

ANNUAL REPORT
OF
ONGC VIDESH LIMITED



2009-10

DIRECTORS' REPORT

Dear Members,

On behalf of the Board of Directors of your Company, I take immense pleasure in presenting before you the 45th Annual Report on the working of the Company for the financial year ended 31st March, 2010, together with the Audited Financial Statements, the Auditors' Report, the Comments on the Accounts by the Comptroller and Auditor General of India and management reply thereto.

1. PERFORMANCE HIGHLIGHTS

Your Company has completed another successful year, achieving the highest ever production levels. Major performance highlights of the year are as below:

- ❖ Your Company along with other consortium partners was selected in February, 2010 by Government of the Bolivarian Republic of Venezuela for awarding a 40% ownership (equity) interest in an "Empresa Mixta" (or "Mixed Company") which will develop the Carabobo 1 Norte and Carabobo 1 Centro blocks located in the Orinoco Heavy Oil Belt of Venezuela. This is a multi-billion integrated oil project in Venezuela.
- ❖ Your Company's consolidated production of Oil plus Oil-Equivalent Gas (O+OEG) increased from 8.776 MTOE in 2008-09 to 8.870 MTOE in 2009-10 registering a growth of 1.07%. This records OVL's highest ever oil and gas production from its overseas assets.
- ❖ Your Company's proven reserves as on 1st April 2010 stood at 185.995 MTOE (O+OEG), which next to ONGC, is the second largest holding of proven oil and gas reserves by any Indian Company.
- ❖ Your Company achieved an overall rating of "Excellent" in actual performance as compared to MOU parameters for two years in a row.
- ❖ Production of oil started from BC-10 Project on 12th July, 2009, two months ahead of schedule.

- ❖ Exploration Block-24, Syria has been converted to discovered asset based on two discoveries namely Abu Khasab & Rashid with in-place oil reserves of 185 million barrels.
- ❖ Your Company's consolidated gross revenue was ₹ 153,828 million during 2009-10 as against ₹ 184,235 million during 2008-09.
- ❖ Your Company's consolidated networth was ₹ 116,449 million as on 31st March, 2010 as against ₹ 115,156 million as on 31st March, 2009.
- ❖ Your Company's consolidated net profit was ₹ 20,896 million for the year 2009-10 as against ₹ 28,067 million for the year 2008-09.

2. FINANCIAL RESULTS

a) Consolidated Accounts:

The Consolidated Accounts incorporate accounts of ONGC Nile Ganga BV-Consolidated (Subsidiary), ONGC Narmada Limited (Subsidiary), ONGC Amazon Alaknanda Limited-Consolidated (Subsidiary), Jarpeno Limited-Consolidated (Subsidiary), AB Startkapitalet nr 5636 (name changed to Carabobo One AB)-Consolidated (Subsidiary) and ONGC Mittal Energy Limited-Consolidated (Jointly Controlled Entity) and form part of the Annual Report and Accounts.

(₹ in Million)		
Particulars	2009-10	2008 -09
Total Income	153,828	184,235
Expenditure	113,787	130,673
Profit Before Tax	40,041	53,562
Provision for Tax (including Deferred Tax)	18,889	25,031
Share of Profit – Minority Interest	256	464
Profit After Tax	20,896	28,067
Paid-up Equity Share Capital	10,000	10,000
Net Worth	116,449	115,156
Earnings Per Share of ₹ 100 each (₹)	208.96	280.67

b) ONGC Videsh Limited:

(₹ in Million)		
Particulars	2009-10	2008-09
Total Income	49,737	63,983
Expenditure	30,797	38,424
Profit Before Tax	18,940	25,559
Provision for Tax (including Deferred Tax)	7,229	11,132
Profit After Tax	11,711	14,427
Transfer to General Reserve	1,171	1,443
Transfer to Debenture Redemption Reserve	1,154	-
Paid-up Equity Share Capital	10,000	10,000
Net Worth	59,485	59,726
Earnings Per Share of ₹ 100 each (₹)	117.11	144.27

c) Dividend:

No dividend has been proposed for the financial year 2009-10, as the Company has decided to retain and conserve its internal resources for new projects and projects under execution.

d) Market Borrowings:

(i) Debentures:

During the year, the Company raised funds from the financial markets by issuance of non-convertible redeemable bonds guaranteed by the parent company 'ONGC' as follows:

Sl No.	Particulars	Amount (₹ in Million)	Date of issue
01	8.40% 5 Years Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series I	19,700	23 rd December 2009
02	8.54% 10 Years Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series II	3,700	6 th January 2010

The above mentioned debentures were rated "AAA/Stable" and "LAAA" by CRISIL and ICRA respectively which represents highest degree of safety and lowest credit risk. The above securities have been listed in the National Stock Exchange of India Ltd. (NSE).

Debenture redemption reserve amounting to ₹ 1068.07 million and ₹ 86.12 million has been created during the year in respect of Unsecured Non-Convertible Redeemable Bonds in the nature of Debentures Series I and Debentures Series II respectively.

(ii) Commercial papers:

During the year, the Company issued commercial papers as follows:

Sl No.	Particulars	Amount (₹ in Million)	Date of issue
1	82 days commercial papers due on 29 th March 2010*	3,600	6 th January 2010
2	159 days commercial papers due on 14 th June 2010*	3,600	6 th January 2010
3	251 days commercial papers due on 14 th Sept. 2010	3,650	6 th January 2010
4	342 days commercial papers due on 14 th Dec. 2010	3,650	6 th January 2010
	Total	14,500	

*Repaid on due dates

The aggregate face value of commercial papers outstanding as on 31st July, 2010 was ₹ 7,300 million.

The above Commercial Papers were rated "P1+" and "A1+" by CRISIL and ICRA respectively indicating highest degree of safety and lowest credit risk.

3. RESERVES

Details of remaining proven Oil and Gas reserves held by your Company, including that of the subsidiaries are placed at Note-17 of Schedule '25' to

Consolidated Accounts. In brief, your Company's remaining reserves holding under different categories are as under:

		As on 31st March, 2010	As on 31 st March, 2009
1.	1P Reserves (Proved)		
	Oil (including Condensate) (In MMT)	97.658	100.826
	Gas (In BCM)	88.337	89.404
	Total 1P Reserves (In MTOE)	185.995	190.230
2.	2P Reserves (Proved + Probable)		
	Oil (including Condensate) (In MMT)	207.802	222.788
	Gas (In BCM)	148.982	147.786
	Total 2P Reserves (In MTOE)	356.784	370.574
3.	3P Reserves (Proved + Probable + Possible)		
	Oil (including Condensate) (In MMT)	225.158	236.747
	Gas (In BCM)	173.078	170.019
	Total 3P Reserves (In MTOE)	398.236	406.766

4. NEW ACQUISITION

4.1 Carabobo Project

During the year on 10th February, 2010, your Company was selected as part of the consortium of ONGC Videsh Limited (11.0%), Indian Oil Corporation Limited (3.5%), Oil India Limited (3.5%), Repsol YPF (11.0%) and Petroliam Nasional Berhad (11.0%) by the Government of the Bolivarian Republic of Venezuela for awarding 40% ownership (equity) interest in a Mixed Company to develop the Carabobo 1 North (203 km²) and Carabobo 1 Central (180 km²) blocks located in the Orinoco Heavy Oil Belt in eastern Venezuela. The Corporación Venezolana del Petróleo (CVP), a subsidiary of Petróleos de Venezuela S.A. (PDVSA), Venezuela's state oil company, will hold the remaining 60% equity interest. The award of the Mixed Company contract followed an extensive international selection process conducted by Venezuela's Ministry of Energy and Petroleum during late 2008 and throughout 2009. The Signing Ceremony of Incorporation Agreement was held on 12th May 2010 at Caracas; the company was incorporated on 25th June, 2010 and the Mixed Company was christened

as Petro Carabobo S.A. The Transfer Decree allowing Petro Carabobo S.A to carry out primary activities in the designated areas was published in the Official Gazette of the Government of Venezuela on 29th July, 2010.

The project has estimated Oil in Place of about 27 Billion barrels. The Mixed Company will build heavy oil production facilities, upgrading facilities and associated infrastructure. The upstream production facilities may be targeted to have capacity to produce around 400,000 barrels per day of extra heavy oil of which approximately 200,000 barrels per day may be upgraded into light crude oil in a facility to be located in the Soledad area, Anzoátegui State. The plans are currently being studied further before firming up. The license term is for 25 years with a potential of further 15 year extension.

5. EXISTING PROJECTS

5.1 Block 06.1, Vietnam:

Block 06.1 is an offshore Block located 370 km south-east of Vung Tau on the southern Vietnamese coast with an area of 955 sq km. The exploration License for Block 06.1 was acquired by your Company in 1988; later British Petroleum and PetroVietnam were farmed in as partners. Your Company with 45% PI, British Petroleum (Operator) with 35% PI and PetroVietnam, a Vietnamese Government-owned entity with 20% PI, have developed the Lan Tay field in the Block. The field started commercial production in January, 2003. During 2009-10, your Company's share of production from the project was 1.967 BCM of gas and 0.042 MMT of condensate as compared to 1.848 BCM of gas and 0.046 MMT of condensate during 2008-09. Lan Do field in Block is presently under development with production expected in 2012. Your Company's share of the development expenditure was approx USD 230 million till 31st March, 2010.

5.2 Sakhalin-I, Russia:

Sakhalin-1 is a large oil and gas field in Far East offshore in Russia, spread over an area of approx 1,146 sq km. Your Company acquired stake in the field in July, 2001. Your Company holds 20% PI in the field; Exxon Neftegas Limited, a subsidiary of Exxon-Mobil, as Operator, holds 30% PI; Sodeco, a consortium of Japanese companies holds 30% PI and balance 20% PI is held by two subsidiaries of Rosneft, the Russian Government entities. Your Company's maximum net cash sink for investment in this project was approved at USD 1,556 million (excluding carry finance). With the start of exports of Sakhalin -1

crude oil from September, 2006, the project started to generate positive cash flow. During 2009-10, your Company's share of production from the project was 1.532 MMT of oil and 0.390 BCM of gas as compared to 1.853 MMT of oil and 0.372 BCM of gas during 2008-09.

5.3 Exploration Block-8, Iraq:

Your Company is the sole licensee of Block-8, a large onland exploration Block in Western Desert, Iraq spread over 10,500 sq km. The Exploration & Development Contract (EDC) for the Block was signed on 28th November, 2000. The contract was ratified by the Government of Iraq on 22nd April, 2001 and was effective from 15th May, 2001. Though, the work relating to archival, reprocessing and interpretation of the existing seismic data was completed, your Company notified the force majeure situation to the Ministry of Oil, Iraq in April, 2003 due to prevailing conditions in Iraq. In 2008, your Company was informed that Government of Iraq had decided to re-negotiate the Block-8 contract in line with the provisions of the new oil & gas law which is expected to be promulgated soon. Accordingly, Block-8 contract is being renegotiated with the Government of Iraq. The Company has invested approx USD 2 million till 31st March, 2010 in the project.

5.4 Blocks A-1 and A-3, Myanmar:

Block A-1 presently extends over an area of 2,129 sq km of Rakhine Coast in Arakan offshore in north-western Myanmar. Your Company acquired stake in the Block in April, 2002. Your Company holds 20% PI in the Block, GAIL (India) Limited holds 10% PI, Daewoo International Corporation of Korea as the operator holds 60% PI and KOGAS of Korea holds the balance 10% PI. Commercial quantity of natural gas has been discovered in two fields, Shwe and Shwe Phyu, in the Block. The Shwe and Shwe Phyu field appraisals have been completed by the consortium and the Initially In-Place reserves certified by an independent firm for the Shwe and Shwe Phyu gas fields are 3.83 TCF. So far, a total of 17 wells have been drilled in the block, out of which 9 wells have been gas bearing.

Block A-3, the adjacent block of Block A-1, covers presently an area of 3441 sq km with bathymetry up to 1,500 meters in the Rakhine offshore. Your Company acquired 20% PI in the Block on 24th March, 2006. Your Company is participating in the Block along with Daewoo International Corporation who is the operator with 60% PI, GAIL and KOGAS with 10% PI each. So far six exploratory wells

were drilled in this Block out of which three are gas bearing. Commercial quantity of natural gas has been discovered from Mya Gas Field. The initially in-place reserves certified by an independent firm for the Mya Gas field are 1.52 TCF. Your Company's share of investment was approx USD 80 million and USD 62 million for Block A-1 and A-3 respectively till 31st March, 2010.

Myanmar Oil and Gas Enterprise (MOGE), the State Company of Myanmar has back-in rights of 15% in Blocks A-1 and A-3 which they have already informed in January, 2010 that they wish to exercise. This would reduce PI as follows: 51% to be held by Daewoo, 17% to be held by OVL and 8.5% each by GAIL and KOGAS. Both A-1 and A-3 Blocks are currently under development w.e.f. 1st November 2009. A joint Field Development Plan prepared for Blocks A-1 and A-3 comprising of Shwe, Shwe Phyu and Mya gas fields has been approved by Consortium Partners. Execution of Development plan through Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) contract is in progress. Gas production from these fields is expected to commence in mid 2013.

OVL is participating in the complete hydrocarbon exploration, production and transportation chain comprising combined Upstream Field development of A-1 and A-3 Blocks, Offshore Pipeline JV Company and Onshore Pipeline Company.

Shwe Offshore Pipeline Joint Venture Company (PipeCo-1)

OVL is participating in the offshore downstream pipeline company with a participating interest of 20%. The other partners are Daewoo (Operator) having PI of 60%, GAIL and KOGAS having PI of 10% each. Government of Myanmar has got participation right of 15 % in this project. The length of offshore pipeline would be 110 Km X 32" from Shwe Offshore Platform to land fall point at Ramree Island. This project has been approved by Govt. of India in March 2010. The combined EPCIC contract along with Shwe Upstream Development project is under implementation. Currently detailed engineering study is in progress. The Project is scheduled to be completed by March 2013.

Onshore Pipeline Company (PipeCo-2)

OVL is participating in the Onshore Pipeline Company having a PI of 8.347%. The Onshore Pipeline Company was formed and registered in Hong Kong. The shareholding of other partners is CNPC-South-East Asia Pipeline Company

Limited (SEAP), China- 50.9%, Daewoo- 25.04%, MOGE, Myanmar 7.365 %, GAIL and KOGAS 4.1735% each. The Company will lay an onland pipeline of 870 Km X 40" from land fall point at Ramree Island to Myanmar China border. To achieve the first gas from Shwe Gas Development Project in mid 2013, the onshore pipeline project is scheduled to be completed by March 2013.

As per current estimates, your Company's share of investment jointly for Blocks A-1 and A-3 including Pipeco-1 & 2 projects is estimated at about USD 1 billion.

5.5 Farsi Offshore Exploration Block, Iran:

Farsi is an offshore exploration Block spread over 3,500 sq km in Persian Gulf Iran with a water depth of 20-90 meters. The contract for the Block was signed on 25th December, 2002. Your Company holds 40% PI as operator and the remaining PI is held by Indian Oil Corporation Limited (40% PI) and Oil India Limited (20% PI). Pursuant to the discovery of gas made by the Consortium led by your Company, it had submitted a commerciality report to National Iranian Oil Company (NIOC), Iran on 23rd December, 2007. NIOC Board of Directorate approved the Commerciality of the Farzad 'B' area on 18th August 2008. The draft Master Development Plan (MDP) has been submitted in April 2009 to Iranian Offshore Oil Company (IOOC), which has been designated by NIOC for development of Farzad 'B' and is under finalisation. Development Service Contract of Farzad 'B' Gas Field is under negotiation by the Consortium with NIOC/IOOC. Your Company's share of investment was approx USD 36 million till 31st March, 2010.

5.6 Exploration Block NC-189, Libya:

Block NC-189, measuring an area of 2,088 sq km is located in west-central part of the Sirte Basin in Libya. Your Company acquired stake in the onland Block in June, 2003. Your Company holds 49% PI in exploration Block NC-189 in Libya with Turkish Petroleum Overseas Company (TPOC), a subsidiary of National Oil Company of Turkey, holding the remaining 51% PI with operatorship. So far, three exploratory wells were drilled in this Block. All the wells were plugged and abandoned as dry wells. Your Company's share of investment was approx USD 41 million till 31st March, 2010.

5.7 Block-XXIV, Syria:

Block-XXIV, measuring about 3,853 sq km is an on-land Block located in the central eastern part of Syria. The contract for the Block was signed on 15th January, 2004 and was effective from 29th May, 2004. Your Company holds 60% PI in the Block with IPR Mediterranean Exploration Ltd. (Operator) holding the remaining 40% PI. During the initial exploration period of three years till 28th May, 2007, the consortium acquired seismic data and drilled two exploratory wells which were not successful. Subsequently, permission was sought for entering into 1st extension period of two years which was granted w.e.f. 29th September, 2007. During the first Exploration Extension Phase, 349 sq km of 3D seismic acquisition in Wadi Dawara Area and reprocessing of 697 sq km of Al Waleed 3D area were completed. The well Rashid-1 which was drilled during March-May 2009 flowed naturally and was tested for seven days. Subsequently, permission was sought for entering into 2nd exploration extension period of two years which was granted with effect from 29th September, 2009. During the second exploration extension phase second discovery well, Abu Khasab-1, was drilled from August to September, 2009, and produced oil on testing. The third discovery well Abu Khasab-2 was drilled during October to December, 2009 and produced Oil and gas from multiple reservoirs on testing. The ultimate reserves are estimated at 6.120 MMT of oil for Block XXIV, Syria. Plan of Development for Abu Khashab and Rashid discoveries has been approved by the Syrian Government. Well South Abu Khashab-1 was spudded on 08th June, 2010 and currently drilling is in progress. Future work program includes acquiring & reprocessing of additional 3D/2D seismic data of the area and drill 3-4 exploratory wells in the block. Your Company incurred a capital expenditure of approx USD 29 million till 31st March, 2010.

5.8 Block 5A, Sudan:

Block 5A is located in the prolific Muglad basin in Sudan and spread over an area of about 20,917 sq km. Your Company acquired stake in the Block from OMV Aktiengesellschaft, Austria on 12th May, 2004. Your Company holds 24.125% PI in the Block along with Malaysian National Oil Company, Petronas (67.875% PI) and Sudanese Government Company, Sudapet (8% PI). The Block is jointly operated by White Nile Petroleum Operating Company (WNPOC) a consortium of Petronas and Sudapet. Thar Jath, Mala and Mala Satellites fields have been put on production in Block 5A. Further, extensive exploration work is ongoing in the Block. Your Company's share of oil production from the project was 0.247 MMT for 2009-10 as compared to 0.285 MMT for the year 2008-09.

Your Company has incurred a capital expenditure of approx USD 359 million till 31st March, 2010.

5.9 North Ramadan Block, Egypt:

North Ramadan Block (Block 6) is an offshore Block located in the Gulf of Suez with an area of about 290 sq km. The contract for the Block was signed on 8th August, 2005. Your Company holds 70% PI in the Block with the remaining 30% PI being held by IPR Energy Red Sea Inc (IPR). The consortium had made a discovery of oil in two of the three wells drilled in the Block so far. Permission for entering into 1st Extension of Exploration Phase effective from 8th February, 2009 till 7th August, 2010 was granted by EGPC which includes drilling of one commitment well. The reprocessing of vintage seismic surveys and merging with 3D seismic volume is in progress for finalization of the prospect for commitment well. Your Company's share of investment was approx USD 44 million till 31st March, 2010.

5.10 Block 81-1, Libya:

Block 81-1 measuring 1,809 sq km is an onshore exploration Block located in Ghadames Basin in south-west Libya. The Exploration and Production Sharing Agreement (EPSA) for the Block is effective from 10th December 2005. Your Company holds 100% PI with operatorship in the Block. The acquisition, processing and interpretation of 811 LKM 2D and 502 Sq. Km. 3D seismic data have been completed. The report on Interpretation of Geoscientific data for Block 81-1, Libya is under preparation by G & G centre of OVL. The Company has invested approx USD 26 million till 31st March, 2010.

5.11 Blocks 25, 26, 27, 28, 29, 35A and 36, Cuba:

Blocks 25, 26, 27, 28, 29, 35A and 36 are deep water offshore exploration Blocks located in Cuba's Exclusive Economic Zone (EEZ) with an area of approx 11,231 sq km. The agreement for acquisition of 30% PI in the Blocks from Repsol-YPF of Spain was signed on 23rd May, 2006. The other partners in the Blocks are Repsol-YPF with 40% PI as operator and Statoil Oil & Gas AS with 30% PI. The consortium is in fourth exploration period having commitment of drilling of one well. Your Company's share of investment in these blocks was approx USD 23 million till 31st March, 2010.

5.12 Block 127, Vietnam:

Block 127 is an offshore deepwater Block, located at water depth of more than 400 meters with 9,246 sq km area in Vietnam. The PSC for the Block was signed on 24th May, 2006. Your Company holds 100% PI in the Block with Operatorship. Your Company has acquired 1,150 sq km 3D seismic data in the Block and the interpretation of the seismic data has been completed. Location for drilling of exploration well was identified and the well was drilled in July 2009 to a depth of 1265 mts. As there was no hydrocarbon presence, the Company has decided to relinquish the block to Petrovietnam. The Company has invested approx USD 68 million till 31st March, 2010.

