07

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***Exploring frontiers
for the Nation's Energy Security***

The theme depicted in the cover is ONGC's global presence and its efforts to mitigate Climate Change.

With 26 projects in 15 countries and an overseas investment of over 5 billion US \$, ONGC is the biggest Indian multinational. Through its wholly-owned subsidiary ONGC Videsh Ltd. (OVL), it has produced 7.95 million tonnes of Oil and Oil Equivalent Gas (O + OEG) in 2006-07, approaching a strategic target of sourcing 20 million tonnes from abroad every year, by 2020.

Along with its global energy search, ONGC has also joined the global effort for mitigating Climate Change, with two of its Clean Development Mechanism (CDM) projects registered by the United Nations Framework Convention for Climate Change (UNFCCC).



A New Vision

“I would suggest ONGC to give world leadership in management of energy sources, exploration of energy sources, diversification of energy sources, technology in Underground Coal Gasification and above all finding new ways of tapping energy wherever it is, to meet the ever growing demand of the country.

Let me greet all the members of ONGC on this Golden Jubilee Occasion. My best wishes to the ONGC in their mission of making the nation energy independent before 2030.”

Dr. A.P.J. Abdul Kalam
President of India
14th August, 2005
ONGC Headquarters
Dehradun



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BOARD OF DIRECTORS

Shri R. S. Sharma
Chairman & Managing Director
& Director (Finance)

Shri Subir Raha
Chairman & Managing Director
(upto 24th May, 2006)

Dr. A. K. Balyan
Director (Human Resource)

Shri A. K. Hazarika
Director (Onshore)

Shri N. K. Mitra
Director (Offshore)

Shri D. K. Pande
Director (Exploration)

Shri U. N. Bose
Director (Technology & Field Services)

Shri S. Sundareshan

Smt. Sindhushree Khullar

Dr. R. K. Pachauri

Shri V. P. Singh

Shri P. K. Choudhury

Dr. Bakul H. Dholakia

Shri A. M. Uplenchwar
(upto 31st July, 2007)

Shri Anil Razdan
(upto 8th March, 2007)

Shri Ashok Chawla
(upto 8th March, 2007)

Shri A. K. Jain
(from 10th April to 10th May, 2007)

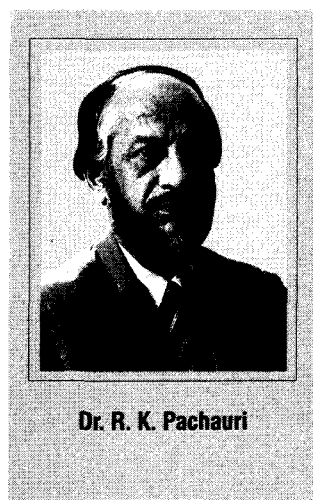
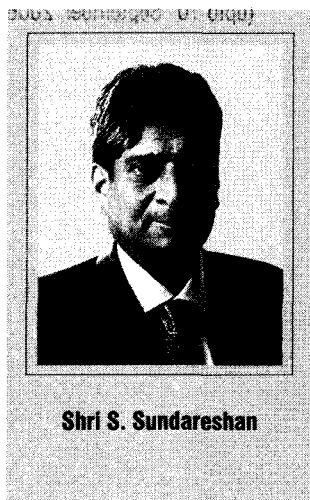
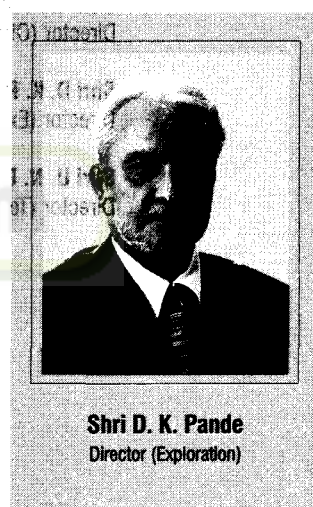
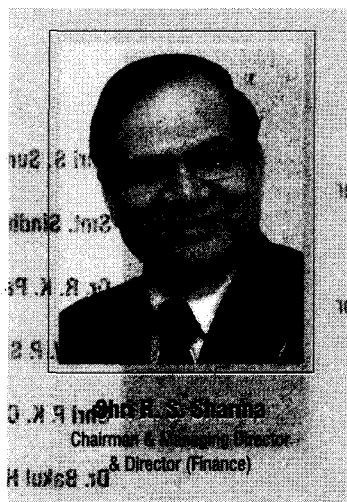
Shri M. M. Chitale
(upto 10th September, 2006)

Shri Rajesh V. Shah
(upto 10th September, 2006)

Shri U. Sundararajan
(upto 10th September, 2006)



