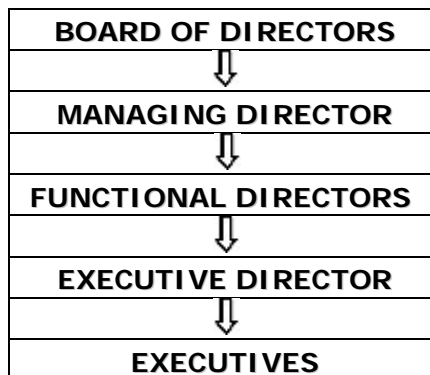


## CHAPTER-III

### PROCEDURES FOLLOWED IN THE DECISION-MAKING PROCESS, INCLUDING CHANNELS OF SUPERVISION AND ACCOUNTABILITY

The decisions making process of the Company follows the following Channel:



Overall management of the Company is vested with the Board of Directors of the Company. The Board of Directors is the highest decision making body within the Company. As per the provisions of the Companies Act, 1956 certain matters require the approval of the shareholders of the Company in General Meeting.

The Board of Directors is accountable to the shareholders of the Company, which is the ultimate authority of a Company. OVL being a wholly owned subsidiary company of ONGC, a Public Sector Enterprise (PSE), the Board of Directors of the Company is also accountable to Government of India. The Government of India has provided special empowerment to OVL under which OVL Board can take decision on exploration, development and production projects involving investment up to Rs. 300 crore or USD 75 million whichever is lower. For investment decision exceeding this limit, the approval of Cabinet Committee on Economic Affairs (CCEA) is required based on the recommendation of the Empowered Committee of Secretaries (ECS).

The day-to-day management of the Company is entrusted on the Managing Director and the Functional Directors and other Officers of the Company. The Board of Directors has delegated powers to the Managing Director, Functional Directors, who have in turn delegated powers to the Executives of the Company through Delegation of Powers. The Managing Director, Functional Directors and other officers exercise their decision-making powers as per this delegation of powers.

The Managing Director, Functional Director and other Executives are accountable to Board of Directors for proper discharge of their duties & responsibilities. The powers, which are not delegated, are exercised by the Board of Directors subject to the restrictions and provisions of the Companies Act, 1956.