5.13 Block 128, Vietnam:

Block 128 is an offshore deepwater Block, located at water depth of more than 400 meters with 7,058 sq km area in Vietnam. The PSC for the Block was signed on 24th May, 2006. Your Company holds 100% PI in the Block with Operatorship. Your Company has acquired 1650 sq km 3D seismic data in the Block and the interpretation of the seismic data has been completed. Location for drilling of exploration well has been identified and the rig was deployed on the location in September 2009. The well could not be drilled with the rig as it had difficulty anchoring on the location. The drilling activity was terminated and it is planned that the location shall be drilled in 2011. The Company has invested approx USD 45 million till 31st March, 2010.

5.14 Block 34 and 35, Cuba:

Blocks 34 and 35 are deep water offshore exploration Blocks located in Cuba's Exclusive Economic Zone (EEZ) with an area of approx 4,300 sq km. The PSC for the Blocks was signed on 10th September, 2006. Your Company holds 100% PI in the Blocks with Operatorship. Acquisition, processing and interpretation of 2D seismic data have been completed. 3D Seismic data acquisition and processing has also been completed. Currently 3D Seismic data interpretation is in progress. The Company has invested approx USD 40 million till 31st March, 2010.

5.15 Contract Area 43, Libya:

The Contract Area 43 located in Cyrenaica offshore basin in the Mediterranean sea consists of four blocks spread over an area of 7,449 Sq. Km. The Block boundaries extend from the coastline to the water depth of about 2,200 meters. The Exploration and Production Sharing Agreement (EPSA) for the Block was

signed on 5th March, 2007. Your Company holds 100% PI in the Contract Area with operatorship. The acquisition of 1011 LKM 2D and 4000 Sq. Km. 3D seismic data has been completed. The processing of this newly acquired seismic data is in progress. The Company has invested approx USD 36 million till 31st March, 2010.

5.16 Pipeline Project, Sudan:

An agreement was signed by your Company with the Ministry of Energy & Mining, Government of Sudan (GOS) on 30th June, 2004, for financing & construction of a 12", 741-km multi-product pipeline from Khartoum refinery to Port Sudan at a base lump sum price of USD 194 million. The project was completed 2 months ahead of the scheduled 16 months completion period. The pipeline was handed over to GOS in October, 2005. Oil India Limited, the other partner in the project, has 10% PI in the project wherein your Company has 90% PI. Nine half-yearly repayments due till December, 2009 have been received by your company from GOS. M/s Dodsal, the EPC contractor has filed arbitration against OVL for its claim of USD 25.48 million for this project. Your company in turn has given a pre-arbitral notice to Ministry of Justice, Government of Sudan.

5.17 Block NEMED, Egypt:

Your Company acquired 33% Participating Interest (PI) in the North East Mediterranean Deepwater Concession (NEMED), in Egypt Mediterranean Sea. The acquisition was completed on 23rd June, 2007 with effective date of PI holding as 1st October, 2006. The concession at present measures about 20,750 sq km. The other partners in the Block are Shell with 51% PI as operator and Petronas with 16% PI. The third phase exploration period of three years for the Block started in March 2008. Four wells were drilled in the second exploration phase out of which two wells were hydrocarbon bearing and two wells went dry. The discovered volume of Gas Initially in Place (GIIP) has been estimated to be approx 1.536 TCF. The Operator had earlier informed that various feasibility options were being explored for development of the discovered gas. The Operator has now communicated that a feasible development of the project was not commercially viable in the prevailing circumstances. This has been further impacted by the advent of Shale gas as a result of which the gas prices have undergone significant downturn. Even though in the obtaining circumstances, commercial development does look to be very challenging, the Company has requested the Operator to seek an

independent advice also on the feasibility of commercial development so that a suitable decision may be made. Your Company's share of investment was approx USD 235 million till 31st March, 2010.

5.18 Blocks RC-8, RC-9 and RC-10, Colombia:

Your Company acquired exploration blocks RC-8, RC-9 and RC-10 in deepwater offshore Colombia on 18th September, 2007. In Block RC-8, your Company as operator holds 40% PI with Ecopetrol and Petrobras holding 40% and 20% PI respectively. In Blocks RC-9 and RC-10, your Company and Ecopetrol hold 50% PI each with your Company as Operator in RC-10 block and Ecopetrol as Operator in RC-9 block. The contracts for the Blocks were signed on 30th November, 2007. The blocks RC-8, RC-9 and RC-10 extend over an area of 2,770 sq km, 2,120 sq km and 2,680 sq km respectively with water depths of 70 to 1,500 meters in offshore Colombia. The acquisition of 2568 LKM and 3750 LKM of 2D seismic data has been completed for RC-8 and RC-10 blocks respectively. Seismic data Processing is in progress for both the blocks. Further the acquisition of 720 Sq.km of 3D seismic data has been completed and data processing is in progress in RC-9 block. Your Company's share of investment in these blocks was approx USD 7.50 million till 31st March, 2010.

5.19 Blocks AD-2, AD-3 and AD-9, Myanmar:

Your Company acquired three offshore deepwater exploration Blocks i.e. AD-2, AD-3 and AD-9 on 23rd September, 2007 in Myanmar. Your Company is the operator with 100% PI in all the three Blocks. The Blocks have been awarded on the basis of mutual understanding and cooperation between India and Myanmar in the hydrocarbon sector. The blocks AD-2, AD-3 and AD-9 extend over an area of 8,100 sq km, 9,900 sq km and 7,800 sq km respectively with water depths ranging from 1,500 to 3,000 meters in the Rakhine Coast in Myanmar. The exploration period spread over four phases extends to 5 years for AD-2; and 7 years for AD-3 and AD-9. 2D Seismic and G-M data acquisition and processing have been completed. Reprocessing of a few in-fill lines and interpretation of seismic and G-M data is in progress for evaluation of these Blocks. The Company has invested approx USD 24 million in the Blocks till 31st March, 2010.

5.20 MTPN Block, Congo:

Your Company acquired 20% PI in offshore exploration Block Mer Très Profonde Nord (MTPN) in Congo (Brazzaville) from ENI. The effective date of PI holding is 1st August, 2006. Other partners in the Block are ENI with 40% PI as operator and Exxon Mobil with the remaining 40% PI. An exploratory well HVAM-1 was drilled from September to October 2009 at a water depth of 2705 mts, which discovered hydrocarbons at a depth of 3862 to 3892 mts. with a net pay of 23 m and the Oil Initially in Place (OIIIP) is estimated at 101.11 million barrels. However, the discovered volumes were inadequate to warrant a commercial development. Considering the same, OVL along with other JV partners decided to relinquish the MTPN license on expiry of exploration period on 31st December 2009. Your Company's share of investment in the block was approx US\$ 14 million which has been written off.

5.21 Blocks SSJN-7 & CPO-5, Colombia:

Your Company participated in the Bidding Round 2008 in Colombia during 2008-09 and was awarded two Blocks i.e. SSJN-7 with 50% PI and CPO-5 with 100% PI. The Block SSJN-7 is operated by Pacific Stratus Energy, Colombia with 50% PI. The Block CPO-5 is operated by your Company. The concession contracts for the Blocks SSJN-7 and CPO-5 were signed on 24th December, 2008 and 26th December, 2008 respectively. The Company farmed out 30% PI in Block CPO-5 to M/s Petrodorado South America S.A to share the exploration risk and leverage experience in the region. The Joint Operating Agreement was signed between OVL and M/s Petrodorado on 2nd June 2010. Both the blocks are currently under exploration Phase. Your Company's share of investment was USD 0.55 million and USD 1.19 million for Blocks SSJN-7 and CPO-5 respectively till 31st March, 2010.

6. SUBSIDIARIES

6.1 ONGC Nile Ganga BV (ONGBV)

6.1.1 Greater Nile Oil Project (GNOP), Sudan:

Greater Nile Oil Project (GNOP), Sudan is located in the Muglad Basin, around 700 km South-West of the Capital Khartoum and consists of onland blocks 1, 2 & 4 spread over 49,500 sq km. Your Company holds 25% stake in the project through its subsidiary ONGC Nile Ganga BV (ONGBV) which was acquired on

12th March, 2003. Other partners in this project are China National Petroleum Corporation (40% PI), Petronas Carigali Overseas Sdn Berhad, a subsidiary of the Malaysian National Oil Company, Petronas (30% PI) and Sudapet, the National Oil Company of Sudan (5% PI). ONGBV's share in oil production from GNOP was 2.126 MMT during 2009-10 as compared to 2.443 MMT during 2008-09.

6.1.2 Al Furat Project, Syria:

ONGC Nile Ganga BV (ONGBV) and Fulin Investments Sarl, a subsidiary of China National Petroleum Company International (CNPCI), hold 33.33% to 37.5% PI in four Production Sharing Contracts (PSCs) comprising 36 producing fields in Syria. The acquisition was completed on 31st January, 2006 which was effective from 1st July, 2005. The project is being managed through a Dutch joint venture company, named Himalaya Energy Syria B.V. (HESBV), wherein ONGBV and Fulin Investments Sarl, hold 50% shareholding each. Syria business of ONGBV is structured as separate class business (Class C shares). ONGBV (Class C business) has been funded by your Company and OMEL, in the ratio of 55:45. Your Company had advanced approx USD 223 million towards cost of acquisition, part of which had been returned by ONGBV to OVL and OMEL. In respect of balance amount advanced by your Company and OMEL, on 4th April, 2008, ONGBV had issued 26,000 Class C ordinary Shares i.e. 14,300 shares to your Company and 11,700 shares to OMEL of face value Euro 1 per share at issue price of Euro 4,000 per share for aggregate issue consideration of Euro 104 million. At the time of Class C share issue, OMEL held 13.07% share in ONGBV through Class C ordinary Shares which are entitled only and exclusively to the results of the business relating to Al Furat Project, Syria. ONGBV has subsequently repurchased 24,400 class C shares in 4 tranches in January, March, June 2009 and March 2010 and the current holding of OMEL in ONGBV is 1.11%. The fields are operated by Al Furat Petroleum Company (AFPC), jointly owned by Syrian Petroleum Company (50%), the National Oil Company of Syria, Shell Syria Petroleum Development Co.(31.25%) and HESBV(18.75%). OVL's share in the oil production was 0.718 MMT during 2009-10 as compared 0.812 MMT during 2008-09.

6.1.3 Block BC-10, Brazil:

Block BC-10 is a deepwater offshore Block located in the Campos Basin approximately 120 km southwest from the city of Vitoria off the coast of Brazil with a water depth of around 1800 meters spread over 600 sq km. ONGBV

acquired 15% PI in the project on 25th April, 2006 through its wholly owned subsidiary ONGC Campos Ltda. Other partners in the Block are Shell with 50% PI as operator and Petrobras with 35% PI. OVL's net maximum cash sink for investment in this project was approved at USD 548 million. The Phase-1 of the Block has been developed using sub-sea wells which connects via sub-sea manifolds, flowlines, and risers to a Floating Production, Storage and Offloading Vessel (FPSO). Drilling of 11 wells planned for phase-1 has been completed & 9 producers and 1 gas injector wells are put on production. The oil production from the project commenced on 12th July 2009. Your Company's share of oil production was 0.192 MMT during 2009-10 as against a target of 0.103 MMT.

6.1.4 Blocks BM-S-73 and Block BM-ES-42, Brazil:

ONGBV holds 43.5% PI and 100% PI in the deepwater offshore Blocks BM-S-73 and BM-ES-42 respectively in Brazil through its wholly owned subsidiary ONGC Campos Ltda. The blocks BM-S-73 and BM-ES-42 are spread over an area of 160 sq km and 725 sq km respectively with water depths of around 200 meters and 1,500 meters respectively. During the year, your Company has divested some part of its PI in Block BM-S-73 to Petrobras and Ecopetrol to share the exploration risk and leverage experience in the region. Joint Operating Agreement was signed on 29th January 2010 with Petrobras and Ecopetrol holding 43.5% and 13% respectively. 3D Seismic Survey was completed in both the Blocks. Seismic data processing has been completed and G&G study is in progress in BM-S-73. Seismic data processing is in progress in BM-ES-42. The Company has invested USD 12 million and USD 24 million for Block BM-S-73 and BM-ES-42 respectively till 31st March 2010.

6.1.5 San Cristobal Project, Venezuela:

Your Company signed an agreement with Corporación Venezolana del Petróleo S.A. (CVP) on 8th April, 2008 and acquired 40% Participating Interest (PI) in San Cristobal Project, Venezuela. San Cristobal project covers an area of 160.18 Sq. Km in the Zuata Subdivision of prolific Orinoco Heavy Oil belt in Venezuela. The project is operated jointly by OVL and PDVSA. The JV Company has been named "Petrólora IndoVenezolana SA" (PIVSA). CVP, a subsidiary of PDVSA holds 60% equity in JVC and OVL holds 40% equity through ONGC Nile Ganga (San Cristobal) BV, a wholly owned subsidiary of ONGC Nile Ganga B.V. OVL's share in the oil production was 0.704 MMT during 2009-10 as against 0.671

MMT during 2008-09. The Company has invested approx USD 191 million till 31st March, 2010 in the project.

6.1.6 Blocks BM-SEAL-4 & BM-BAR-1, Brazil:

Your Company acquired PI in exploration blocks BM-SEAL-4 and BM-BAR-1 in Brazil in August 2008 through ONGC Campos Limitada, a wholly owned subsidiary of ONGC Nile Ganga B.V. Your Company holds 25% PI in Block BM-SEAL 4 and Block BM-BAR-1 with Petrobras (Operator) holding remaining 75% PI. The projects are currently under exploration Phase. Your Company's share of investment was approx USD 1 million and USD 49 million for Block BM-SEAL-4 and BM-BAR-1 respectively till 31st March 2010.

Further ONGC Nile Ganga (Cyprus) Ltd. has been incorporated for financing of your Company's share of investment in Nigerian Blocks of OMEL.

6.2 ONGC Narmada Limited – Wholly owned Subsidiary

6.2.1 Block-2, Nigeria-São Tomé & Príncipe, JDZ:

Block-2 is a deep water exploration Block located in Nigeria-São Tomé & Príncipe Joint Development Zone (JDZ) with an area of approx 1,034 sq km. ONGC Narmada Limited (ONL), Company's 100% subsidiary incorporated in Nigeria, holds 13.5% PI in the Block. Other partners in the Block include Sinopec (28.67% PI), Addex Petroleum (14.33% PI), ERHC Energy Inc. (22% PI), Equator Exploration (9% PI), Amber (5% PI), Foby (5% PI) and A & Hatman (2.5% PI) with Sinopec as the operator. Operator has acquired license of 3D seismic data and interpreted the data. Based on the same, a well was drilled in 2009. Though the well showed presence of hydrocarbons, the volumes were inadequate to warrant a commercial development. The Company has communicated its intention of not continuing the block to the Operator. ONL's share of investment, inclusive of the carry obligations to A & Hatman, till March, 2010 was approx USD 25 million, which has been written off.

6.3 ONGC Amazon Alaknanda Limited – Wholly owned Subsidiary

6.3.1 Mansarovar Energy Project, Colombia:

Mansarovar Energy Colombia Limited (MECL), Colombia is a 50:50 joint venture comprising a wholly owned subsidiary of your Company i.e. ONGC

Amazon Alaknanda Limited (OAAL) and a subsidiary of Sinopec International Petroleum Exploration and Production Corporation (SIPC). MECL's assets constitute a 100% interest in Velasquez fee mineral property and a 50% interest in the Nare Association contracts where the Colombian national oil company, Ecopetrol S.A. holds the remaining 50%. MECL also owns 100% of the Velasquez-Galan pipeline, which runs 189 km from the Velasquez property to Ecopetrol's Barrancabermeja refinery. MECL had acquired Omimex de Colombia Ltd. ("Omimex") from Texas based Omimex Resources, Inc. on 20th September, 2006 with effective date of 1st April, 2006. Your Company had invested USD 437.50 million towards cost of acquisition. Your Company's share of oil production was 0.409 MMT during 2009-10 as compared to 0.371 MMT during 2008-09.

6.4 Jarpeno Limited – Wholly owned Subsidiary

6.4.1 Imperial Energy

Your company acquired Imperial Energy Corporation Plc., an independent upstream oil Exploration and Production Company having its main activities in the Tomsk region of Western Siberia, Russia on 13th January, 2009 at a total cost of USD 2.1 billion. Imperial's interests comprise of seven blocks in the Tomsk region i.e. Block 69, 70, 74, 77, 80, 85 and 86 with a total licensed area of approximately 16,800 square kilometres. The Production licenses were granted to the Company during 2005 to 2008 and are valid till 2028 to 2031. As on 1st April 2010, OVL's share of 2P reserves in the project was 112.871 MMT (O+OEG).

The post acquisition developmental plans of Imperial Energy, which included the drilling of 32 wells and construction of facilities, has resulted in the ramping up of its oil production to above 16,000 bopd in December 2009 from around 6,000 bopd at the time of acquisition. On the exploratory front, Imperial is focused on evolving a complete geological understanding of its fields through various geological and geophysical studies. During the year 2009-10, Imperial Energy drilled 12 exploration and appraisal wells which have led to four new discoveries. The Exploration and Developmental program for the year 2010 envisages drilling of 43 wells in addition to construction of facilities coupled with infusion of new technologies / techniques. OVL's share in the oil production was 0.543 MMT during 2009-10 as against 0.076 MMT during 2008-09. The Company has invested approx USD 2,335 million till 31st March 2010 in the project.

6.5 AB Startkapitalet nr 5636 (name changed to Carabobo One AB) – Wholly Owned Subsidiary

6.5.1 Carabobo Project

OVL holds 11% in Carabobo-I project through its subsidiary AB Startkapitalet nr 5636 (name changed to Carabobo One AB). Other details have been mentioned in para 4.1 above.

7. JOINT VENTURE COMPANY – ONGC MITTAL ENERGY LIMITED

Your Company along with Mittal Investments Sarl (MIS) promoted ONGC Mittal Energy Limited (OMEL), a joint venture company incorporated in Cyprus. Your Company and MIS hold 98% shares of OMEL in the ratio of 51(OVL): 49(MIS) with 2% shares held by SBI Capital Markets Ltd. OMEL holds PI in the AFPC Syrian Assets through ONGBV and exploration Blocks OPL 279 and OPL 285 through OMEL Exploration and Production Nigeria Limited (OEPNL) and OMEL Energy Nigeria Limited (OENL) respectively in Nigeria.

7.1 Block OPL 279, Nigeria:

OPL 279 is a deepwater offshore exploration Block in Nigeria with an area of 1,125 sq km. The effective date of the PSC was 23rd February, 2007. Currently, OMEL through its wholly owned subsidiary company OMEL Exploration & Production Nigeria Ltd. holds 45.5% PI in the Block. Other partners in the Block are EMO, a local Nigerian company with 40% PI and TOTAL with 14.5% PI. The Block is operated by OMEL. As per terms of the agreement, EMO is carried by other participants in their respective share of participation. OMEL, Nigeria has drilled the first well Kuyere-1 in block OPL-279 in January - February 2010 and discovered hydrocarbons in three pay zones. Until more hydrocarbons are discovered in the block, commerciality of the present discovery on stand-alone basis may be challenging. OMEL's share of investment, inclusive of the carry obligations to EMO, till March, 2010 was approx USD 152 million.

7.2 Block OPL 285, Nigeria:

OPL 285 is a deepwater offshore exploration Block in Nigeria with an area of 1,167 sq km. The effective date of the PSC was 23rd February, 2007. Currently, OMEL through its wholly owned subsidiary company OMEL Energy Nigeria Ltd. holds 64.33% PI in the Block. Other partners in the Block are EMO, a local Nigerian company with 10% PI and TOTAL with 25.67% PI. The Block is operated by OMEL. As per terms of the agreement, EMO is carried by other participants

in their respective share of participation. OMEL is planning to drill the first well Opueyi-AX in Block-285 during 2010-11. OMEL's share of investment, inclusive of the carry obligations to EMO, till March, 2010 was approx USD 62 million.

8. OVERSEAS OFFICES

The overseas offices of your Company are located in Ho Chi Minh City (Vietnam), Yuzhno Sakhalinsk (Russia), Baghdad (Iraq), Tehran (Iran), Tripoli (Libya), Havana (Cuba), Caracas (Venezuela), Astana (Kazakhstan), , Bogota (Colombia). ONGC Nile Ganga BV has its registered office in Amsterdam (The Netherlands), office in Khartoum (Sudan) and its subsidiaries have offices in Rio de Janeiro (Brazil) and Nicosia (Cyprus). ONGC Narmada Limited and ONGC Amazon Alaknanda Limited have their registered offices in Lagos (Nigeria) and Hamilton (Bermuda) respectively. Jarpeno Limited has its registered office in Cyprus and its subsidiaries have offices in London (U.K), Moscow & Tomsk (Russia), Jersey, Cyprus and Kostanay (Kazakhstan). Carabobo One AB has its registered office in Sweden.

9. INFORMATION TECHNOLOGY

Your Company keeps itself abreast of the advancements in the field of information technology so as to adopt them to the extent required in its pursuit of achieving operational excellence.

Advanced IT and Telecommunications systems including Multi-site Videoconferencing systems provide best in class technologies for corporate use.

10. HUMAN RESOURCE DEVELOPMENT

Your Company has been operating with optimally required manpower provided by the parent company. The total manpower of your Company was 231 as on 31st March, 2010 as compared to 196 as on 31st March, 2009. As on 31st March, 2010, 69 executives stood posted to various overseas projects/offices.

11. IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

Your Company makes concerted effort to spread and promote Official Language. Hindi month was organised during the year from 14th September,

2009 to 13th October, 2009. New edition of the magazine 'Aadharshila' was launched during the year. Official Language Implementation Committee meetings were organised regularly during the year.

12. BOARD OF DIRECTORS

During the year, Shri Anupam Mathur, Director (Commercial) retired on attaining the age of superannuation on 31st August, 2009. Shri S Roychaudhury took over the charge of office of Director (Commercial) on 1st September, 2009. Dr. A.K. Balyan, upon his selection as MD & CEO of Petronet LNG Limited submitted his resignation with effect from 15th July, 2010 from the Board of Directors of OVL. Your Directors place on record their sincere appreciation for the excellent contributions made by Shri Anupam Mathur and Dr. A.K. Balyan and extend a warm welcome to Shri S Roychaudhury.

DPE Guidelines on Corporate Governance 2010 require that atleast one-third of the Board members should be Independent Directors. As CMD, ONGC is the Chairman of OVL and OVL has four whole time Directors including Managing Director, OVL has recommended to Ministry of Petroleum and Natural Gas (MoP&NG) to consider appointing four independent Directors including one independent Director of the holding company ONGC on OVL's Board which is under consideration of MoP&NG.

As required under Section 255 and 256 of the Companies Act, 1956, Shri Joeman Thomas, Director (Exploration), Shri S.P. Garg, Director (Finance), Shri Sunil Jain, Director and Shri D.K. Sarraf, Director retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment at the said meeting.

13. AUDITORS

M/s Batra Sapra & Co., Chartered Accountants, New Delhi were re-appointed as the Statutory Auditors of your Company by the Comptroller & Auditor General (C&AG) of India for the financial year 2009-10. The Notes on Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments. The Comments of the C&AG and Management Reply thereto form part of this report.

14. COST AUDIT

Pursuant to clarifications provided by the Cost Audit Branch of Ministry of Corporate Affairs vide letter no. F.No. 52/21/CAB/2007 dated 26th May, 2008, the Company has maintained cost records under section 209(1) (d) of the Companies Act, 1956 for the year 2009-10. OVL has not been notified under Section 233B of the Companies Act, 1956 for audit of cost records by Cost Auditors as maintained under Cost Accounting Records (Petroleum Industry) Rules, 2002. However, the Company has got its cost records certified by M/s Jugal K. Puri & Associates, Cost Accountants in order to obtain assurance about compliance with the requirement of the Cost Accounting Record Rules.

15. STATUTORY DISCLOSURES

(i) Information required to be given pursuant to the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed and forms part of the Directors' Report.

(ii) None of the Directors of your Company is disqualified under the provisions of Section 274 (1) (g) of the Companies Act, 1956.

(iii) Information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding Energy Conservation, Technology Absorption and Foreign Exchange earnings and outgo during the financial year 2009-10 is given below:

- a) the sources of energy used by the Company are Electricity, Diesel and Motor Spirit (Petrol);
- b) the Board, as part of its existing internal control measures, is striving for the conservation of electricity, diesel and petrol under the supervision of Managing Director on a continuous basis and is satisfied that the utilisation of energy is optimum for the operations of the Company in India;
- c) the provisions of the Companies Act, 1956, in regard to technology absorption are not applicable to the Company and
- d) the details of foreign exchange earned and outgo during the year 2009-10 are as follows:

	(₹ in Million)
• Foreign Exchange earned	50,685.13
• Foreign Exchange outgo	42,932.89

16. SECRETARIAL COMPLIANCE REPORT

Secretarial Compliance Report confirming compliance to the applicable provisions of Companies Act, 1956 and applicable Rules there under, Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008, Debt Listing Agreement with the National Stock Exchange, Depositories Act, 1996 given by a practicing Company Secretary, is annexed and forms part of the Directors' Report.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, is annexed and forms part of the Directors' Report.

18. CORPORATE GOVERNANCE REPORT

The Company strives to attain high standards of corporate governance. A separate section on Corporate Governance is annexed and forms part of the Directors' Report.

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, the following statements relating to Annual Accounts for the financial year ended 31st March, 2010 are made:

- (i) in the preparation of the annual accounts for the financial year 2009-10, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and that there are no material departures from the same;
- (ii) the Directors have selected such accounting policies as described in Schedule-25 to the annual accounts and applied them consistently as stated in the annual accounts and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year ended on that date;

- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- (iv) the Directors had prepared the annual accounts on a "going concern" basis.

20. AUDIT COMMITTEE

The details of Audit Committee are given separately in the Corporate Governance Report.

21. ACKNOWLEDGEMENT

Your Directors would like to acknowledge with deep appreciation the valuable guidance and support extended by the Government of India, especially the Ministry of Petroleum & Natural Gas, Ministry of Finance, Ministry of External Affairs, Indian Embassies / High Commissions abroad and the Reserve Bank of India etc. Your Directors also wish to place on record their deep sense of appreciation for the dedicated services by the employees of the Company. Your Directors recognize that the achievements of your Company would not have been possible without the unstinted and total support from the parent company, Oil and Natural Gas Corporation Limited.

On behalf of the Board of Directors



(R. S. Sharma)
Chairman

New Delhi
13th August, 2010

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year 31st March, 2010

Sl. No.	Name (M/s)	Age	Designation	Remuneration (in ₹)	Qualification	Experience (In Years)	Date of Appointment	Previous Employment
Employed for full Financial Year								
1	Abdul Mufeed Siddiqui	50	Deputy General Manager [Production]	5,143,203	B.E. (Mechanical), M. Tech (Petroleum)	27	08.06.1983	-
2	Abhijit Basu	53	Deputy General Manager [Production]	5,345,732	B.E. (Chemical)	29	15.09.1980	-
3	Abhijit Mukhopadhyay	57	Manager [F & A]	2,442,351	B.Com.Hons. ,CA,M.Com	27	23.05.1983	-
4	Adari Prasad	43	Chief Engineer (Mechanical)	3,007,035	B.Tec,MBA,MCA	21	29.05.1989	-
5	Ajay Bahuguna	51	Chief Manager (Reservoir)	3,902,208	Bsc., Msc. (Organic Chemistry)	25	28.05.1985	-
6	Ajay Kumar Singh	42	Suptdg.Engineer (Production)	2,590,008	B Sc Engg.(Mechanical) ,MBA(International Busin	18	25.09.1991	-
7	Ajay Kumar V	50	Dy.General Manager (Geology)	3,034,064	B Sc, M Sc(Geology)	27	15.03.1983	-
8	Ajeet Kumar Deshwal	53	General Manager (Geophysics-Surface)	2,951,817	B Sc, M Sc (Physics)	29	04.09.1980	-
9	Ajit Kumar Pahi	52	Chief Geologist	2,657,357	B Sc, M Sc (Geology)	26	11.08.1983	-
10	Ananda Mohan Tripathy	52	Dy.General Manager (Geology)	4,223,509	B Sc, M Sc (Geology)	27	15.03.1983	-
11	Anantatmula Balaji	52	Chief Engineer(Electronics & Telecom)	4,362,860	B Sc, M Sc (Electronics)	27	11.10.1982	-
12	Anil K. Vig	58	Executive Director	3,418,883	B.Sc Engg.,MBA	35	31.05.1975	-
13	Anil Kumar Loomba	53	General Manager (Geology)	3,206,473	B Sc, M Sc(Geology)	29	08.09.1980	-
14	Anil Saproo	53	Dy.General Manager (Production)	3,228,663	B.Tech (Chemical)	27	18.10.1982	-
15	Anurag Sharma	47	Dy. General Manager (Drilling)	4,637,564	B.E (Mechanical),MBA (Business Administration)	26	24.04.1984	-
16	Anurag Swarup	46	Chief Manager (Material Management)	4,478,017	B.E, Diploma in Material Mang.,MBA(Business Administration)	23	01.01.1987	-
17	Arabinda Kr Sahu	52	Chief Engg.(Drilling)	4,560,165	B.E	27	14.02.1983	-
18	Arun Fotedar	44	Suptdg.Engineer (Electronics and Telecom)	2,912,050	B.Tec.(Electronic)	21	09.01.1989	-
19	Arun Jyoti Duggal	54	Dy. General Manager (Geology)	2,770,520	M.Sc, M.Tech(Applied Geology),N.Tec (Petroleum)	29	11.09.1980	-
20	Arun Kr Sharma	58	Dy. General Manager (Geology)	5,182,555	M.Sc.(Geology)	34	06.12.1975	-
21	Arunangshu Sarkar	44	Chief Engg.(Production)	2,742,678	B.Tec (Petroleum)MBA in Marketing	22	12.08.1987	-
22	Arvind Bhatia	48	Chief Engg.(Production)	2,629,707	B.Tec Chemical),MBA	23	05.05.1987	-
23	Ashok Chandra Sahu	49	Chief Geophysicist (Surface)	2,793,578	B.Sc, M.Sc (Geophysics)	25	21.03.1985	-
24	Ashok Kumar	46	Manager (HR)	2,573,227	B.A, M.A (Political Sc.),MBA,LLB	19	16.02.1991	-
25	Ashok Kumar Sinha	50	Chief Engg.(civil)	2,893,311	B.Tech (Civil),MBA (International Business)	25	27.09.1984	-
26	Ashok Monga	55	Chief Engg(Drilling)	5,105,166	Diploma (Mech.),B.Sc. Engg.(Mechanical)	28	22.03.1982	-
27	Ashok Varma	55	Executive Director	4,368,320	B.E.(Peroleum)	32	17.04.1978	-
28	Ashwani Kr Walia	43	Suptdg. Geologist	2,919,890	B.Sc., M. Sc.(Geology)	20	01.02.1990	-
29	A. K. Chaturvedi	48	Chief Manager(F&A)	2,546,497	B.com, CA	21	11.05.1989	Tristar Coniret
30	Atul Nigam	46	Chief Engg.(Drilling)	2,914,573	AMIE (Mechanical),PB Diploma(Business Administration),ICWA	22	30.03.1988	-
31	B Bhaskaran	54	Chief Geologist	2,745,472	P.U.C (Science),B.Sc,M.Sc (Geology)	27	21.03.1983	-
32	B Kedar Sainath	56	Chief Geophysicist (Surface)	3,784,485	M.Sc Tec (Applied Geophysics)	29	06.07.1981	-
33	B.V.S.S.R Murty	50	Chief Geophysicist (Surface)	2,871,419	B.Sc,M.Sc (Geophysics),S.S.C	25	01.04.1985	-
34	Balbir Singh	52	Deputy General Manager [Geophysics-Surface]	3,124,468	B.Sc,M.Sc (Physics), M.Phil(Physics)	26	23.04.1984	DAV College

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year 31st March, 2010

Sl. No.	Name (M/s)	Age	Designation	Remuneration (in ₹)	Qualification	Experience (In Years)	Date of Appointment	Previous Employment
35	Baljit Singh	60	General Manager (Production)	3,197,162	B.E(Chemical),M.Tec (Petroleum)	36	02.05.1974	
36	Bamdeo Tripathi	50	Chief Geophysicist(Surface)	4,007,589	B.Sc,M.Sc Tec(Applied Geophysics)Ph.D(Philosophy)	25	04.07.1985	
37	Bhagwan Singh Bora	46	Chief Geophysicist (Surface)	4,426,563	B.Sc, M.Sc (Geophysics)	21	26.07.1989	
38	Bharat Kr Rasiklal Parikh	57	Dy General Manager Production	4,985,702	B.E (Mechanical)	33	31.08.1976	
39	Bhumra Rajinder Singh	52	Chief Geologist	2,699,161	B.Sc,M.Sc (Geology)	26	30.04.1984	
40	B.S.Srinivasa.Kumar	43	Chief Engg.(Mechanical)	2,739,693	B.E. (Mechanical),MBA (Finance)	21	29.05.1989	
41	Bipin Bihari Ray	53	Dy General Manager (Geology)	4,995,559	M.Sc (Applied Geology)	29	13.07.1981	
42	Birendra Singh	43	Manager (Reservoir)	3,099,079	B.Tec (Chemical),MBA(Business Administration)	20	21.02.1990	
43	Bishan Singh	50	Chief Engg.(Drilling)	4,627,963	B.Sc Engg.(Mechanical),M.Tec (Mechanical)	25	09.05.1985	
44	Bishwa Nath Ghosh	51	Chief Geologist	4,948,003	B.Sc,M.Tec (Applied Geology),MBA	26	10.08.1983	
45	Bobby J Thattacherry	50	Dy General Manager (Geology)	4,000,517	M.Sc (Geology),MBA(HRD)	26	07.05.1984	Deptt. Of Mining
46	B.S.S.Krishna	47	Chief Geologist	2,602,653	B.Sc,M.Sc (Geology),Ph.D(Science)	20	18.09.1989	
47	Byrisetty Sudhakar	47	Chief Engg.(Electronics & Telecom)	2,516,129	B.E (Electronics)	25	16.04.1985	
48	Ch Shanmukha Rao	56	Chief Geologist	2,643,095	M.Sc Tec (Geology)	28	24.09.1981	
49	Debabrata Biswas	52	Chief Geologist	2,992,688	B.Sc,M.Sc (Geology),M.Phil,Ph.D(Applied Geology)	24	05.05.1986	
50	Debiprasad Bagria	47	Chief Manager(MM)	2,929,736	B.Sc Engg.(Mechanical)	23	11.05.1987	
51	D.Ganpat Dumbre	53	Dy. General Manager(Production)	2,803,790	B.E (Chemical)	27	17.09.1982	
52	Devendra Kumar	42	Manager (F&A)	4,589,587	B.E (Electrical),MBA(Business Administration)	19	15.02.1991	
53	Devendra Sharan	54	Dy. General Manager(Production)	3,059,045	B.Sc Engg.(Mechanical),MBA	29	01.12.1980	
54	Dhiraj Murari Umredkar	40	Manager (F&A)	2,424,921	B.E (Industrial Engg.),MBA (Fin.),M. A	13	31.12.1996	
55	Dilip Kumar	48	Suptdg Geologist	2,408,653	B.Sc,M.Sc (Geology)	20	02.04.1990	
56	Dulal Halder	39	Suptdg. Engg.(Production)	4,434,081	B.Tec (Petroleum),MBA(HRM)	15	01.01.1995	
57	E Ezhil Arasu	45	Chief Engg.(Production)	3,223,199	B.Tec (Instrumentation)	23	06.05.1987	
58	Frank chandrasekar	41	Dy Manager(F&A)	3,550,355	B.Com,ICWA,CA	11	14.06.1999	
59	G C Saxena	59	Executive Director	3,588,513	B.Sc,M.Tec (Geophysics),SSC	33	26.03.1977	
60	George Varghese	44	Suptdg Engg.(Instrumentation)	2,691,914	B.Tec (Instrumentation),MBA(International Business)	19	06.09.1990	
61	Gopal Choudhary	53	Chief Engg.(Drilling)	3,015,119	B.Sc Engg.(Mechanical)	28	20.07.1982	
62	G.K.Mohan Sishla	51	Dy.General Manager(Geology)	2,854,902	B.Sc,M.Sc(Geology)	27	24.06.1983	
63	Gurpreet Singh Shergil	45	Chief Engg.(Mechanical)	3,129,164	B.E(Mechanical),MBA(Finance)	22	11.07.1988	
64	H.S.Chauhan	60	Chief Manager (HR)	2,611,749	B.A,M.A(English),PG Diploma(Personal Management)	33	28.12.1976	
65	Jagdish Prasad	35	Dy Manager(F&A)	3,721,552	B.Com,ICWA,CA,MBA,CS	12	31.12.1997	Dewan Rubber
66	James Peters	59	Group General manager(Geology)	3,549,317	B.Sc,M.Tec(Applied Geology)Ph.D(Geology)	32	26.03.1977	
67	Jayanta Madhab Borah	46	Chief Engg.(Production)	2,893,747	B.Tec (Petroleum)	24	15.03.1986	
68	Jitender Pershad Waghay	49	Dy. General Manager(Geology)	2,956,690	B.Sc,M.Sc (Geology),M.Tec(Geology)	27	19.03.1983	
69	K Pughazhenth	51	Dy General Manager (Production)	3,639,858	M.Tec (Chemical),MBA,B.Tec(Chemical)	27	13.07.1983	

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year 31st March, 2010

Sl. No.	Name (M/s)	Age	Designation	Remuneration (in ₹)	Qualification	Experience (In Years)	Date of Appointment	Previous Employment
70	Kamal Chopra	42	Manager(F&A)	3,860,973	B.Com ,M.Com,CA,LLB	13	12.08.1996	
71	Kashmir Singh Randhawa	47	Chief Manager(HR)	4,474,400	B.A.(Arts),M.S.W,M.A(Economics)	20	01.08.1989	
72	Khireswar Bora	58	General Manager(Reservoir)	5,736,025	P.U.C (Science),B.Sc.B.Tec(Petroleum)	32	02.03.1978	
73	Krishna Kr. Gupta	49	Dy. General Manager(Reservoir)	3,056,626	B.Tec(Petroleum),M.S(Petroleum)	27	15.07.1983	
74	Kunwar Avikal Nath Mathur	51	Chief Manager(MM)	3,315,995	B.Sc,B.E (Electricals)	25	31.05.1985	
75	Lalam Venkata Ramana	49	Chief Geophysicist(Surface)	4,906,646	B.Sc (Physics),M.Sc(Geophysics),MBA(Finace)	22	26.07.1988	
76	M L Jain	57	General Manager (Production)	2,887,897	B.E(Chemical)	33	26.03.1977	
77	Maddhu Kr.Nayyar	58	Chief Manager(CC)	2,404,052	B.A.Cert. of Proficiency (Germany)M.A,Ph.D(Economics)	26	24.08.1983	
78	M.V.Gopal Krishna	51	Chief Engg.(Production)	4,557,441	B.Tec,M.Tec (Chemical),MBA(Marketing Management)	26	14.05.1984	
79	Mangi Lal Bishnoi	52	Chief Chemist	3,094,015	M.Sc,Ph.D (Chemistry)	25	07.08.1984	
80	Manohar Singh	52	Chief Manager (F&A)	4,883,847	B.Com,M.Com	26	18.11.1983	
81	M.C.Pandey	58	General Manager(Geophysics-Surface)	3,309,285	M.Sc(Applied Geophysics),Ph.D(Geophysics)	29	04.09.1980	CSIR
82	M.K.Gupta	46	Chief Manager (MM)	2,932,273	B.E(Mechanical)	22	01.02.1988	
83	Mukesh Chandra Soti	56	Chief Geophysicist(Wells)	2,518,967	B.Sc,M.Sc(Physics & Electronics),PG Diploma(Business Management)	27	23.03.1983	
84	Mukund Chaturvedi	48	Chief Engg.(Electricals)	3,108,287	B.Tech (Electrical),Diploma(Business Management)	27	27.06.1983	
85	M.S.Venkateswarlu	58	Chief Geophysicist(Surface)	4,627,580	B.Sc,M.Tec (Geophysics),Cert. of Proficiency (Electronics)	27	18.04.1983	
86	Nand Mohan Ahuja	47	Suptdg. Chemist	3,203,016	B.Sc,M.Sc.(Chemist),Ph.D(Chemist),MBA(International Business)	20	01.09.1989	
87	Narendra Jha	48	Chief Manager(MM)	5,154,635	B.Sc Engg.(Mechanical),PG Diploma (Management)	22	11.07.1988	
88	Narinder Pal singh	53	Dy. General Manager(HR)	5,578,825	M.A(Master of Arts)PG Diploma(PM & IR)	28	02.01.1982	
89	Neeru Sant	56	Manager (F&A)	2,531,004	M.Com,Diploma in Management,MBA(Finance)	33	04.06.1977	
90	Niranjn Singh mathur	58	Manager(Security)	2,600,336	B.A(Arts),M.A(Master of Arts)	24	01.05.1986	
91	Nirmal Kumar	43	Suptdg. Engg.(Mechanical)	2,558,931	B.E (Mechanical)	18	21.10.1991	
92	OM Prakash Singh	46	Chief Engg.(Drilling)	3,143,439	B.Sc Engg.(Mechanical)	22	01.02.1988	
93	P.S.Narayanan Kutty	59	Executive Director	3,015,456	M.Sc (Geophysics)	34	12.03.1976	
94	P V Sateesh Kumar	52	Dy.General Manager (Production)	4,914,359	B. Tech (Chemical)	28	20.02.1982	
95	Pandurang Hari Mane	52	Dy.General Manager(Geology)	5,029,775	B.Sc,M.Sc (Applied Geology),M.Tec (Petroleum)	27	23.11.1982	
96	Perumpallikunnel Gopalan Sudhakaran	55	General Manager (Production)	5,073,041	B.Sc Engg.(Production)	29	01.09.1980	-
97	Pomila Garga	59	General Manager (Geophysics-Wells)	2,583,840	B.Sc,M.Sc(Physics)	33	26.03.1977	
98	Pradeep Goswani	54	Suptdg. Geologist	2,508,073	B.Sc,M.Tec(Applied Geology)	25	19.06.1985	