BOARD OF DIRECTORS

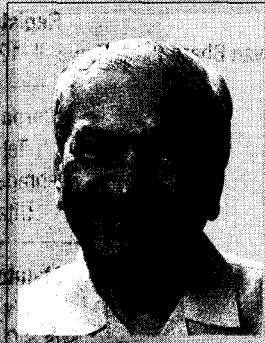




Shri V. P. Singh



Shri P. K. Choudhury



Dr. Bakul H. Dholakia



Shri A. M. Uplenchwar
(upto 31st July, 2007)

Directors on Board - Part of the year



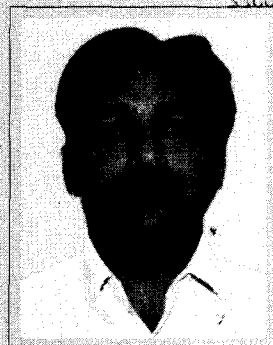
Shri Subir Raha
Chairman & Managing Director
(upto 24th May, 2006)



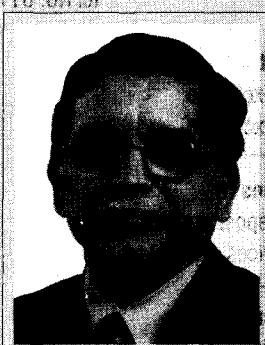
Shri Anil Razdan
(upto 8th March, 2007)



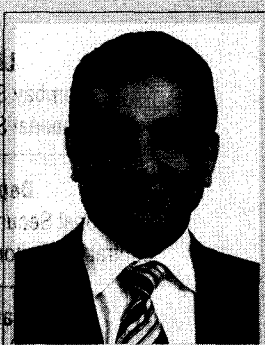
Shri Ashok Chawla
(upto 8th March, 2007)



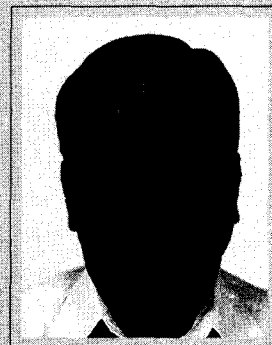
Shri A. K. Jain
(from 10th April to 10th May, 2007)



Shri M. M. Chitale
(upto 10th September, 2006)



Shri Rajesh V. Shah
(upto 10th September, 2006)



Shri U. Sundararajan
(upto 10th September, 2006)



REFERENCE INFORMATION

Registered Office

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

Corporate Office

Tel Bhavan
Dehradun - 248 003
Uttarakhand

Statutory Auditors

M/s K.K.Soni
M/s S.C. Ajmera & Co.
M/s PSD & Associates
M/s Singhi & Co.
M/s Padmanabhan Ramani & Ramanujam

Bankers

State Bank of India

Subsidiaries

ONGC Videsh Ltd. (OVL)
Mangalore Refinery & Petrochemicals Ltd. (MRPL)
ONGC Nile Ganga B.V.
ONGC Narmada Ltd.
ONGC Campos Holdings Ltda.
ONGC Do Brasil Exploracao Petrolifera Ltda.
ONGC Amazon Alaknanda Ltd.

Registrar & Share Transfer Agent

M/s Karvy Computershare Private Ltd.

Plot No. 17- 24
Vittal Rao Nagar
Madhapur
Hyderabad 500 081(A.P.)
Tel No. 040-23420815-819

105-108, 1st Floor
Arunachal Building
19, Barakhamba Road
Connaught Place
New Delhi - 110 001
Tel No. 011-43528522

Listed at

Bombay Stock Exchange
National Stock Exchange

Depositories

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

Company Secretary

S. C. Setia



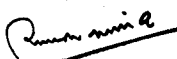
NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of **OIL AND NATURAL GAS CORPORATION LIMITED** will be held on **Wednesday, the 19th September, 2007 at 10:00 hrs. at Siri Fort Auditorium, Khel Gaon, August Kranti Marg, New Delhi-110 049**, to transact the following **Ordinary Business**:

1. To receive, consider and adopt the Profit & Loss Account for the year ended on 31st March, 2007 and the Balance Sheet as at that date and the Reports of the Board of Directors' and Auditors' thereon alongwith review of Comptroller & Auditor General of India.
2. To confirm interim dividend and declare final dividend.
3. To appoint a Director in place of Shri S. Sundareshan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A. K. Hazarika, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri N. K. Mitra, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri D. K. Pande, who retires by rotation and being eligible, offers himself for re-appointment.
7. To fix remuneration of the Auditors.