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year 31st March, 2010

Sl. No.	Name (M/s)	Age	Designation	Remuneration (in ₹)	Qualification	Experience (In Years)	Date of Appointment	Previous Employment
99	Pradeep Kr.Dubey	50	Chief Engg.(Drilling)	2,952,217	B.E(Mechanical)Diploma in Management,MBA(Business Administration)	28	17.05.1982	
100	Pradeep Kumar Jain	55	General Manager(Production)	3,929,316	B.Tec(Petroleum),PG Diploma(Petroleum)	32	25.04.1978	
101	Pranab Kumar Khuntia	50	Dy.General Manager(Vigilance)	3,028,764	B.Sc,M.Sc(Cheistry),PG Diploma(Management),Bachelor of Law	26	18.02.1984	
102	Prasenjit Gogoi	43	Suptdg. Engg. Production	2,682,746	B.E(Mechanical),MBA(HRM)	17	01.01.1993	
103	Prasid Bhattacharya	54	Dy.General Manager(Electricals)	2,986,008	Cert. of Competency(Computer),B.E(Electrical)	29	11.05.1981	BHEL
104	Pratap Singh	48	Chief Engg. (Civil)	2,962,023	B.Tec(Civil)	26	31.05.1984	
105	Praveen Kumar Garg	58	General Manager(Drilling)	3,764,822	B.Sc Engg.(Mechanical),PG Diploma (Marketing),MBA(Marketing Management)	34	20.08.1975	
106	R.Venkatesan	54	Dy General Manager (F& A)	3,136,011	B.Com,CA	27	09.05.1983	
107	Rajarshi Gupta	43	Chief Manager (Logistics)	3,320,319	B.Sc Engg.(Mechanical),Diploma in Management,MBA(International Business)	21	25.05.1989	
108	Rajeev Kumar Gupta	52	Dy.General Manager (Production)	4,912,305	B.Sc,B.Tec,M.Tech (Mechanical)	26	04.08.1983	-
109	Rajeev Passi	44	Chief Engg.(Mechanical)	2,722,126	B.E(Mechanical),PG Diploma(Business Mgmt.)	22	11.07.1988	
110	Rajendra Prasad Badoni	51	Chief Manager(Reservoir)	3,045,167	B.Sc,M.Sc (Physics)	27	22.02.1983	CSIR
111	Rajendra Singh Gehlot	48	Chief Manager(MM)	3,871,684	B.E(Civil),M.E(Civil)	25	05.06.1985	
112	Rajesh Kumar.Sharma	46	Chief Engg.(Drilling)	2,784,724	B.E(Mechanical),M.Tec(Energy Management)	23	08.06.1987	
113	Rajesh Kumar Singla	48	Chief Manager(F&A)	3,340,451	B.Com,ICWA,PG Diploma(Mgmt.).LLB	26	30.06.1984	
114	Rajesh Kumar Virmani	56	General Manager (Production)	4,432,785	B. Sc, B.E. (Chemical)	29	29.09.1980	-
115	Rajinder Singh Dadial	46	Chief Engg.(Drilling)	2,930,367	B.E(Mechanical)	21	01.03.1989	
116	Rajiv Joshi	58	Chief Chemist	3,070,546	B.Sc,M.Sc(Cheistry)	28	30.06.1982	
117	Rajiv Kr.Srivastava	47	Suptdg. Geophysicist(Surface)	2,506,840	B.Sc,M.Sc(Physics)	20	16.10.1989	
118	Rajive Kr.Khanna	54	General Manager(Geophysics-Surface)	6,019,105	B.Sc,M.Sc(Physics)	31	03.08.1978	
119	Rakesh Beotra	49	Chief Engg.(Production)	2,873,934	B.Tec(chemical)	26	14.05.1984	
120	Rakesh Kumar Sharma	47	Chief Engg.(Drilling)	2,836,762	Diploma (Mechanical),B.E(Mecnical),MBA(Business Administration)	21	15.05.1989	
121	Ram Mohan	51	Chief Manager(F&A)	2,876,144	B.Com,M.Com,PG Diploma (Business Administration)	26	05.03.1984	National Building Construction Corporation
122	Rama Shanker Pandey	54	General Manager (Geophysics-Surface)	5,008,244	M.Sc.(Geophysics)	31	11.07.1979	-
123	Ramesh Reddy	51	Chief Geophysicist(Surface)	3,238,956	M.Sc.(Geophysics)	27	11.03.1983	
124	Ram Prakash Sharma	53	Chief Geophysicist (Wells)	2,824,488	M.Sc(Physics),M.Phil (Physics),Ph.D(Physics)	25	29.12.1984	UNION Bank of India
125	Ranjeet Kumar	37	Suptdg. Engg.(Drilling)	2,559,304	B.Sc Engg.(Mechanical),MBA(Finance)	13	16.08.1996	

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year 31st March, 2010

Sl. No.	Name (M/s)	Age	Designation	Remuneration (in ₹)	Qualification	Experience (In Years)	Date of Appointment	Previous Employment
126	S Meyyappan	47	Chief Manager (MM)	4,014,667	B.E, Diploma in Material Mang.,MBA(Business Administration)	23	11.05.1987	
127	S Sampath	56	Chief Manager (F&A)	2,676,104	B.Com,CA	27	13.04.1983	TNPL
128	Sanjaya Katiya	48	Sutdg. Chemist	2,587,258	B.Sc,M.Sc(Chemistry),M.Phil	20	01.09.1989	
129	Sanjeev Kakran	48	Dy. General Manager (Electrical)	2,799,588	B.Tec (Electricals)	25	04.04.1985	OTIS Elevators
130	Sanjiv Nath	53	Dy.General Manager (Geology)	2,886,029	M.Sc (Geology)	27	04.03.1983	
131	Santosh Kumar N	41	Dy. Sutdg. Engg.(Production)	3,576,115	Diploma(Mechanical),B.Tec(Mechanical)	19	17.09.1990	Bridge & Roof
132	Satish Kumar	40	Manager (F&A)	2,476,663	B.Sc,MBA (Finance),Master of Financial Management	13	31.12.1996	
133	Satya Prakash Amaresh	55	Dy. General Manager (Production)	2,670,670	B.Sc,B.Tec (Chemical)	20	24.07.1990	
134	Satya Ranjan Biswas	48	Chief Manager (MM)	2,953,195	B.E (Mechanical)	23	08.06.1987	
135	Satyavolu Rama Krishna	54	Chief Manager (F&A)	2,503,783	B.Com,CA	25	14.02.1985	
136	Satyendra Kumar Roy	51	Chief Geologist	2,974,509	B.Sc (Geology),M.Sc(Applied Geology)	25	14.03.1985	
137	Shahab Ullah Khan	55	Chief Geologist	4,907,739	B.Sc,M.Sc(Geology),Diploma in Management	26	03.11.1983	INDIA BARCO
138	Shailendra Jain	49	Dy General Manager (Electricals)	3,362,774	B.Tec (Electricals),M.Tec (Electricals)	26	16.04.1984	
139	Shambhu Dayal Choubey	57	Chief Chemist	2,862,673	B.Sc,M.Sc(chemistry),Ph.D(Chemistry)	27	13.07.1983	Bank of Maharashtra
140	Shambhu Nath Gupta	48	Chief Engg.(Drilling)	2,990,049	B.E (Mechanical)	22	12.10.1987	
141	Shankar Thakur	52	Chief Geophysicist (Surface)	2,792,145	B.Sc,M.Sc (Geophysics)	26	23.04.1984	
142	Shanti Swaroop Sharma	46	Chief Engg.(Production)	2,902,977	B.E (Mechanical),PG Diploma (Management)	23	22.06.1987	
143	Sharad Terway	42	Suptg. Engg.(Production)	2,606,156	B.E (Mechanical),MBA(International Business)	18	16.09.1991	
144	Shyam Sundar Khuntia	50	Chief Manager (F&A)	4,743,293	B. Sc ,ICWA,CA	12	06.03.1998	OIL India Ltd.
145	Sidhartha Sur	52	General Manager (Resorvior)	3,573,550	B.Tec (Petroleum)	29	11.02.1981	
146	Sri Prakash Jha	48	Manager(HR)	2,539,342	B.Sc,PG Diploma in Personal Management,PG Diploma (Marketing)	20	01.08.1989	
147	Subhash Kumar	48	Dy. General Manager (F&A)	5,392,886	B.Com Hons,M.Com,ICWA(inter),CA	25	01.04.1985	
148	Subodh Kumar Pokhriyal	54	Dy. General Manager (Geophysics-Surface)	3,160,266	B.Sc,M.Sc (Physics with Electronics),Ph.D(Physics)	26	15.06.1984	Dept of Science
149	Subrato Das	49	Suptg. Geophysicist (Wells)	2,870,885	B.Sc,M.Sc(Geophysicis),MBA (International Business)	20	16.10.1989	
150	Sudhakar Mahapatra	53	Dy.General Manager (Geology)	5,126,099	B.Sc (Geophysics),M. Sc. (Geology)	29	16.07.1981	-
151	Sudhakar Shukla	50	Chief Engg. (Drilling)	2,838,456	B.Sc Engg.(Mechanical)	23	15.06.1987	
152	Sudhir kumar Joshi	50	Chief Geophysicist (Surface)	2,985,042	M.Sc.(Physics)	27	04.05.1983	
153	Suhail Khalid	41	Manager(F&A)	5,424,568	B.Com,CA,Trade Cert (Computer)	13	12.08.1996	
154	Sumohan Chatterjee	53	Chief Engg.(Production)	2,831,778	B.E. (Production)	26	07.05.1984	
155	Surajbhan Bhan Bansal	54	Chief Geologist	3,182,653	B.Sc.(Geology),M.Sc (Geology),D.Phil. (Geology)	29	06.09.1980	
156	Suresh Chandra Kureel	46	Manager (MM)	2,597,740	B.Sc Engg.(Electricals)	18	01.05.1992	
157	Sushant Kumar Chowdhury	51	Chief Engg. (Production)	3,477,827	B.Sc	26	07.05.1984	
158	Sushil Chandra	49	Chief Geologist	2,864,982	B.Sc,M.Sc (Applied Geology)	22	26.07.1988	

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year 31st March, 2010

Sl. No.	Name (M/s)	Age	Designation	Remuneration (in ₹)	Qualification	Experience (In Years)	Date of Appointment	Previous Employment
159	Tuhin Kumar Dutta	57	General Manager (Geology)	3,369,438	B.Sc,M.Sc (Applied Geology)	34	07.05.1976	
160	Udai Bhan Singh	58	Dy. General Manager(Reservoir)	4,819,891	B.Sc.Engg.(Chemical),M.E(Chemical)	31	12.03.1979	
161	Uma Shankar	48	Dy. General Manager(Production)	3,543,501	B.E(Mechanical)	27	21.05.1983	
162	Umakant Bhanuprasad Vyas	52	Dy.General Manager (F&A)	4,962,768	BBA, MBA (Business Administration),Diploma (Computer Engg)	25	1.10.1984	-
163	Urba Ram Brahma	41	Manager (Materials Managemet)	4,484,111	MBA (HRM), B.E (Civil)	17	09.12.1992	-
164	Uttam Sengupta	60	General Manager (Geology)	5,092,731	M. Sc. (Geology)	34	23.10.1975	-
165	V S R Subrahmanyam	56	Dy. Chief (Geophysics Surface)	3,972,637	M.Sc.(Applied Geophysics)	30	18.12.1979	-
166	Venkateshwar Parichha	55	Chief Geologist	3,723,426	B. Sc. (Geology),M. Sc. (Applied Geology)	30	23.02.1980	-
167	Vijay Kumar	55	General Manager(Reservoir)	3,285,586	B.Sc,M.Sc(Chemistry)	32	17.04.1978	
168	Vijay Prakash	48	Chief Manager(HR)	3,171,219	B.A,M.A(Economics),MBA (Business Administration),Ph.D (Management)	25	22.04.1985	
169	Vinod Hallan	45	Chief Manager(F&A)	3,096,926	P.U.C,B.Com,MBA	21	24.07.1989	
170	Vinod Prasad	43	Suptdg Engg.(Prodoction)	2,714,245	B.Sc Engg. (Chemical)	18	28.08.1991	
171	Vinod Ranjan	58	General Manager(Geology)	3,247,833	M.Sc (Petroleum),M.Tec. (Petroleum)	34	13.04.1976	
172	Virender Pal Singh Bagga	57	General Manager (Production)	2,557,670	B.Sc Engg.(Mechanical)	32	30.03.1978	
173	Vishal Shastri	46	Chief Geophysicist (Surface)	3,198,606	P.U.C (Science),B.Sc,M.sSc(Electronics),PG Diploma (Financial Management)	25	19.04.1985	
174	Vivekanand	49	Deputy General Manager (F&A)	3,441,131	B.Com,M.Com,MBA (Business Administration),ICWA	26	30.06.1984	
175	Yadavilli Subrahmanyam	54	Chief Geophy.(Surface)	4,932,590	B.Sc,M.Sc.(Physics)	26	23.04.1984	-
176	Yash Malik	52	General Manager (Production)	5,004,246	B.E (Mining),Master of Financial Management	28	22.02.1982	ASSOCIATES GERM
177	Yogesh Chandra Pandey	53	Add. Chief Legal Adviser	2,932,438	B.A.LL B	25	01.01.1985	
178	Yogesh Kumar Mishra	53	Chief Geologist	5,248,990	B. Sc, M. Sc. (Geology)	26	05.08.1983	MGMT & PLALLNIN
179	Yogeshkumar Chandulal Shukla	53	Dy. General Manager (Production)	3,544,789	B.Sc Engg.(Mechanical),MBA (Operating Management),SSC	27	13.09.1982	
180	Zila Singh Sagwal	55	Dy. General Manager (Geophysics Surface)	3,519,879	B.E,B.Sc,M.Sc (Applied Geology),M.Tec (Geophysics),MBA	29	06.07.1981	
Employed for part of the year								
1	Amit Sharma	31	Dy Legal Adviser	234,835	B Com ,LLB	7	16.04.2003	-
2	Ashwini Verma	48	Manager(MM)	988,726		22	11.09.1987	
3	Bhatala Dasharatha Naidu	61	General Manager(Geology)	921,719	M.Sc,Ph.D(Geology)	Superannuated	01.09.1980	S D S College
4	Chanchal Saha	53	Dy. General Manager(Production)	1,179,087	B.E	29	06.10.1980	
5	Joydev Kundu	53	General Manager(Geology)	779,108	Ph.D (Applied Geology)	29	27.08.1980	
6	Pradeep Kumar Biswas	48	Manager (F&A)	289,061	MBA(Business Administration)	12	23.04.1998	SIDBI
7	Sandeep Chaturvedi	45	Chief Manager (MM)	678,357	MBA	23	08.07.1987	CIMMCO Ltd.
8	Vinod Kumar Mittal	50	Chief Geologist	1,030,103	Diploma (Geology),B.Sc,M.Sc (Geology)	27	01.03.1983	

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year 31st March, 2010

Sl. No.	Name (M/s)	Age	Designation	Remuneration (in ₹)	Qualification	Experience (In Years)	Date of Appointment	Previous Employment
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Notes:

1. Remuneration includes pay,allowances,bonus,company's contribution to PF and Superannuation Schemes and Expenditure incurred on providing accomodation and other facilities.
2. Nature of employment is non-contractual.
3. None of the employees are related to any Director of the Company.
4. In view of inter transferability of employees in ONGC Group of Companies;the date of appointment is the date of joining of ONGC or OVL whichever is earlier. The information in respect of previous employment is also in respect of last employment before joining ONGC Group.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INTRODUCTION

ONGC Videsh Limited (OVL) is a wholly owned subsidiary of Oil and Natural Gas Corporation Limited (ONGC), a Central Public Sector Enterprise/Undertaking (CPSE/CPSU) of the Government of India, under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG). OVL is engaged in exploration and production of oil and gas outside India. OVL was incorporated as Hydrocarbons India Private Limited, on March 5, 1965 with registered office in New Delhi to perform international exploration and production business. The Company was rechristened as ONGC Videsh Limited w.e.f. 15th June, 1989. With the widening of the energy supply gap from domestic production, participation in overseas oil and gas assets for equity oil was revived in the mid nineties. OVL participated in few exploration projects then, which could not bear desired results.

In January, 2000, OVL was granted special empowerment by the Government. The special empowerment facilitated better and smooth functioning of the Company in the international environment as evidenced by a string of successful acquisitions post January, 2000. OVL presently has participation either directly or through wholly owned subsidiaries/joint venture company in 40 E&P projects in 15 countries namely Vietnam (3 projects), Russia (2 projects), Sudan (3 projects), Iran (1 project), Iraq (1 project), Libya (3 projects), Myanmar (5 projects), Syria (2 projects), Egypt (2 projects), Cuba (2 projects), Nigeria Sao Tome Principe JDZ (1 project), Brazil (5 projects), Nigeria (2 projects), Colombia (6 projects), and Venezuela (2 projects) and is actively seeking more opportunities across the world. Out of 40 projects, OVL is operator in 17 projects and joint operator in 6 projects.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

The deep economic recession that had spread worldwide in the past year has taken a severe toll on global oil demand during 2009-10. The global oil demand continued to remain subdued during most of the current year. Sustained OPEC production cuts and improving economic prospects however resulted in upward movement of prices in 2009-10. Crude oil prices steadily rose from about USD 48/ bbl in April 2009 to about USD 80/ bbl in March 2010 and seem to have stabilized at the level of about USD 70 to 80/ bbl. This price band seems to be a resilient one from the point of view of both, producers as well as consumers. Crude oil demand however has not been uniformly distributed globally, with most advanced economies seeing anemic demand

growth, or even declining demand. China, India and many other third world nations have seen growth in demand with the Asia-Pacific nations being the main focus for incremental demand growth. With projected demand likely to increase more than projected supply and with a sustained but gradual global economic recovery, it appears likely that crude oil prices would continue to remain robust for quite some time.

Global Upstream M&A activity began to pick up pace, increasing in volume quarter by quarter with improved access to funding and relative economic stability, therefore posting advantage of reduced valuations and less competition for opportunities. The oil and gas deals in 2009 totaled \$153 billion and surpassed the pre-crash levels of 2007 (2008 data has visible impressions of the rise and fall of oil prices, while 2007 data is similar representation for comparison). Tracking on the deal count numbers of actual transactions above the \$100 million mark, the picture however still seemed to be blurred with 124 deals in 2009 versus 160 in 2008 and 168 in 2007. The 2009 market saw new buyers and new assets, thus shifting market to a new paradigm and new asset types – namely unconventional oil and gas production primarily sourced from shale gas, tight gas sands and oil sands. This asset class garnered 45% of the market in 2009, up dramatically from just 9% in 2007. Africa continued to be a growing area of interest for buyers with its share of 14% in 2009 in global market growth. Hess and Shell's cross-border swap of North Sea and Gabon assets, valued at \$2.9 billion, emerged as a unique example of portfolio management driving strategic and operational goal with both companies demonstrating persistence and flexibility through this transaction. On the buyer side, foreign National Oil Companies ("NOCs") and Government-backed entities represented 50% of all deals greater than \$1 billion in 2009; also marking a shift to a new buyer profile in the oil and gas markets. The traditional major International Oil Companies ("IOC's") had limited activity, but when active the IOC's focused on unconventional assets.

During the year, OVL screened many opportunities and participated in the bidding rounds. The company has been successful in winning the award of Carabobo project in Venezuela in a consortium with other Indian and International companies. The Indian Consortium holds 18% PI (OVL 11%, IOC 3.5% and OIL 3.5%) with Repsol 11%, Petronas 11% and Corporación Venezolana del Petróleo (CVP), a subsidiary of Petróleos de Venezuela S.A. (PDVSA), Venezuela's state oil company, holding 60%.

2.1 International Industry Environment

Due to the depressed market conditions in 2008-09, it was expected that there may be a few mergers and acquisitions with cash rich companies taking advantage of low pricing. The year 2009-10 did witness some such large transactions with no let up in efforts by Majors and NOCs (mainly from China)

to invest in new opportunities. The risk appetite of these companies has also increased with them venturing into new territories and also investing in unconventional oil and gas. The services market which had corrected from record highs has stabilized but they may still be in high ranges given the challenges of the industry. The recent BP oil spill in the Gulf of Mexico is expected to significantly alter the rules, especially for offshore activities. The costs are likely to increase significantly as all players and stakeholders in the oil chain seek to cushion themselves from downside risks. These two parallel events point to cooperation and consolidation among players, with consortia and Joint Ventures probably emerging as favored vehicles for international activities.

3. STRENGTH AND WEAKNESS

Your Company has now presence in 15 countries out of which 9 projects in 7 countries have oil and gas production. The well balanced array of portfolio provides immediate production from the producing projects and growth avenues from exploration assets upon success of exploration efforts. The company has also extended its reach to undertake integrated oil and gas projects like the Carabobo heavy oil production and up-gradation project in Venezuela.

A fair degree of risk mitigation has already been exercised by your Company by partnering with some of the leading oil and gas companies like Shell, Exxon, BP, Rosneft, TOTAL, ENI, Norsk Hydro, Repsol, TPOC, Petrobras, PDVSA, PetroVietnam, Rosneft, CNPC, Sinopec, Ecopetrol, Petronas etc. Your Company aims to sustain the exploration effort through allocation of its own internal resources except for high value but attractive projects.

Further, being a Public Sector Undertaking, there are some limitations for the Company, in terms of decision making process, attracting the best talent in the industry etc. The Company is pursuing with MOP&NG for enhancement of empowerment of its Board as the present empowerment is insufficient even for carrying out the minimum work program in an exploratory asset.

4. OPPORTUNITIES AND THREATS

OVL has been participating in opportunities for acquisition through various routes, like bidding rounds, direct negotiations, advised acquisitions etc. In the last few years, many countries like Libya, Nigeria, Vietnam, Syria, Yemen, Angola, Brazil, Iraq, Colombia, Venezuela have offered acreages through bidding rounds. Your Company has participated in nearly all of them and won a few. The Company expects good results out of the exploration prospects over the next couple of years. If proved successful in these ventures, the

Company shall be adding reserves through drill-bit thereby reducing its overall acquisition cost of reserves considerably.

The performance of the Company hinges on oil prices on the revenue side and factor cost of raw material, equipment, services etc. on the input side. High volatility in oil price and scarcity or high input costs of factor inputs could materially affect the performance of the Company. Though most of the projects are under production sharing contracts, the entitlement and cost oil recoveries may be altered by host Governments in attempt to net the windfall profits emerging from high oil prices.

5. OUTLOOK

Your Company has registered presence in various oil provinces of the world and continues to look for attractive assets. It has earned a high reputation for itself and therefore multiple opportunities keep coming for its consideration. Key priorities going forward include the following:

5.1 New Ventures:

The Company in last few years has adopted a balanced portfolio approach, by maintaining a combination of producing, discovered and exploration assets. While acquiring producing properties, enhanced emphasis is also being given to add to the company's reserves through exploratory efforts to contribute to production in future. OVL intends to maintain this trend and focus on all the three types of assets.

5.2 Exploration:

Your Company has set up a state-of-the-art data center and has constituted a knowledge team to scan and identify value in the existing exploration assets, assets with discovery and in new opportunities so as to enhance the reserve base of the Company.

5.3 International Alliances:

The Company has also forged alliances to attain a collaborative approach on value creation and knowledge sharing. The Company shall continue to engage more and more in such alliances through agreements and Joint Ventures.

5.4 Geographic spread:

The Company has presence in 15 countries and in some it has been able to enhance participation in more than one project. The Company shall

endeavor to consolidate its position in the regions/countries where it is already present while making attempt to enter attractive acreages in other hydrocarbon rich countries/regions.

6. RISKS AND CONCERNS

The Company participates and operates in varied environments, both politically and geographically, where exploration, production and development is more challenging technologically, operationally and financially. While the strengthening of rupee gives comfort on purchase of assets, it adversely affects the earnings in rupee terms. In the projects and countries where your Company has large investments, the risks and losses due to expropriation, change in fiscal regime, additional taxes and increase in Government share or restrictions on exports of oil could materially affect the performance. However, due to prime importance of oil and gas industry in these countries, their Governments would not in their own interest like to destabilize the oil companies. Most of the international investments in the past had been in the form of joint ventures where your Company was not the operator. In the course of such investments, your Company was dependent to an extent on the operating partner, including for the success of the joint venture. The Company may sometime disagree with actions proposed to be taken by the operating partner. However, this is the format in which international E&P industry works to take care of sharing of exploration risks. Further, of late, the Company is acting as operator in several projects.

Some of the projects are in countries where there are unresolved unrests and larger issues of governance and territorial/ethnic divisions; some also have terrorism and reactionary protests on continued basis. Though your Company has not been the target, yet in future it may face the threat from these as closely as any one operating in such hostile environments. Further, the business involves high exploration and technology risks and there are inherent HSE risks in the oil & gas business.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal audit and internal control systems to ensure that all transactions adhere to procedure and meet statutory requirements. The Company has already implemented SAP R/3 system for integration of various business processes. The internal control system consists of regular operative performance evaluation and devising corrective measures thereof and comprehensive internal and external audit including audit by C&AG. The Internal Auditors for the year 2009-10 M/s Deloitte Haskin and Sells,

independently evaluated adequacy of internal control system. The audit observations are periodically reviewed by the Audit Committee and necessary directions are issued wherever required.

8. PHYSICAL PERFORMANCE

8.1 Reserve Accretion:

OVL share of total reserves (3P) of oil and oil equivalent gas as on 01.04.2010 was 398.236 MTOE. During the year, the Company had net accretion of 0.349 MTOE in ultimate reserves towards its share in the projects. The accretion of reserves has been reported from GNPOC project and Block 5A in Sudan, Sakhalin project in Russia and MECL project in Colombia. The ultimate reserve for Block A1 & A3, Myanmar; North Ramadan, Egypt; Block 06.1, Vietnam remains unchanged. There was a reduction in ultimate reserves in BC-10 project in Brazil, Imperial energy, Russia; PIVSA, Venezuela; and AFPC, Syria.

8.2 Production:

Crude oil production during the year was 6.513 MMT as against 6.556 MMT during the previous year. Gas production during the year was 2.357 BCM as against 2.220 BCM during the previous year. The detail of production during the last eight years is given below:

Particulars	YE Mar'10	YE Mar'09	YE Mar'08	YE Mar'07	YE Mar'06	YE Mar'05	YE Mar'04	YE Mar'03
Crude Oil (MMT)*	6.513	6.556	6.840	5.804	4.584	3.714	3.345	0.183
Gas (BCM)	2.357	2.220	1.962	2.148	1.755	1.349	0.523	0.070
Total (O+OEG) (MTOE)	8.870	8.776	8.802	7.952	6.339	5.063	3.868	0.253

* Including Condensate

9. FINANCIAL PERFORMANCE

Company's consolidated gross revenue was ₹ 153,828 million during 2009-10 as against ₹ 184,235 million during 2008-09. Company's consolidated net profit was ₹ 20,896 million during 2009-10 as against ₹ 28,067 million during 2008-09.

The Consolidated financial results of OVL, including wholly owned subsidiary companies viz. ONGBV (consolidated), ONL, OAAL (consolidated), Jarpeno Limited (consolidated), AB Startkapitalet nr 5636 (name changed to Carabobo one AB) (consolidated) and jointly controlled entity viz. OMEL

(consolidated) for the year 2009-10 as compared to 2008-09 and the position of major items in the Consolidated Balance Sheet as at 31 Mar'10 and 31 Mar'09 is given below:

(₹ in Million)

Particulars	YE Mar'10	YE Mar'09	Change
INCOME			
Sales Revenue	150,989	180,642	-16.42%
Others	2,839	3,593	-20.98%
Total	153,828	184,235	-16.50%
EXPENDITURE			
Royalty	48,693	66,640	-26.93%
Operating Expenses	24,624	20,955	17.51%
Recouped Cost	36,513	30,619	19.25%
Interest & Exchange Loss and Provisions	4,539	12,356	-63.27%
Total	114,369	130,570	-12.41%
Profit Before Tax	39,459	53,665	-26.47%
Prior Period Adjustment	-582	103	-663.45%
Provision for Tax – Current Tax	19,509	26,228	-25.62%
- Deferred Tax	-619	-1197	-48.25%
Share of Profit – Minority Interest	255	464	-44.79%
Profit After Tax	20,896	28,067	-25.55%

(₹ in Million)

Particulars	YE Mar'10	YE Mar'09	Change
Sources of Funds			
Share Capital	10,000	10,000	-
Reserves and Surplus	106,449	105,156	1.23%
Minority Interest	-220	-45	387.84%
Loans: From ONGC	162,723	153,065	6.31%
From Others	44,260	53,725	-17.62%
Deferred Tax Liability	9,181	9,439	-2.74%
Liability for Abandonment	10,584	11,362	-6.85%
Total	342,977	342,702	0.08%

Application of Funds			
Fixed Assets (Net)	47,657	40,331	18.16%
Producing Property	108,843	91,400	19.08%
Expenditure on Wells in progress & Capital WIP	61,049	65,451	-6.73%
Goodwill	92,455	111,108	-16.79%
Current Assets (Net)	30,676	33,339	-7.99%
Deferred Tax Assets	2,297	1,071	114.44%
Total	342,977	342,702	0.08%

Important Ratios

	2009-10	2008-09
Net Profit to Revenue (%)	13.58	15.23
Net Profit to Capital Employed (%)	07.77	10.60
Net Profit to Net Worth (%)	17.94	24.37
Debt Equity	1.78:1	1.80:1
EPS (₹)	208.96	280.67

10. HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company follows the HR policies of its parent company ONGC. However, being international operator, the Company provides necessary training / conducts development programmes to imbibe the necessary skills required to operate in the international environment. Further, the Company deposes its personnel along with other international experts, in joint venture projects with major oil and gas companies which enable them to upgrade their skills in terms of new technologies, working in international environment etc. The Company has been operating with optimally required manpower provided by the parent company. The total manpower of the Company was 231 as on 31st March, 2010 as compared to 196 as on 31st March, 2009. As on 31st March, 2010, 69 executives stood posted to various overseas projects/offices.

11. ENVIRONMENT

As per HSE policy of the Company, it is committed to maintain highest standards of Occupational Health, Safety and Environment protection and comply with all applicable Laws & requirements. The Company conducts its business in a manner that is compatible with the environmental and economic needs of the societies in which it operates. In the projects operated by the Company, it complies with all applicable environmental laws and regulations.

The major non-operated projects, in which OVL is a partner, are operated by global companies like Exxon Mobil, Shell etc. who maintain very high HSE standards.

12. CORPORATE SOCIAL RESPONSIBILITY

The Company, being operating overseas, understands its responsibility to contribute to the communities and economies of the countries in which it operates. The Company is committed to create a positive and lasting social impact by developing successful partnerships built on mutual trust and respect, ultimately raising the standard of living and the stability of the communities of the countries in which the Company operates. The Company makes valuable contribution in many ways: through payment of tax revenues to governments; by investing in education and training and improving employment opportunities for nationals; providing medical/sports/agricultural facilities to the local community etc.

Further, with the objective to ensure access by any citizen to information under the control of the Company and in order to bring in transparency and accountability, an appropriate mechanism has been set up at registered office of the Company in New Delhi in line with the requirements of Right to Information Act, 2005.

13. CAUTIONARY STATEMENT

Statements in this management discussion and analysis may be 'forward looking' within the meaning of the applicable Laws and Regulations. Actual performance may deviate from the explicit or implicit expectations.

CORPORATE GOVERNANCE REPORT

OVL continues to make efforts towards achieving good governance and responsible management practices. The details of compliance of Guidelines on Corporate Governance by the company are provided in the following sections:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's vision is to be a world-class exploration and production company providing security oil to the country. Its corporate philosophy on Corporate Governance is to conduct its business in an efficient, transparent, ethical and responsible manner. The Company believes that good corporate governance goes beyond compliance of the provisions of various laws and therefore incorporates it in its conduct all across.

2. BOARD OF DIRECTORS

2.1 Composition of the Board:

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically. As per Articles of Association (AOA) of the Company, the number of Directors shall not be less than three and more than fifteen. As per AOA, ONGC, the parent company appoints the Chairman and all part time Directors and the President of India appoints all whole-time Directors including Managing Director on the Board of the Company.

The Chairman & Managing Director of ONGC, the parent company, is also the Chairman of the Company. The Managing Director who is the Chief Executive Officer of the Company, and three whole-time Directors i.e. Director (Exploration), Director (Finance), Director (Commercial) manage the business of the Company under the overall superintendence, control and guidance of the Board. All whole-time Directors of ONGC are part-time Directors on the Board of the Company. In addition, Joint Secretary (International Cooperation), Ministry of Petroleum and Natural Gas, Government of India and Joint Secretary, Department of Economic Affairs, Ministry of Finance are part-time Directors on the Board of the Company. Joint Secretary (Exploration), MoP&NG is an invitee to the meetings of the Board.

2.2 Scheduling and selection of Agenda items for Board / Committee Meetings:

The meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board / Committee. Detailed agenda, 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. To address specific urgent need, sometimes meetings are being called at a shorter notice. In case of exigencies resolutions are also sometimes passed by circulation which are put up for confirmation in the next meeting of the Board / Committee.

Where it is not practicable to attach any document or the agenda is of confidential nature, the same is tabled with the approval of Managing Director. In special and exceptional circumstances, additional or supplemental item(s) on the agenda are permitted with the permission of the Chairman. Sensitive subject matters are discussed at the meeting without written material being circulated.

The agenda papers are prepared by the concerned officials, sponsored by the concerned functional Directors, concurred by the Director (Finance) and submitted for obtaining approval of the Managing Director, well in advance. Duly approved agenda papers are circulated amongst the Board members by the Company Secretary. The meetings of the Board /Committee are generally held at New Delhi.

The Board/Committee is given presentations covering Exploration, Production, Operations, Financial, Human Resources, Marketing, and operations of Joint Ventures / Subsidiaries of the Company etc. at the pre-scheduled Board/Committee meetings.

The members of the Board/Committee have complete access to all information of the Company. The Board is also free to recommend inclusion of any matter in agenda for discussion. Senior management officials are called to provide additional inputs to the items being discussed by the Board/Committee, as and when necessary.

2.3 Recording minutes of proceedings at the Board / Committee Meeting:

Minutes of the proceedings of each Board / Committee meeting are recorded. Draft minutes are approved by the Chairman of the

Board/Committee. These minutes are confirmed in the next meeting of the Board/Committee. The finalized minutes of the proceedings of the meetings are entered in the Minutes Book.

2.4 Follow-up mechanism:

The guidelines for the Board/Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the action taken on decisions of the Board and Committee. The follow-up Action Taken Report (ATR) on the decisions / instructions / directions of the Board / Committee is submitted to the Board/Committee regularly.

2.5 Board Meetings:

Twelve Board Meetings were held during the financial year 2009-10 on the following dates:

9 th April, 2009	28 th May, 2009	16 th June, 2009	15 th July, 2009	12 th Aug., 2009
16 th Sep., 2009	17 th Nov., 2009	9 th Dec., 2009	30 th Dec., 2009	14 th Jan., 2010
8 th Feb., 2010	10 th Mar., 2010			

The minimum and maximum interval between any two Board meetings was 14 days and 61 days, respectively.

2.6 Composition and Attendance

The composition of the Board, details of attendance etc. are as under:

Name of the Directors	Designation	Academic Qualifications	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Attendance at the last AGM (16 th Sept., 2009)	Details of Directors held in other Companies *	Membership held in Committees including OVL **
Whole-Time Directors							
Shri R. S. Butola	Managing Director	-MBA -CAIIB	12	12	Yes	-	-
Shri Anupam Mathur	Director (Commercial) (Upto 31 st August 2009)	-B.E. (Mech.)	5	4	NA	-	-
Shri Joeman Thomas	Director (Exploration)	-M.Sc. in Applied Geology	12	10	Yes	-	-
Shri S.P. Garg	Director (Finance)	- FCA - FCS - AICWA	12	12	Yes	-	-
Shri. S. Roychaudhury	Director (Commercial) From 1 st September 2009	B.Tech (Mech)	7	7	Yes	-	-
Non-Executive Part-Time Directors							
Shri R. S. Sharma, Chairman & Managing Director, ONGC	Chairman	-FICWA -CAIIB -Advance Financial Management Programme in Oil and Gas from University of Texas, Dallas (USA)	12	12	Yes	6	-

Shri Sunil Jain, Joint Secretary (IC), Ministry of Petroleum & Natural Gas	Director	-IFS -B.Tech (IIT Delhi) -MPP(Princeton)	12	8	No	-	1
Dr. Alok Sheel, Joint Secretary, DEA, Ministry of Finance	Director (Upto 4 th May, 2009)	-M. Sc (Macroeconomics) -Ph.D (Econ. History) - M.Phil (History) - M.A. History -B.A. Honours (History)	1	0	N.A.	-	-
Shri Govind Mohan Joint Secretary, DEA, Ministry of Finance	Director (w.e.f. 13 th May, 2009)	- IAS - B. Tech (Elec) - PGDM, IIM Ahmedabad	11	9	No	3	-
Dr. A. K. Balyan, Director (Human Resource), ONGC	Director (Upto 14 th July 2010)	-M.Sc. in Chemistry -M. Tec. from IIT Delhi -PHD in Chemistry from Germany	12	7	Yes	8	1
Shri A. K. Hazarika, Director (Onshore), ONGC	Director	-B.E. (Mech.)	12	9	No	3	-
Shri D. K. Pande, Director (Exploration), ONGC	Director	-B.Sc. (Hons.), Gold Medallist -M.Sc. (Hons.) in Geology	12	11	No	1	1
Shri U. N. Bose, Director (T&FS), ONGC	Director	-B.E (Mech.)	12	10	Yes	2	1
Shri D. K. Sarraf, Director (Finance), ONGC	Director	-B.Com (Hons.) -M. Com -AICWA -ACS	12	12	Yes	4	4
Shri. Sudhir Vasudeva, Director (Offshore),	Director (w.e.f. 3 rd	-Chemical Engineer	12	8	No	3	2

ONGC	March 2009)	Gold Medallist - Management Graduate					
Independent (Non-Executive Part-Time) Director							
Shri P. K. Choudhury	Director (upto 25 th June, 2009)	-PG in Commerce from Calcutta University -FCA -PG diploma in Advance Finance Management with distinction from Maastricht School of Management, Netherlands -CAIIB -CAIB(London)	3	3	N.A.	9	3

* The other directorships do not include directorships of Companies registered under Section 25 of the Companies Act, 1956, Foreign Companies and Private Limited Companies.

**Membership of only the Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered.

Notes:

- (i) Directors are not related to each other;
- (ii) Directors do not have any pecuniary relationships or transactions with the Company;
- (iii) The Directorships/Committee memberships are based on the latest disclosure received from Directors;
- (iv) 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.

2.7 Resume of Directors proposed to be Re-appointed

The brief resume of Directors including nature of their experience in specific functional areas and names of companies in which they hold directorship and membership/chairmanship of Board/Committee, who have been appointed during the year or are retiring by rotation and seeking re-appointment are as below:

Name	Shri Joeman Thomas	Shri S.P. Garg	Shri Sunil Jain	Shri D.K. Sarraf
Date of Birth & Age	December 14, 1951; 58 Years	August 15, 1956 ; 53 Years	October 19, 1957 ; 52 Years	September 3, 1957 ; 52 years
Date of Appointment	February 20, 2007	September 8, 2008	February 6, 2008.	January 2, 2008
Qualification	M.Sc. in Applied Geology	Fellow Member of ICAI Fellow Member of ICSI Associate Member of ICWAI	Indian Foreign Services (IFS) B. Tech (IIT Delhi) MPP(Princeton)	B.Com (Hons)., M.Com, Associate Member of the ICWAI & ICSI
No. of Shares held	NIL	Nil	Nil	Nil
Experience in specific Functional Areas	Having the experience of more than 30 years in the upstream E&P sector. As well as contributed for the growth of OVL through the acquisition of several oil fields and producing properties.	Vast experience in varied fields of finance including Corporate Accounts, Project Management, Taxation, Internal Audit. Previously holding the position of GM (Finance) and Company Secretary, ONGC	Currently holding the position of Joint Secretary (International Cooperation) in the Ministry of Petroleum and Natural Gas. Previously served on various positions in the Government.	Currently, holding the position of Director (Finance) in ONGC and has to his credit, rich and varied experience in oil industry. He served in Oil India Ltd. and ONGC Videsh Ltd.
Directorship held in other Companies	<ul style="list-style-type: none"> ➤ ONGC Narmada Limited (Foreign Company) ➤ OMEL Exploration & Production Nigeria Limited (Foreign Company) ➤ OMEL Energy Nigeria Limited (Foreign Company) ➤ OMEL 	<ul style="list-style-type: none"> ➤ OMEL Exploration & Production Nigeria Limited (Foreign Company) ➤ OMEL Energy Nigeria Limited (Foreign Company) ➤ OMEL Hydrocarbon Nigeria Limited (Foreign Company) 	Nil	<ul style="list-style-type: none"> ➤ Oil and Natural Gas Corporation Ltd. ➤ Mangalore SEZ Ltd. ➤ ONGC Tripura Co. Pvt. Ltd. ➤ North East Transmission Company Ltd.

	<p>Hydrocarbon Nigeria Limited (Foreign Company)</p> <ul style="list-style-type: none"> ➤ Jarpeno Limited (Foreign Company) ➤ OOO Nord Imperial (Foreign Company) ➤ OOO Allianceneftegaz (Foreign Company) OOO Sibinterneft (Foreign Company) 	<ul style="list-style-type: none"> ➤ Jarpeno Limited (Foreign Company) ➤ Imperial Energy Corporation plc (Foreign Company) ➤ Imperial Energy Limited (Foreign Company) ➤ Rus Imperial Corporation plc (Foreign Company) ➤ Imperial Energy Finance (Jersey) Limited (Foreign Company) ➤ Rus Imperial Limited (Foreign Company) ➤ Imperial Energy Kostanai Limited (Foreign Company) ➤ OOO Nord Imperial (Foreign Company) ➤ OOO Allianceneftegaz (Foreign Company) ➤ ONGC Amazon Alaknanda Limited (Foreign Company) ➤ Mansarovar Energy Colombia Limited (Foreign Company) ➤ Petrolera Indo Venezolana (Foreign Company) ➤ Carabobo One AB (Foreign Company) 		
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Membership / Chairmanship of Committees including OVL*	NIL	Nil	Chairman, Audit Committee – ONGC Videsh Limited	Member, Audit Committee – North East Transmission Company Ltd., ONGC Tripura Power Company Limited & ONGC Videsh Limited and Member – Shareholders'/Investors' grievance Committee – Oil and Natural Gas Corporation Limited
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*Membership / Chairmanship of only the Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public limited companies have been considered.