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

By Order of the Board of Directors


 (S.C. Setia)
 Company Secretary

14th August, 2007

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS (48 HRS.) BEFORE THE COMMENCEMENT OF THE MEETING. BLANK PROXY FORM IS ATTACHED.**
2. Brief resume of the Directors seeking re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and form part of the Notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, the 12th September, 2007 to Wednesday, the 19th September, 2007 (both days inclusive).**
4. The Board had recommended a Final Dividend of 130% at its meeting held on 25th June, 2007. The dividend, if approved by the Members at the said Annual General Meeting, will be paid before 11th October, 2007 to those Members, whose names appear on the Register of Members of the Company as on 19th September, 2007. However, in respect of shares held in electronic form, the dividend will be payable to those persons whose names appear as beneficial owners as at the closure of the business hours on 11th September, 2007 as per details to be furnished by the depositories.
5. Share transfer documents and all correspondence relating thereto, should be addressed to M/s. Karvy Computershare Private Ltd. (Karvy), Registrar and Share Transfer Agent of the Company, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 Phone Nos. 040-23420815-19 & 1600-345-4001 (Tollfree), Fax No. 040-23420814; e-mail: mailmanager@karvy.com. Karvy is also the depository interface of the Company with both NSDL and CDSL.

However, keeping in view the convenience of the Shareholders, documents relating to shares will continue to be accepted at Karvy Computershare Private Ltd., 105-108, 1st Floor, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi-110 001, Phone Nos. 011-41036370 (tele-fax) & 43528522; e-mail: delhi@karvy.com and at the Registered Office of the Company at 8th Floor, Jeevan Bharati, Tower-II, 124, Indira Chowk, New Delhi- 110 001, Phone Nos. 011-23301277/23301257; e-mail: secretariat@ongc.co.in.
6. The Company has designated an exclusive e-mail ID called **secretariat@ongc.co.in** for redressal of shareholders'/investors' complaints/grievances. In case you have any queries/complaints or grievances, then please write to us at above e-mail address.
7. Members holding shares in electronic form may please note that the bank account details and 9-digit MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS),



or for printing on dividend warrants wherever applicable. Therefore, members are requested to update their Bank Account particulars, Change of address and other details with their respective Depository Participants.

8. Reserve Bank of India (RBI) is providing ECS facility for payment of dividend in select cities. Members holding shares in physical form are advised to submit particulars of their bank account, viz., name and address of the branch of the bank, 9 digit MICR code of the branch, type of account and account number latest by 10th September, 2007, to M/s Karvy Computershare Private Ltd.
9. Pursuant to Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid/unclaimed amount of dividends paid up to 1999-2000 (Interim), to the General Revenue Account/ Investor Education and Protection Fund of the Central Government. **The unpaid/unclaimed amount of Final Dividend declared on 27th September, 2000 for the financial year 1999-00 will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government by 26th October, 2007. Members who have not encashed their dividend warrants pertaining to the said year may approach the Company or its Registrar & Share Transfer Agent for obtaining payment thereof.**
10. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/Branch to the Company or Karvy to enable them to incorporate the same in the dividend warrant.
11. Documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company on all working days between 10.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.
12. Members desirous of obtaining any information/clarification (s) concerning the accounts and operations of the Company 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 Company, so that the same may be attended to appropriately.
13. Annual listing fee for the year 2007-2008 has been paid to the Stock Exchanges wherein shares are listed.
14. Members who have not encashed their dividend warrants and/or fraction payment Bonus Shares warrants within their validity period may write to the Company at its Registered Office or M/s Karvy Computershare Private Ltd., Registrar & Share Transfer Agent of the Company, for revalidating the warrants or for obtaining duplicate warrants or payment in lieu of such warrants in the form of demand draft.
15. In terms of Section 109A of the Companies Act, 1956, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares singly are advised to avail of the nomination facility by filing Form No. 2B in their own interest. Blank form can be had from Karvy on request. Members holding shares in dematerialised form may contact their respective DPs for registration of nomination.
16. Members holding physical shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agent, M/s Karvy Computershare Private Ltd. for consolidation.
17. Members are requested:
 - i) to bring their copies of Annual Report and Attendance Slip duly completed and signed at the meeting;
 - ii) to quote their Folio/DP & Client identification No. in all correspondence;
 - iii) Brief case, bags, eatables, cell phone etc. are prohibited inside the meeting hall for security reasons;
 - iv) to notify immediately for change of their address and bank particulars to the Company or its Share Transfer Agent, in case shares are held in physical form;

and

In case their shares are held in dematerialised form, information should be passed on directly to their respective Depository Participants and not to the Company/Share Transfer Agent, without any delay.

 - v) to note that **no gift** will be distributed at the meeting.

By Order of the Board of Directors

Regd. Office:

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


(S. C. Setia)
Company Secretary

14th August, 2007

The Central Government vide its letter No. 47/309/2007-CL-III dated 10th August, 2007 has exempted the Company from attaching the reports and accounts of subsidiary companies with the Annual Report for the year 2006-07.