3. AUDIT COMMITTEE

3.1 Composition of the Audit Committee:

The composition of the Audit Committee during the year 2009-10 was as follows:

Shri P. K. Choudhury – Chairman (up to 25th June, 2009)

Shri Sunil Jain – Chairman (from 15th July, 2009)

Shri D.K. Pande – Member (from 15th July, 2009)

Shri D. K. Sarraf – Member

Shri Sudhir Vasudeva - Member

The terms of reference of the Audit Committee are in line with Section 292A of the Companies Act, 1956 and the Department of Public Enterprises guidelines on Corporate Governance. Shri P. K. Choudhury, Chairman of the Committee (up to 25th June, 2009) , an Independent Director on the Board is a Chartered Accountant, Post Graduate diploma in Advance Finance Management with distinction from Maastricht School of Management, Netherlands, CAIIB, CAIB (London) and Post Graduate in Commerce from Calcutta University. Shri Choudhury has multifarious and enriched experience of more than 36 years in Finance and Banking. Shri Sunil Jain, Chairman of the Committee, (from 15th July, 2009), a government nominee Director is an IFS officer, B. Tech (IIT Delhi) and MPP (Princeton). He is currently holding the position of Joint Secretary (International Cooperation) in the Ministry of Petroleum and Natural Gas and has served on various positions in the Government. All members of the

Committee have requisite financial and management experience. Director (Finance) and Internal Auditor are the permanent invitees to Committee's meetings. Representatives of Statutory Auditors are invited to attend and participate in the meetings. Functional Directors, Executives of Finance and other departments are invited on need basis. Company Secretary acts as the Secretary to the Committee.

3.2 Role of the Audit Committee:

The role of the Audit Committee includes the following:

3.2.1 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.

3.2.2 Recommending to the Board, the fixation of audit fees.

3.2.3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

3.2.4 Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Directors' Responsibility Statement and in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;

b. Changes, if any, in accounting policies and practices and reasons for the same.

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with legal requirements relating to financial statements;

f. Disclosure of any related party transactions; and

g. Qualifications in the draft audit report.

3.2.5 Reviewing, with the management, the quarterly/half yearly financial statements as may be required before submission to the Board for approval.

3.2.6 Reviewing, with the management, performance of internal auditors and adequacy of the internal control systems.

3.2.7 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.

3.2.8 Discussion with internal auditors and/ or auditors any significant findings and follow up there on.

3.2.9 Reviewing the findings of any internal investigations by the internal auditors/ auditors/ agencies 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.

3.2.10 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.

3.2.11 To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders and creditors if any.

3.2.12 To review the functioning of the Whistle Blower Mechanism.

3.2.13 To review the follow up action on the audit observations of the C&AG audit.

3.2.14 Review / check the contracts on nomination basis as per CVC guidelines.

3.2.15 To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.

3.2.16 Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.

3.2.17 Review and pre-approve all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.

3.2.18 Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.

3.2.19 Consider and review the following with the independent auditor and the management:

- The adequacy of internal controls including computerized information system controls and security, and

- Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.

3.2.20 Consider and review the following with the management, internal auditor and the independent auditor:

- Significant findings during the year, including the status of previous audit recommendations.

- Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information,

3.3 Minutes of the Audit Committee:

Minutes of the meetings of the Audit Committee are approved by the Chairman of the Committee and are noted by the Board of Directors in the subsequent meeting.

3.4 Meetings:

Four meetings of the Audit Committee were held during the financial year on the following dates:

16 th June, 2009	12 th August, 2009	17 th November, 2009
30 th December, 2009		

3.5 Attendance:

Members	Meetings held during the tenure	Meetings attended
Shri P. K. Choudhury, Chairman (upto 25 th June, 2009)	1	1
Shri Sunil Jain, Chairman (from 15 th July, 2009)	3	2
Shri D.K. Pande, Member (from 15 th July, 2009)	3	3
Shri D. K. Sarraf, Member	4	4
Shri. Sudhir Vasudeva, Member	4	3

4. EQUITY SHARES HELD BY DIRECTORS (AS ON 31ST MARCH, 2010)

Shri R. S. Sharma, Shri R. S. Butola, Dr. A. K. Balyan, Shri A. K. Hazarika, Shri D. K. Pande, Shri U. N. Bose and Shri Sudhir Vasudeva hold one share each of the Company as nominee of Oil and Natural Gas Corporation Limited.

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

The Company is committed to conduct its business in accordance with the highest standards of business ethics and comply with applicable laws, rules and regulations. A code of conduct, evolved in line with the parent Company ONGC was adopted by the Board applicable to all Members of the Board and Senior Management who have confirmed compliance with the Code of

Conduct for the year under review. A copy of the Code has been placed on the Company's website www.ongcvidesh.com.

A declaration signed by Chairman is given below:

"I hereby confirm that:

The Company has obtained from the Members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2009-10."



R. S. Sharma
Chairman

6. SUBSIDIARY MONITORING FRAMEWORK

All subsidiaries of the Company, except two subsidiaries in Brazil, are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders. Brazilian companies having limited activities are managed through administrators as permitted under the local laws. Being 100% shareholder, the Company nominates its representatives on the Boards of subsidiaries and monitors the performance of its subsidiaries periodically.

List of the Company's direct and indirect subsidiaries as on March 31, 2010 is given below:

Sl No.	Name of the Subsidiary	Date of Incorporation / Acquisition	Country in which Incorporated
1	ONGC Nile Ganga B.V.	12.03.2003	Netherlands
2	ONGC Narmada Limited	07.12.2005	Nigeria
3	ONGC Do Brasil Exploracao Petrolifera Ltda.	07.07.2006	Brazil
4	ONGC Amazon Alaknanda Limited	08.08.2006	Bermuda
5	ONGC Campos Ltda.	16.03.2007	Brazil
6	ONGC Nile Ganga (Cyprus) Ltd.	26.11.2007	Cyprus

7	ONGC Nile Ganga (San Cristobal) B.V.	29.02.2008	Netherlands
8	Jarpeno Limited	12.08.2008	Cyprus
9	Imperial Energy Corporation plc	13.01.2009	UK
10	Imperial Energy Limited	13.01.2009	UK
11	Rus Imperial Corporation plc	13.01.2009	UK
12	Imperial Energy Finance (Jersey) Limited	13.01.2009	Jersey
13	Rus Imperial Limited	13.01.2009	UK
14	Imperial Energy Kostanai Limited	13.01.2009	UK
15	Biancus Holdings Limited	13.01.2009	Cyprus
16	Imperial Energy Tomsk Limited	13.01.2009	Cyprus
17	Imperial Energy (Cyprus) Limited	13.01.2009	Cyprus
18	Imperial Energy Nord Limited	13.01.2009	Cyprus
19	Imperial Energy Gas Limited	13.01.2009	Cyprus
20	Nefsilius Holdings Limited	13.01.2009	Cyprus
21	RK Imperial Energy Kostanai Limited	13.01.2009	Cyprus
22	Imperial Frac Services (Cyprus) Limited	13.01.2009	Cyprus
23	Freshspring Investments Limited	13.01.2009	Cyprus
24	Redcliffe Holdings Limited	13.01.2009	Cyprus
25	San Agio Investments Limited	13.01.2009	Cyprus
26	OOO Sibinterneft	13.01.2009	Russian Federation
27	OOO Allianceneftegaz	13.01.2009	Russian Federation
28	OOO Nord Imperial	13.01.2009	Russian Federation
29	OOO Imperial Energy	13.01.2009	Russian Federation
30	OOO Imperial Energy Tomsk Gas	13.01.2009	Russian Federation
31	OOO Stratum	13.01.2009	Russian Federation
32	OOO Imperial Trans Service	13.01.2009	Russian Federation
33	OOO Rus Imperial Group	13.01.2009	Russian Federation
34	TOO Sevkazgra	13.01.2009	Kazakhstan
35	AB Startkapitalet nr 5636 (name	25.02.2010	Sweden

	changed to Carabobo One AB)		
36	Petro Carabobo Ganga B.V	26.02.2010	Netherlands

7. ANNUAL GENERAL MEETINGS

Location, date and time, where the AGMs were held during the preceding three years:

Year	Location	Date	Time (IST)
2006-07	6 th Floor, Jeevan Bharati, Tower-II, 124, Indira Chowk, New Delhi - 110001	18 th September, 2007	12.00 Noon
2007-08	4 th Floor, Kailash Building, 26, Kasturba Gandhi Marg	18 th September, 2008	12.00 Noon
2008-09	4 th Floor, Kailash Building, 26, Kasturba Gandhi Marg	16 th September, 2009	12.00 Noon

Special Resolutions passed during last 3 AGM's:

2006-07: Nil

2007-08: For payment of fee and reimbursement of travel, living and hotel expenses incurred for attending meetings of board or its committees and any other business of the company to each director including MD.

2008-09: Nil

8. DISCLOSURES

8.1 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. 30 of Schedule 26 to the Stand-alone Accounts of the Company 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 (AS) 18 on Related Party Disclosures.

8.2 The Company has not incurred any expenditure during the year 2009-10, which was not for the purpose of the business of the Company or which was of personal in nature and incurred for the members of the Board of Directors and Senior Management personnel.

8.3 DIRECTORS' REMUNERATION

ONGC Videsh Limited being a Government Company, appointment and terms and conditions of 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 part-time non-official Director received sitting fees of ₹ 20,000/- for each Board meeting and Board Committee meeting attended during the year 2009-10.

Remuneration of Directors for the year ended 31st March, 2010 was as follows:

(a) Executive Directors

(₹ in Million)

Sl No.	Names	Salary Including DA	Other benefits & perks	Performance Incentives	Contribution to PF & other Funds	Grand Total
1	Shri R.S.Butola	2.79	0.27	1.82	0.25	5.13
2	Shri Anupam Mathur (upto 31.08.09)	3.76	0.52	1.44	0.14	5.86
3	Shri Joeman Thomas	2.30	1.07	1.43	0.20	5.00
4	Shri S.P. Garg	2.45	0.12	0.77	0.18	3.52
5	Shri. S. Roychaudhury (w.e.f. 01.09.09)	1.39	0.75	0.69	0.08	2.91

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

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

The details of sitting fees paid to Non-Executive non-official Director during the year 2009-10 are as follows:

Name	Sitting fees (₹ in Million)
Shri P.K. Choudhury	0.08

8.4 Details of administrative and office expenses as a percentage of total expenses and reasons for increase:

(₹ in Million)

Particulars	2009-10	2008-09	Reasons for increase
Total expenses *	13,599.69	17,605.30	Though there is decrease in administrative and office expenses in absolute terms, the same has increased in percentage terms due to reduction of Total Expenses mainly due to reduction in Provisions and write-offs by about ₹ 1,576 million and Royalty by about ₹ 1,387 million in 2009-10
Administrative and office expenses	962.28	1,095.74	
Administrative and office expenses as a percentage of total expenses	7.08%	6.22%	

*Includes Production, Transportation, Selling & Distribution Expenditure and Provisions & Write Off (Net).

9. COMPLIANCES

The Company has complied with applicable rules and the requirement of regulatory authorities and no penalties or strictures were imposed on the Company on any matter related to any guidelines issued by Government during last three years. All statutory filings were within stipulated time with various authorities.

10. MEANS OF COMMUNICATION

- **Half-Yearly Results :** Pursuant to listing of the debt securities in the National Stock Exchange of India, the Company intimated audited annual financial results during 2009-10 to the Stock Exchange immediately after these were taken on record and approved. These financial results were published in the leading English dailies having wide circulation. The results were also sent to Debenture Trustee M/s IDBI Trusteeship Services limited and displayed on the website of the Company www.ongcvidesh.com
- **News Release, Presentation etc.:** The official news releases are displayed on the Company's website www.ongcvidesh.com.
- **Website:** The Company's website is www.ongcvidesh.com. Full Annual Report and Audited financial statements 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, Auditors' Report, and other important information is circulated to the members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report and Corporate Governance Report forms part of the Directors' Report in the Annual Report.
- **Designated Exclusive E-mail id :** The company has designated the following email-id exclusively for servicing of debenture investors:

complianceofficerncd@ongcvidesh.in

11. ANNUAL GENERAL MEETING

Date : 15th September, 2010
Time : 10.00 AM
Venue : 4th Floor, Kailash Building, 26, K.G. Marg,
New Delhi - 110001

12. SHARE OWNERSHIP PATTERN AS ON 31ST MARCH, 2010

Category	No. of shares held of ₹ 100 each	Percentage of shareholding
Oil and Natural Gas Corporation Limited and its nominees	100,000,000	100%

13. LEGAL PROCEEDINGS

No case and/or suit of any material or substantial nature is pending against the Company.

14. MAJOR PROJECTS:

The list of projects of OVL, including held through subsidiaries / Joint Venture Company, presently is as below:

1. Block 06.1, Vietnam
2. Block 127, Vietnam
3. Block 128, Vietnam
4. Block 8, Iraq
5. Sakhalin-1, Russia
6. Block A-1, Myanmar
7. Block A-3, Myanmar
8. Block AD-2, Myanmar
9. Block AD-3, Myanmar
10. Block AD-9, Myanmar
11. Farsi Offshore Block, Iran
12. Block NC-189, Libya
13. Block 81-1, Libya
14. Area 43, Libya
15. GNOP Block 1, 2 & 4, Sudan
16. Block 5A, Sudan
17. Pipeline Project, Sudan
18. Block 24, Syria
19. Al Furat (4 PSAs), Syria
20. Block-2, Nigeria Sao Tome & Principe, JDZ
21. Block 6, Egypt
22. Block NEMED, Egypt
23. Block BC-10, Brazil
24. Block BM-S-73, Brazil

25. Block BM-ES-42, Brazil
26. Block 25, 26, 27, 28, 29, 35A & 36, Cuba
27. Block 34 & 35, Cuba
28. Mansarovar Energy Project, Colombia
29. Block RC-8, Colombia
30. Block RC-9, Colombia
31. Block RC-10, Colombia
32. OPL - 279, Nigeria
33. OPL - 285, Nigeria
34. San Cristobal Project, Venezuela
35. Block BM-SEAL-4, Brazil
36. Block BM-BAR-1, Brazil
37. Block SSJN-7, Colombia
38. Block CPO-5, Colombia
39. Imperial Energy (7 blocks), Russia
40. Carabobo Project, Venezuela

15. RISK MANAGEMENT

The framework for risk assessment and minimization thereto has been evaluated and further improvements, if any, suggested by experts shall be incorporated.

16. CEO/CFO CERTIFICATION

In terms of Department of Public Enterprises guidelines on Corporate Governance, the certification by the CEO/CFO on the financial statement and internal controls relating to financial reporting for the financial year 2009-10 was submitted for review to the Audit Committee / Board of Directors on 21st May 2010.

17. COMPLIANCE CERTIFICATE

Certificate from M/s A. N. Kukreja & Co., practicing Company Secretaries, confirming compliance of Guidelines on Corporate Governance of the Department of Public Enterprises, Government of India, is annexed to the Directors' Report forming part of the Annual Report.

18. AUDIT QUALIFICATION

The auditors' observations have been suitably replied / explained in the Annual Report. The Company is pursuing towards the regime of unqualified financial statements.

19. TRAINING OF BOARD MEMBERS

Functional Directors have attended training programmes. Though, no specific training programmes were arranged for part-time Board members, detailed presentations are made by senior executives / professionals/ consultants on business related issues, risk assessment, strategy effect of regulatory changes etc. at the Board / Committee meetings.

20. WHISTLE BLOWER POLICY

Being a PSU, the guidelines of CVC are applicable which also provides adequate safeguards against victimization of employees who avail of the mechanism.

21. FEE TO STATUTORY AUDITOR

The fee paid / payable to the Statutory Auditors for the year was ₹ 0.99 million (previous year ₹ 0.77 million), plus ₹ 0.22 million (previous year ₹ 0.25 million) as fee for review of half yearly accounts.

22. GENERAL INVESTOR (DEBENTUREHOLDERS) INFORMATION:

- **Listing On Stock Exchange:**

Company's debt securities are listed on the WDM (Wholesale Debt Market) segment of National Stock Exchange of India Limited (NSE).

- **Debenture Trustee**

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 023.

- **Payment of listing Fees:**

Annual listing fee till the year 2010-11 has been paid by the company.

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF ONGC VIDESH LIMITED FOR THE YEAR ENDED 31ST MARCH 2010

The preparation of financial statements of ONGC Videsh Limited for the year ended 31st March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 21st May, 2010.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of ONGC Videsh Limited for the year ended 31st March 2010. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to the inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under Section 619 (4) of the Companies Act, 1956 which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related Audit Report:

A. Comment on Profitability

Profit and Loss account

Provisions and write offs (Net) (Schedule-22): ₹ 130.17 crore

A reference is invited to comment No. 1 of the Comptroller and Auditor General of India on the accounts for the year 2008-09 under Section 619(4) of the Companies Act, 1956 relating to overstatement of 'Provisions & write-off' due to provisioning for commercially proved oil reserves at Farsi Block at Iran.

Despite the CAG's comment in the previous year and submission of Master Development Plan in April 2009, the provision of ₹ 141.87 crore made upto 31 March 2009 has not been reversed and an additional provision of ₹ 2.59 crore has been made during 2009-10.

This has resulted in overstatement of 'Provisions & write-offs' and understatement of 'Profit' to the extent of ₹ 144.46 crore.

**For and on the behalf of the
Comptroller and Auditor General of India**

Sd/-

(Naina A. Kumar)

**Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-II, New Delhi**

Place : New Delhi

Dated : 09.07.2010

Management Reply

The accounting treatment for the wells drilled under Exploration Service Contract (ESC) of Farsi Project, Iran has been done in accordance with the disclosed Accounting Policy 3.3 and Guidance Note on the 'Accounting for Oil and Gas producing activities'.

The ESC provides that upon establishment of a commercial field, National Iranian Oil Corporation (NIOC) and the contractor (OVL) will enter into negotiations for reaching agreement on the relevant Master Development Plan (MDP). Subject to conclusion of Development Service Contract (DSC), the exploration expenditures incurred, shall be consolidated for the purpose of reimbursement during the amortization period in the manner to be set out in the DSC. Even though commerciality was announced in August 2008, both the MDP and DSC are still under discussions and there are uncertainties with respect to ultimate approval of MDP, finalization of DSC and consequential recovery of exploration expenditure under the ESC.

In view of the above, and following a conservative approach, it was felt prudent to continue with the provisions made for expenditure incurred during ESC period. Accordingly, following prudent accounting principles, a provision of ₹ 2.59 crore for the year 2009-10 and ₹ 141.87 crore up to the previous year 2008-09 (cumulative ₹ 144.46 crore) has been made.



(R.S. Sharma)
Chairman

New Delhi
13th August, 2010

To,

The Board of Directors,
ONGC Videsh Ltd.,
601 "Kailash",
26, Kasturba Gandhi Marg,
New Delhi-110001.

**SECRETARIAL COMPLIANCE REPORT FOR THE FINANCIAL YEAR
ENDED 31st March 2010.**

We have examined the registers, records and documents of ONGC Videsh Ltd. (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under, and the Memorandum and Articles of Association of the Company for the financial year ended 31st March , 2010 (financial year). In our opinion and according to the information and explanations given to us by the Company, we report that in respect of the aforesaid financial year:

- (a) The Company has kept and maintained all registers as required to be maintained under the provisions of the Act and the rules made there under and all entries have been duly recorded.
- (b) The Company has duly filed the requisite forms and returns with the Registrar of Companies, NCT of Delhi and Haryana, under the Act and the rules made there under.
- (c) The Board of Directors duly met 12 times in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.
- (d) The Board has constituted an Audit Committee as required under Section 292A of the Act. The Audit Committee met 4 times in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose.
- (e) The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- (f) The Annual General Meeting of the Company for the financial year ended on March 31, 2009 was held on 16.9.2009. The resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
- (g) The Board of Directors of the Company is duly constituted and the appointments of Directors including Managing Director and whole time Directors have been duly made in accordance with the provisions of Articles of Association of the Company read with relevant provisions of the Act.
- (h) The Company has not altered the provisions of Memorandum of Association and Articles of Association during the year under report.



- (i) The Company has received approval from the Central Government for exemption from sub-section (1)) of Section 212 of the Act in respect of Balance Sheets of its subsidiary companies for the financial year 2009-10 vide letter No.47/490/2010/CL-III dated 04.06. 2010.
- (j) The Company has not received any money as security from any of its employees during the financial year as envisaged under Section 417 of the Act.
- (k) The Company has not invited/accepted any deposits falling within the purview of Section 58A of the Act during the financial year.
- (l) The Company has complied with the provisions of the Act and the rules made there under in regard to investment of funds including inter-corporate loans, guarantees and investments.
- (m) The Company has issued/allotted on private placement basis non-convertible bonds in the nature of debentures and has complied with the provisions of the Act. Repayment of principal and interest on these securities are guaranteed by the parent company – Oil and Natural Gas Corporation Ltd.
- (n) The amount borrowed by the Company is within the borrowing limit of the Company and that necessary resolution as per Section 293(1) (d) of the Act has been passed in duly convened general meeting of members of the Company.
- (o) The Company was not required to appoint Cost Auditor under Section 233B of the Act.
- (p) The Company has deposited both employees and employer's contribution with the ONGC Employees Contributory Provident Fund Trust within the prescribed time pursuant to section 418 of the Act.
- (q) The Company being a "Government Company" is exempt from the provisions of Section 295 of the Act. An amount of Rs. 0.14 million on account of loans/advances was, however, outstanding from the whole time Directors at the end of financial year.
- (r) There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company, its Directors and Officers during the financial year for offences under the Act.

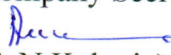
2. We further report that:

- (a) The Company has complied with the provisions of Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008;
- (b) The Company has complied with the Debt Listing Agreement entered into with the National Stock Exchange of India Ltd for listing of its debt securities;



- (c) The Company has complied with the provisions of Depositories Act, 1996 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 with regard to dematerialization and reconciliation of records of its securities.

For A.N.Kukreja & Co.
Company Secretaries


(A.N.Kukreja)
Proprietor
CP 2318



New Delhi
6 July, 2010

To,
The Members,
ONGC Videsh Limited,
New Delhi-110001.

Certificate on Compliance of Guidelines on Corporate Governance

1. We have examined the compliance of Guidelines on Corporate Governance by ONGC Videsh Ltd for the year ended 31st March, 2010 as stipulated in O.M. No. 18(8)/2005-GM dated 22.6.2007 and modified by O.M. of the same number dated 14th May, 2010 of the Ministry of Heavy Industries and Public Enterprises, Department of Public enterprises, Government of India.
2. The compliance of Guidelines on Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Guidelines on Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us by the management, we certify that, except the composition of the Board of Directors and Audit Committee with regard to independent Directors, the Company has complied with the guidelines on Corporate Governance as stipulated in the OM mentioned above.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A.N.Kukreja & Co.
Company Secretaries


(A.N.Kukreja)
Proprietor,
CP 2318



New Delhi
6 July, 2010

M/S BATRA SAPRA & COMPANY
Chartered Accountants

F-14, Shivam House 17, Amar Chamber
Connaught Circus, New Delhi-110001
Email: - batrasapra@yahoo.co.in



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AUDITORS' REPORT

THE MEMBERS

ONGC VIDESH LIMITED

601, Kailash Building
26, Kasturba Gandhi Marg
New Delhi 110001

1. We have audited the attached Balance Sheet of "ONGC VIDESH LIMITED", (the company) as at 31st March 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended as on 31st March 2010, annexed thereto in which are incorporated, the company's share in the total value of assets, liabilities, expenses and net profit of 16 International Joint Ventures and out of which 09 Joint ventures accounts have been certified under respective local laws / Production Sharing Contract / Joint Operating Agreement by the local audit firm appointed by the management of the respective Joint Ventures and remaining 07 have been certified by the management. (Refer Note No. 3 of Schedule 26). These financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The accounts of Non Operated Joint Ventures, in so far they relate to the amounts included in financial statements, are based solely on the reports of other Auditors of that Joint Venture wherever it is audited. We relied upon the reports of those Auditors and wherever Joint Ventures are not audited, we have relied upon the certificate of the management.
2. Considering the fact that actual operations are performed outside India and operator is responsible for maintaining the original books of account on behalf of all the members as per Joint operating agreement, we have conducted our audit by relying on such information furnished by the operator.
3. We conducted our audit in accordance with Standards on Auditing generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.



4. Categorization of expenditure on project in Exploratory & Development Wells in Progress, Producing Properties and Capital Work in Progress, Wells Status, allocation of cost incurred on them, depletion of producing properties on the basis of proved developed hydrocarbon reserve, provision for abandonment cost, allocation of depreciation on fixed assets (including support equipment and facilities) and liabilities against agreed minimum work programme are made according to evaluation by the management, technical, commercial and/or otherwise on which, we have placed reliance. We have also placed reliance upon the impairment indicators assessment carried out by the management.
5. As required by the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable to the Company, is annexed herewith.
6. We report that:-
 - 6.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary, for the purposes of our audit.
 - 6.2 In our opinion, proper books of account as required by law have been kept by the Company at head office so far as appears from our examination of the books.
 - 6.3 The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - 6.4 In our opinion and based on the information given to us, the Profit and Loss Account and Balance Sheet and Cash Flow Statement referred to in this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - 6.5 Disclosure in terms of clause (g) of sub section (1) of section 274 of the companies act, 1956 is not required as per notification no. GSR829 (E) dated 21-10-2003 issued by the Department of Company affairs.
7. Attention is invited to: –
 - 7.1 Footnote to Note No. 22 of Schedule-26 regarding expense head-wise details in respect of other operating expenditure as required by Schedule VI to the Companies Act, 1956.
 - 7.2 Loans and advances (Schedule-13) which includes unamortized financial charges on commercial papers amounting to ₹267.6 million resulting in overstatement of loans and advances and understatement of miscellaneous expenditures to the extent not yet written off/adjusted to that extent.
8. Read with our comments in Para 5 & 7 above, in our opinion and to the best of our information and according to the explanations given to us, said Balance Sheet and Profit and



Loss Account and Cash Flow Statement read together with significant accounting policies and notes to the accounts as required by the Companies Act, 1956 give a true and fair view and are in conformity with the accounting principles generally accepted in India:

- (a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2010; and
- (b) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
- (c) In the case of Cash Flow Statement for the cash flow of the Company for the year ended on that date.

**FOR BATRA SAPRA & CO.
CHARTERED ACCOUNTANTS**

K.S.Kamath

**K.S.KAMATH
Partner**

M.No. 44492

Firm Registration No. 000103N



**Place: New Delhi
Date: 21st May 2010**

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 5 of our report of even date of ONGC Videsh Limited, New Delhi as at 31st March 2010)

1) In respect of fixed assets:

- a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets in India and in respect of ventures outside India, except fixed assets of non-operated Joint Ventures situated outside India in respect of which the details are maintained as per the information made available by the respective operators.
- b) The management has carried out the physical verification of fixed assets situated in India and operated ventures outside India during the year. As informed by the management periodic physical verification of fixed assets is being carried out by the operators of the respective non-operated Joint Ventures which appear to be reasonable. We have been given reconciliation of the physically verified assets with the book records. There were no material discrepancies noticed between physical verification and book records in respect of corporate assets, Sakhalin –I, Russia, Vietnam 127-128, Libya 43 & Iran Farsi which is 83% approx. of total assets. However in respect of other projects, no report was available.
- c) We have been informed by the management that no substantial part of fixed assets has been disposed off by the company during the year and thus going concern status of company is not affected.

2) In respect of its inventories:

- a) The company does not have any inventory in India. As informed and reported to us, physical verification of inventory has been performed by the management in respect of the operated Ventures/ Joint Ventures. According to the information and explanations given to us, no discrepancy was observed on such physical verification. We were informed that the physical verification has been carried out by the management at reasonable intervals in respect of Joint Ventures. It was informed that the inventory held by the company representing company's share of participating interest in joint ventures outside India is incorporated in the books of accounts on the basis of information provided by the respective operators. As informed to us by the management physical verification of such inventory has been performed by the operators of the respective non-operated projects.
- b) As informed by the management the procedures of physical verification of inventory followed by the management in respect of operated Joint Ventures are reasonable and adequate in relation to the size of the company and the nature of its business. However, as informed by the management, physical verification of the inventory in respect of non-operated projects has been performed by the operators of the respective non-operated projects.



c) We were informed that the Company is generally maintaining proper records of inventory in India for operated projects outside India. According to the information and explanations given to us, no discrepancy was observed on physical verification of inventory performed by the management in respect of operated Joint Ventures. However, the inventory held by the company representing company's share of participating interest in non operated joint ventures outside India is incorporated in the books of accounts of the company on the basis of information provided by respective operators.

3) **According to the information and explanations given to us in respect of loans:**

a) The company has not granted any loan secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence the provisions of clause (iii) (b), (c) and (d) of the paragraph 4 of the order as amended are not applicable to the company.

b) The company has not taken any loan secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the provisions of clause (iii) (f) and (g) of the paragraph 4 of the Order, as amended, are not applicable to the company. The loans taken from Oil and Natural Gas Corporation Limited, the 100% holding company, is not covered under the provisions of this clause.

4) According to information and explanations given to us, the internal control system in respect of inventory and fixed assets purchased by the company for the operated ventures outside India is said to commensurate with the nature and size of its business. Certain sales are made by the parent company through proper procedure laid down by the company. Based on information and explanations given to us, the company's internal control system with respect to purchase of inventory, fixed assets and sales commensurate with the nature and size of its business. However, all purchases of fixed assets and inventory in respect of the non-operated Joint Ventures are made outside India by the respective operators. Since it is not practically viable or appropriate to check the internal control system being prevalent at respective project sites, while relying on the information and explanation of the management, we feel that there is an adequate system of internal control prevailing at the respective sites of non operated projects.

5) a) According to information and explanations given to us, there are no transactions during the year, which are required to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.

b) Accordingly the provisions of the clause v (b) of paragraph 4 of the order (as amended) are not applicable to the company.

6) The company has not accepted any deposits from the public. Consequently, the provisions of Section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the company.



- 7) The company has a system of internal audit carried out through an outside agency which in our opinion is commensurate with the size and nature of its business, however, the system requires to be vigorously strengthened.
- 8) We have broadly reviewed the books of account of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 as clarified by the Cost Audit Branch of Ministry of Corporate Affairs vide letter No. F.No. 52/21/CAB/2007 dated 26th May, 2008 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- 9) a) Provident fund contributions are transferred by the company to its parent company, ONGC. ONGC is responsible for depositing the same with appropriate authority. According to the information given to us, there are no undisputed statutory dues pending as on last day of current financial year for a period of more than six months from the date they become payable.
- b) As per information and explanations provided to us, no dues of income tax/ sales tax/VAT/ wealth tax/ custom duty/ excise duty/ cess (except cess under section 441A of the Companies Act 1956 since the aforesaid section has not yet been made effective by the Central Government) are pending on account of any dispute.
- 10) The company has no accumulated losses at the end of the current financial year and has not incurred cash losses during the current and in the immediately preceding financial year.
- 11) As per the information and explanation given by the management, we are of the opinion that company has not defaulted in the repayment of dues to any financial institution, banks and debenture holders.
- 12) According to information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and accordingly paragraph 4 (xii) of the Order is not applicable.
- 13) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, clause 4 (xiii) of the Order is not applicable.
- 14) The company is not dealing in or trading in shares, securities, debentures and other instruments. Therefore, the provisions of the clause (xiv) of paragraph 4 of the Order are not applicable.
- 15) According to information and explanations given to us, the company has not given any guarantee for loan taken by others from bank and financial institutions.
- 16) According to information and explanation given to us, term loans were broadly applied by the company for the purpose for which loans were obtained.



- 17) According to the information and explanations given to us and on the basis of examination of books of account and other records, we report that no funds raised on short term basis have been used for long term Investment.
- 18) We are informed that the company has not made any preferential allotment of shares to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The company has issued Non Convertible Redeemable Bonds in the nature of Debentures amounting to ₹23,400 Millions at par during the year 2009-10 for which no security or charge has been created.
- 20) The company has not raised any money by way of public issue during the year.
- 21) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the company was noticed or reported during the year.

**For BATRA SAPRA & CO.
CHARTERED ACCOUNTANTS**

K.S.Kamath

K.S.KAMATH

Partner

M.No. 044492

Firm Registration No. 000103N



**Place: New Delhi
Date: 21st May 2010**

ONGC VIDESH LIMITED
BALANCE SHEET AS AT 31ST MARCH 2010

(₹ in Million)

	SCHEDULE			
		As at 31st March 2010	As at 31st March 2009	
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	10,000.00	10,000.00	
Reserves and Surplus	2	<u>49,485.41</u>	<u>49,725.84</u>	59,725.84
LOAN FUNDS				
Secured Loans	3	-	-	
Unsecured Loans		<u>197,956.84</u>	<u>206,790.13</u>	206,790.13
DEFERRED TAX LIABILITY (Refer Note 15 of Schedule 26)		3,786.09		3,482.23
LIABILITY FOR ABANDONMENT COST		6,868.80		7,760.68
TOTAL		<u><u>268,097.14</u></u>	<u><u>277,758.88</u></u>	
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	4	69,505.40	68,428.17	
Less: Depreciation		<u>39,674.89</u>	<u>34,030.02</u>	34,398.15
Net Block				
PRODUCING PROPERTIES (NET)	5	45,321.42		45,851.88
DEVELOPMENT AND EXPLORATORY WELLS IN PROGRESS	6	9,442.67		7,881.86
CAPITAL WORK IN PROGRESS	7	30,308.46		15,541.44
INVESTMENT	8	138,154.26		52,812.46
CURRENT ASSETS, LOANS AND ADVANCES				
Interest Accrued	9	40.60	25.55	
Inventories	10	1,919.54	1,644.89	
Sundry Debtors	11	4,307.90	4,839.52	
Cash and Bank Balances	12	5,655.06	5,431.02	
Loans and Advances	13	<u>20,004.37</u>	<u>125,188.76</u>	
		<u>31,927.47</u>	<u>137,129.74</u>	
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	14	16,536.83	15,456.06	
Provisions	15	<u>350.82</u>	<u>400.59</u>	
		<u>16,887.65</u>	<u>15,856.65</u>	
NET CURRENT ASSETS		15,039.82		121,273.09
TOTAL		<u><u>268,097.14</u></u>	<u><u>277,758.88</u></u>	
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES				
	25			
NOTES TO THE ACCOUNTS				
	26			
Schedules referred to above form an integral part of the Accounts				

V. Sreedher
(V Sreedher)
Company Secretary

S P Garg
(S P Garg)
Director (Finance)

R S Butola
(R S Butola)
Managing Director

R S Sharma
(R S Sharma)
Chairman

As per our report of even date attached
For **BATRA SAPRA & COMPANY**
Chartered Accountants



K. S. Kamath
(K. S. KAMATH)
Partner (M No.44492)

New Delhi
May 21, 2010

Firm Registration Number 000103N

ONGC VIDESH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH' 2010

(₹ in Million)

	SCHEDULE	2009-10	2008-09
INCOME			
Sales	16	48,357.27	62,610.01
Other Income	17	1,381.06	1,459.83
Increase/(Decrease) in Stocks	18	(1.56)	(86.58)
		<u>49,736.77</u>	<u>63,983.26</u>
EXPENDITURE			
Production, Transportation, Selling and Distribution Expenditure	19	12,297.96	13,928.21
Depreciation, Depletion and Amortisation	20	11,727.54	15,453.92
Financing Costs & Foreign Exchange Fluctuation	21	5,452.26	6,062.98
Provisions and Write-Offs (Net)	22	1,301.73	2,877.70
		<u>30,779.49</u>	<u>38,322.81</u>
PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENTS		18,957.28	25,660.45
Adjustments relating to Prior Period (Net)	23	16.98	101.07
Provision for Taxation			
Current Year Tax		6,911.26	11,565.79
Deferred Tax		303.86	(990.99)
Fringe Benefit Tax		0.00	7.50
Wealth Tax		0.04	16.27
Earlier Years Tax		13.86	534.01
		<u>11,711.28</u>	<u>14,426.80</u>
PROFIT AFTER TAXATION		11,711.28	14,426.80
Add: Profit brought forward from last year		39,777.24	26,793.12
Balance Available for Appropriation		51,488.52	41,219.92
Transfer to General Reserve		1,171.13	1,442.68
Transfer to Debenture Redemption Reserve		1,154.19	0.00
Balance Carried to Balance Sheet		49,163.20	39,777.24
		<u>51,488.52</u>	<u>41,219.92</u>
EARNING PER EQUITY SHARE - BASIC AND DILUTED (Rs)	24		
(Face Value Rs. 100/- Per share)			
- before extraordinary items (net of tax)		117.11	144.27
- after extraordinary items		117.11	144.27
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	25		
NOTES TO THE ACCOUNTS	26		

Schedules referred to above form an integral part of the Accounts

V. Sreedher

(V Sreedher)
Company Secretary

S P Garg

(S P Garg)
Director (Finance)

R S Butola

(R S Butola)
Managing Director

R S Sharma

(R S Sharma)
Chairman

As per our report of even date attached
For BATRA SAPRA & COMPANY
Chartered Accountants



K. S. Kamath
(K. S. KAMATH)
Partner (M No.44492)

New Delhi
May 21, 2010

Firm Registration Number 000103N

ONGC VIDESH LIMITED

SCHEDULE - 1

	As at 31st March 2010	As at 31st March 2009
SHARE CAPITAL		
Authorised		
100,000,000 (Previous year 100,000,000) Equity Shares of ₹100 each	<u>10,000.00</u>	<u>10,000.00</u>
Issued, Subscribed, Called and Paid Up	10,000.00	10,000.00
100,000,000 (Previous year 100,000,000) Equity Shares of ₹100 each fully paid up in cash (The entire share capital is held by Oil and Natural Gas Corporation Limited and its nominees)		
TOTAL	<u>10,000.00</u>	<u>10,000.00</u>

ONGC VIDESH LIMITED

SCHEDULE - 2

(₹ in Million)

		As at 31st March 2010		As at 31st March 2009
RESERVES AND SURPLUS				
Capital Reserve		174.08		174.08
General Reserve				
Opening balance	4,580.03		3,137.35	
Less: Adjustment for Employees Benefits	0.00		0.00	
Add: Transfer from Profit and Loss Account	<u>1,171.13</u>	5,751.16	<u>1,442.68</u>	4,580.03
Debenture Redemption Reserve				
Opening balance	0.00			
Add: Transfer from Profit & Loss Account	1,154.19	1,154.19		
Foreign Exchange Translation Reserve		(6,757.21)		5,194.49
Profit and Loss Account				
Opening Balance	39,777.24		26,793.12	
Add: Addition during the year	<u>9,385.95</u>	49,163.19	<u>12,984.12</u>	39,777.24
TOTAL		<u>49,485.41</u>		<u>49,725.84</u>

ONGC VIDESH LIMITED

SCHEDULE - 3

(₹ in Million)

	As at 31st March 2010	As at 31st March 2009
SECURED LOANS		
UNSECURED LOANS		
Long Term		
Indian Rupee Loans		
From Oil and Natural Gas Corporation Limited	162,722.58	153,064.77
Foreign Currency Loans		
Non- Recourse Deferred Credit	934.26	1,225.36
(In respect of Joint Venture)		
Non Convertible Redeemable Debenture*	23,400.00	0
Short Term		
Commercial Papers	10,900.00	52,500.00
TOTAL	197,956.84	206,790.13

Repayable within one year	10,904	52,669.54
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* Consists of the following:

(a) 19700 Non-convertible redeemable bonds in the nature of debentures (Series I) of ₹ 1 million each face value issued on 23/12/2009 and redeemable at par on 23/12/2014. The coupon rate is 8.40% p.a. payable annually on 23rd December.

(b) 3700 Non-convertible redeemable bonds in the nature of debentures (Series II) of ₹ 1 million each face value issued on 6/1/2010 and redeemable at par on 6/1/2020. The coupon rate is 8.54% p.a. payable annually on 6th January.

Both the Bonds are guaranteed for repayment of principal and payment of interest by Oil and Natural Gas Corporation Limited, the parent company. Further, the Company is required to maintain 100% asset-cover as per SEBI guidelines.

There is no put/call option.



ONGC VIDESH LIMITED

SCHEDULE - 4

FIXED ASSETS

(₹ in Million)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2009	Additions during the year	Deletions/ Adjustments during the year	As at 31st March 2010	Up to 31st March 2009	For the year	Deletions/ Adjustments during the year	Up to 31st March 2010	As at 31st March 2010	As at 31st March 2009
Land (Leasehold)	1,622.05	47.48	0.64	1,668.89	0.00	0.00	0.00	0.00	1,668.89	1,622.05
Building	4,579.16	512.94	57.67	5,034.43	468.18	220.76	6.71	682.23	4,352.20	4,110.97
Plant & Machinery	57,919.87	460.72	17.15	58,363.44	32,052.47	4,996.32	12.55	37,036.24	21,327.20	25,867.40
Computers	192.41	26.43	1.52	217.32	124.19	31.38	1.26	154.31	63.01	68.21
Vehicles	282.59	40.06	7.73	314.92	179.02	33.46	5.36	207.12	107.80	103.57
Furniture & Fittings and Equipments	3,597.48	72.11	2.55	3,667.04	1,022.87	369.60	2.33	1,390.14	2,276.90	2,574.61
Sub Total	68,193.56	1,159.74	87.26	69,266.04	33,846.73	5,651.52	28.21	39,470.04	29,796.00	34,346.81
Intangibles - Software	234.62	4.74	0.00	239.36	183.29	21.56	0.00	204.85	34.51	51.33
TOTAL	68,428.18	1,164.48	87.26	69,505.40	34,030.02	5,673.08	28.21	39,674.89	29,830.51	34,398.14
Previous Year	67,868.81	839.12	279.76	68,428.17	25,419.42	8,622.90	12.30	34,030.02	34,398.15	42,449.39
The above includes the company's share in Joint Venture Assets	66,555.52	1,064.85	71.40	67,548.97	33,896.67	5,619.14	15.40	39,500.41	28,048.55	32,658.85
Previous Year	66,004.01	566.15	14.60	66,555.56	25,340.68	8,566.67	10.67	33,896.68	32,658.88	40,663.33

ONGC VIDESH LIMITED

SCHEDULE- 5

(₹in Million)

	As at 31st March 2010	As at 31st March 2009
PRODUCING PROPERTIES		
Gross Cost		
Opening Balance	64,427.97	51,959.96
Expenditure during the year	2,714.50	4,971.03
Transfer from Development & Exploratory Wells-in-Progress	1,404.43	5,018.87
Estimated Abandonment Costs	0.00	2,478.11
Total Gross (A)	68,546.90	64,427.97
Less: Depletion		
Opening Balance	18,576.07	13,674.35
Depletion for the year	4,649.41	4,901.74
Total Depletion (B)	23,225.48	18,576.09
NET PRODUCING PROPERTIES (A - B)	45,321.42	45,851.88

ONGC VIDESH LIMITED

SCHEDULE - 6

	(₹ in Million)	
	As at 31st March 2010	As at 31st March 2009
DEVELOPMENT & EXPLORATORY WELLS IN PROGRESS		
A. Development Wells in Progress		
Opening Balance	180.72	1,816.08
Addition during the year	1,704.92	3,161.28
Less: Transfer to Producing Properties	1,404.43	4,796.64
Development Wells in Progress (A)	481.21	180.72
B. Exploratory Wells in Progress		
Opening Balance	7,701.14	6,604.15
Addition during the year	3,196.85	4,208.01
Less: Transfer to Producing Properties	0.00	222.23
Less: Wells written off during the year	1,910.57	2,824.09
Less: Provision for Wells drilled during the year under Service Contract	25.96	64.70
Exploratory Wells in Progress (B)	8,961.46	7,701.14
DEVELOPMENT AND EXPLORATORY WELLS IN PROGRESS (A+B)	9,442.67	7,881.86

ONGC VIDESH LIMITED

SCHEDULE - 7

(₹ in Million)

	As at 31st March 2010	As at 31st March 2009
CAPITAL WORK IN PROGRESS		
Block 06.1, Vietnam	253.17	153.19
Block 127, Vietnam	0.00	92.54
Block 128, Vietnam	92.54	92.54
Sakhalin-1 Project, Russia	25,497.72	12,470.34
Block 5A, Sudan	1,447.25	821.51
Block 6, North Ramadan, Egypt	33.50	33.50
Block A1, Myanmar	1,236.07	302.84
Block A3, Myanmar	599.70	157.55
Block 81/1, Libya	0.00	268.92
Block 25, 26, 27, 28, 29, 36 and 35 (Part), Cuba	346.91	346.91
Block 1,2,3&4 (Area 43), Libya	408.90	408.90
Block AD 2, Myanmar	392.70	392.70
TOTAL	30,308.46	15,541.44

ONGC VIDESH LIMITED

SCHEDULE - 8

	No. of Shares/ Bonds/ Units	Face Value per Share/Bond/ Unit	As at 31st March 2010	(₹ in Million) As at 31st March 2009
INVESTMENTS				
Long Term Investments (Fully Paid Up) (At Cost)				
Trade Investments in Shares Unquoted				
<i>In Wholly Owned Subsidiaries:</i>				
ONGC Narmada Limited Equity Shares	20,000,000 (20,000,000)	1 (Naira)	6.94	6.94
ONGC Amazon Alaknanda Limited Equity Shares	12,000 (12,000)	1 (USD)	0.56	0.56
Preference Shares	437,488,000 (437,488,000)	1 (USD)	20,190.07	20,190.07
Jarpeno Limited Equity Shares *	1,350 (1,000)	1 (USD) 1 (Euro)	0.06	0.06
Preference Shares	192,210 (Nil)	10,000(USD)	86,744.37	0.00
Carabobo ONE AB Limited	1,000 (Nil)	100(SEK)	0.76	0.00
<i>In Partially Owned Subsidiaries:</i>				
ONGC Nile Ganga B.V. Equity Shares Class A	40 (40)	453.78 (Euro)	8,462.12	8,536.33
Equity Shares Class B	100 (100)	453.78 (Euro)	21,155.29	21,340.81
Equity Shares Class C	880 (5,500)	1 (Euro)	234.25	1,377.85
<i>In Jointly Controlled Entity:</i>				
ONGC Mittal Energy Limited Equity Shares	24,990,000 (24,990,000)	1 (USD)	1,113.72	1,113.72
Preference Shares	618 (618)	1 (USD)	246.12	246.12
TOTAL			138,154.26	52,812.46

*During the year 2009-10, the existing issued share capital of Euro 1000 divided into 1000 ordinary shares of Euro 1 each was converted to USD 1350 divided into 1350 shares of USD 1 each

**During the year against the funds for acquisition amounting to USD 192.10MM(Shown under Loans & Advances in the previous year, Jarpeno has issued 192,210 Optionally Convertible Redeemable Preference share(OC RPS) to the company

ONGC VIDESH LIMITED

SCHEDULE - 9

(₹ in Million)

As at 31st March 2010	As at 31st March 2009
-----------------------------	-----------------------------

INTEREST ACCRUED

(Unsecured, Considered Good unless otherwise stated)

Interest Accrued On

Deposits with Banks	0.37	0.06
Others	40.23	25.49

TOTAL

40.60

25.55

ONGC VIDESH LIMITED

SCHEDULE - 10

(₹ in Million)

		As at 31st March 2010		As at 31st March 2009
INVENTORIES				
(As taken, valued and certified by the Management)				
Finished Goods		10.36		11.92
Stores and Spares	1,910.06		1,632.26	
Less: Provision & Write off	<u>0.88</u>	1,909.18	<u>0.88</u>	1,631.38
(In respect of Joint Venture)				
Stores & Spares	0.00		6.92	
Less: Written-off to Net Realisable Value	<u>0.00</u>	0.00	<u>5.33</u>	1.59
TOTAL		<u>1,919.54</u>		<u>1,644.89</u>

ONGC VIDESH LIMITED

SCHEDULE - 11

	As at 31st March 2010	(₹ in Million) As at 31st March 2009
SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding for a period exceeding six months:		
Considered Good	0.00	0.00
Considered Doubtful	0.00	0.00
Other Debts:		
Considered Good	4,307.90	4,839.52
Considered Doubtful	0.00	0.00
TOTAL	<u>4,307.90</u>	<u>4,839.52</u>

ONGC VIDESH LIMITED

SCHEDULE - 12

(₹ in Million)

	As at 31st March 2010	As at 31st March 2009
CASH AND BANK BALANCES		
A. Cash Balances		
a) At New Delhi	0.28	0.09
b) At Overseas	0.07	0.09
B. Balances with Scheduled Banks		
a) On Current Account	4,223.81	3,264.76
b) On Deposit Accounts	93.28	132.69
C. Balances with Non-Scheduled Banks		
a) On SB Dollar Account with Bank for Foreign Trade of Vietnam, HCMC, Vietnam (Maximum balance during the year ₹615.44 Million Previous year ₹483.04 Million)	0.19	0.24
b) On SB VND Account with Bank for Foreign Trade of Vietnam, HCMC, Vietnam (Maximum balance during the year ₹0.15 Million Previous year ₹105.02 Million)	0.12	0.12
c) On Current Account with Bank of Moscow, Sakhalin (RUR) (Maximum balance during the year ₹ 0.02 Million Previous year 0.02)	0.00	0.02
d) On Current Account with Bank of Commerce & Development, Libya (USD) (Maximum balance during the year ₹2.56 Million Previous year ₹2.49 Million)	0.49	0.51
e) On Current Account with Bank of Commerce & Development, Libya (LD) (Maximum balance during the year ₹1.76 Million Previous year ₹2.12 Million)	0.88	0.35
f) On Current Account (USD) with Banco Financiero Internacional SA, Cuba (Maximum balance during the year ₹4.36 Million Previous year ₹28.96 Million)	0.45	0.45
g) On Current Account EN Bank, Tehran (AED) (Maximum balance during the year ₹0.00 Million Previous year 1.55 Million)	0.00	0.00
h) On Current Account EN Bank, Tehran (IRR) (Maximum balance during the year ₹ 1.36 Million Previous year 2.94 Million)	0.35	0.29
i) On Current Account EN Bank, Tehran (EUR) (Maximum balance during the year ₹ 0.90 Million Previous year 1.63)	0.03	0.10
j) On Current Account Banco de Credito Helm Financial Services , Colombia (COP) (Maximum balance during the year ₹ 9.89 Million Previous year 3.01 Million)	3.96	0.54
k) On Current Account Banco de Credito Helm Financial Services , Colombia (COP) (Maximum balance during the year ₹17.45 Million Previous year Nil Million)	8.73	0.00
l) On Current Account Royal Bank of Scotland, Astana Kazakhstan (USD) (Maximum balance during the year ₹ 3.38 Million Previous year 0.71)	1.01	0.10
m) On Current Account Royal Bank of Scotland, Sakhalin (USD) (Maximum balance during the year ₹ 0.17 Million Previous year 258.02 Million)	0.00	0.19
n) On Current Account Royal Bank of Scotland, Sakhalin (RUR) (Maximum balance during the year ₹2,864.00 Million Previous year ₹ 15,120.38 Million)	13.81	1.22
o) On Current Account Royal Bank of Scotland (RUR) (Maximum balance during the year ₹ 0.96 Million Previous year 0.63 Million)	0.26	0.40
p) On Current Account Royal Bank of Scotland (USD) (Maximum balance during the year ₹ 8.33 Million Previous year 8.75 Million)	6.76	5.94
q) On Current Account Royal Bank of Scotland (USD) (Maximum balance during the year ₹ 2836.58 Million Previous year 232.39)	108.20	145.38
D. Cash and Bank Balances (In respect of Joint Venture)	1,085.01	1,809.83
E. Deposit with Bank Under Site Restoration Fund Scheme	107.37	67.71
TOTAL	5,655.06	5,431.02

ONGC VIDESH LIMITED

SCHEDULE - 13

			(₹ in Million)	
	As at		As at	
	31st March		31st March	
	2010		2009	
LOANS AND ADVANCES				
A. Secured - Considered Good				
Loans and Advances to Employees	67.80		56.29	
B. Unsecured - Considered Good				
Carry Finance to Sudapet, Sudan	463.28		709.31	
Loans and Advances to Employees	29.73		51.53	
Advances recoverable in cash or in kind or for value to be received	449.24		3,378.85	
Receivable from ONGC Nile Ganga BV (Subsidiary Company)	148.34		102.92	
Receivable from ONGC Mittal Energy Ltd.	150.73		80.46	
Advance to ONGC Mittal Energy Limited	75.55		672.66	
Advance to Jarpeno Limited	942.90		100,721.92	
Advance to AB Startkapitalet nr 5636 (Carabobo ONE AB Limited)	1.12		0.00	
Loan to ONGC Narmada Limited (Subsidiary Company)	1,440.45		1,141.76	
Other Deposits	56.59		56.88	
VAT Receivable	360.43		90.02	
Investment in Lease	5,697.53		5,985.34	
Insurance Claims	0.00		388.96	
Unamortized Financial Charges on Commercial Papers	267.60		3,089.80	
Advances recoverable in cash or in kind or for value to be received (In respect of Joint Venture)	4,501.86		570.83	
Taxes (Income Tax, Wealth Tax and Fringe Benefit Tax) :				
Advance Payment of Income Tax	18,042.45		30,416.92	
Less: Provision	12,691.23	5,351.22	22,325.69	8,091.23
Unsecured - Considered Good (B)	19,936.57		125,132.47	
C. Unsecured - Considered Doubtful				
Carry Finance to Sudapet, Sudan	0.00		0.00	
Less: Provisions for Doubtful Loans and Advances	0.00	0.00	0.00	0.00
Carry Finance to Shell, Egypt (NEMED)	6,156.23		6,494.26	
Less: Provisions for Doubtful Advances and Claims	6,156.23	0.00	6,494.26	0.00
Unsecured - Considered Doubtful (C)	0.00		0.00	
LOANS AND ADVANCES (A+B+C)	20,004.37		125,188.76	

ONGC VIDESH LIMITED

SCHEDULE - 14

	As at 31st March 2010	(₹ in Million) As at 31st March 2009
CURRENT LIABILITIES		
Sundry Creditors for Supplies/ Works		
Due of micro enterprises and small enterprises	0.00	0.00
Other than micro enterprises and small enterprises	1,611.14	4,428.06
Deposits	113.97	1.36
Advance from Customers	132.12	166.55
Payable to Oil and Natural Gas Corporation Limited	6.21	8.98
Other Liabilities	2,051.55	1,492.15
Amount Payable to Operators	4,706.96	375.19
Deferred Credit on Gas Sales	3.61	5.99
Sundry Creditors for Supplies/ Works (In respect of Joint Venture)	7,911.27	8,977.78
TOTAL	<u>16,536.83</u>	<u>15,456.06</u>

ONGC VIDESH LIMITED

SCHEDULE - 15

(₹ in Million)

	Balance as at 1st April, 2009	Utilisation/ Reversal during the year	Provision made for the year	Balance as at 31st March'2010
PROVISIONS				
Gratuity	138.95	5.85	31.13	164.23
Leave Encashment	100.66	36.80	63.18	127.04
Post Retirement Medical Benefits/Other Terminal Benefits	44.51	0.00	15.03	59.54
Pay Revision Arrears	116.47	116.46	0.00	0.01
	<u>400.59</u>	<u>159.11</u>	<u>109.34</u>	<u>350.82</u>

ONGC VIDESH LIMITED

SCHEDULE - 16

(₹ in Million)

	2009-10	2008-09
SALES		
Crude Oil	40,554.77	55,441.86
Gas	7,156.28	6,286.75
Condensate	<u>1,462.66</u>	<u>1,680.79</u>
TOTAL	49,173.71	63,409.40
Less VAT	<u>816.44</u>	<u>799.39</u>
Net Sales	<u>48,357.27</u>	<u>62,610.01</u>

Note: Sales are shown on Entitlement basis and net of Government share of Profit Oil.

ONGC VIDESH LIMITED

SCHEDULE - 17

(₹ in Million)

	2009-10	2008-09
OTHER INCOME		
Interest Income on:		
On Deposits with Banks	39.16	126.49
(Tax deducted at source ₹0.07 Million previous year ₹0.50 Million)		
On Loans & Advances To Subsidiaries	257.18	54.56
Loans and Advances to Employees	2.94	2.40
Others	0.33	206.51
Lease Income	317.48	376.97
Profit on Redemption/ Sale of Investment	72.67	100.82
Miscellaneous Receipts	691.30	592.08
TOTAL	1,381.06	1,459.83

ONGC VIDESH LIMITED

SCHEDULE - 18

	(₹ in Million)		
	2009-10		2008-09
INCREASE/(DECREASE) IN STOCK (FINISHED GOODS)*			
Closing Stock	10.36 *		11.92
Opening Stock	11.92	155.11	
Less: Adjustment	<u>0.00</u>	<u>11.92</u>	<u>56.61</u>
			98.50
NET INCREASE/(DECREASE) IN STOCK	<u>(1.56)</u>		<u>(86.58)</u>

*As taken, valued and certified by the Management

ONGC VIDESH LIMITED

SCHEDULE - 19

	2009-10	2008-09
PRODUCTION, TRANSPORTATION, SELLING AND DISTRIBUTION EXPENDITURE		
Transportation Expenditure	2,707.99	3,236.59
Production Expenditure	5,281.33	4,688.36
Royalty	3,156.41	4,543.69
Service Tax and Other Levies	4.39	50.34
Staff Expenditure	751.92	813.15
Rent	26.53	29.62
Repair & Maintenance	44.09	23.84
Insurance	53.62	21.35
Others	271.68	521.27
TOTAL	12,297.96	13,928.21

Note: The above expenses have been reclassified in accordance with Part II of Schedule VI to the Companies Act, 1956 and exhibited in Note -22 of Schedule '26'.

ONGC VIDESH LIMITED

SCHEDULE - 20

(₹ in Million)

		2009-10		2008-09
DEPRECIATION, DEPLETION AND AMORTISATION				
Depreciation Others	5,651.52		8,465.54	
Amortisation - Intangibles	21.56		57.43	
Less: Capitalised	<u>2,818.27</u>	2,854.81	<u>6,261.91</u>	2,261.06
Depletion		4,649.41		4,901.74
Survey Expenditure		2,092.95		4,740.50
Dry Wells Written Off		1,910.57		2,824.09
Pre-Acquisition Expenses		219.80		726.53
TOTAL		<u>11,727.54</u>		<u>15,453.92</u>

ONGC VIDESH LIMITED

SCHEDULE - 21

(₹ in Million)

	2009-10	2008-09
FINANCING COSTS & FOREIGN EXCHANGE FLUCTUATION		
A. Interest On		
Loan from Oil and Natural Gas Corporation Limited	0.00	6,604.13
Less: Capitalised	<u>0.00</u>	<u>284.73</u> 6,319.40
Amortized Financial Charges on Commercial Papers	3,249.92	856.47
Interest on Bonds	522.42	0.00
Others	<u>0.06</u>	<u>4.13</u>
Sub-Total	<u>3,772.40</u>	<u>7,180.00</u>
B. Foreign Exchange Fluctuation		
Net Exchange Variation for the Year	1,679.86	(1,117.02)
TOTAL	<u>5,452.26</u>	<u>6,062.98</u>

ONGC VIDESH LIMITED

SCHEDULE - 22

(₹ in Million)

	2009-10	2008-09
PROVISIONS AND WRITE-OFFS (NET)		
Provisions for Doubtful Debts/Claims	0.00	1,831.09
Provision for Wells drilled under Service Contract	25.96	64.70
Provision for Abandonment	0.00	0.00
Provision for Non Moving Inventory	0.00	0.00
Excess Provisions Written Back	(11.69)	(380.91)
Acquisition Cost Written off	361.46	1,260.64
Other Write Off	926.00	102.18
TOTAL	1,301.73	2,877.70

Note: The above expenses have been reclassified in accordance with Part II of Schedule VI to the Companies Act, 1956 and exhibited in Note -22 of Schedule '26'

ONGC VIDESH LIMITED

SCHEDULE - 23

(₹ in Million)

	2009-10	2008-09
ADJUSTMENTS RELATING TO PRIOR PERIOD (NET)		
A. Expense		
Survey Expenses	0.00	0.00
Dry Wells Expenses	0.00	0.00
Other Expenses	16.98	1.14
Depreciation	0.00	99.93
Depletion	0.00	0.00
TOTAL	16.98	101.07

ONGC VIDESH LIMITED

SCHEDULE - 24

(Amount In ₹)

	2009-10	2008-09
EARNING PER EQUITY SHARE		
Basic and Diluted Earnings Per Equity Share	117.11	144.27
(Per Share of ₹ 100 each)		

Note: Earnings Per Equity Share has been computed by dividing the net profit after taxation of ₹11,711.28 Million (Previous Year ₹14,426.80 Million) by weighted average number of equity shares of 100,000,000 (Previous year 100,000,000)

Debit Service Coverage Ratio	0.46	0.00
Interest Service coverage Ratio	6.02	0.00

ONGC VIDESH LIMITED

SCHEDULE -25

Significant Accounting Policies

1. Accounting Conventions:

The financial statements are prepared under the historical cost conventions in accordance with Generally Accepted Accounting Principles (GAAP). The company follows Successful Efforts Method as per the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India, and the provisions of the Companies Act, 1956. Generally, revenues are recognized on accrual basis with provision made for known losses and expenses.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

3. Acquisition, Exploration, Development, Abandonment and Production Costs:

3.1 Acquisition Cost:

Acquisition costs of an oil and gas property in exploration/development stage are taken to capital work in progress. Such costs are capitalized by transferring to Producing Property when it is ready to commence commercial production. In case of abandonment of the property, such costs are expensed. Acquisition costs of a producing oil and gas property are capitalized as Producing Property.

3.2 Survey Costs:

Cost of Surveys and prospecting activities conducted in the search of oil and gas are expensed in the year in which these are incurred.

3.3 Exploratory/Development Wells in Progress Costs:

3.3.1 Exploration costs involved in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratigraphic test wells are initially taken to capital work in progress as exploratory wells in progress till the time these are either capitalized to producing properties when ready to commence commercial production or expensed when determined to be dry or of no further use, as the case may be.

3.3.2 All costs relating to development wells, development type stratigraphic test wells, service wells, are initially taken to capital work in progress as development wells



ONGC VIDESH LIMITED

in progress and capitalized to producing properties when ready to commence commercial production.

- 3.3.3 Exploratory wells in progress which are more than two years old from the date of completion of drilling are charged to Profit and Loss Account except those wells which have proved reserves and the development of the fields in which the wells are located; has been planned.

3.4 Abandonment Costs:

Costs relating to dismantling, abandoning and restoring well sites and allied facilities are provided as abandonment costs based on the provisions under respective agreements governing company's activities in the field/ projects.

3.5 Production Costs:

Production costs include pre-wellhead and post-wellhead expenses including depreciation and applicable operating costs of support equipment and facilities.

4. Producing Properties:

- 4.1 Producing properties are created in respect of a field/project having proved developed oil and gas reserves when any well in the field/project is ready to commence commercial production. Development wells are capitalized to producing properties when ready to commence commercial production.
- 4.2 All acquisition costs, cost of successful exploratory wells and of all development wells, all related development costs including depreciation on support equipment and facilities and estimated future abandonment costs relating to producing properties are capitalized as Producing Properties.

5. Depletion of Producing Properties:

Producing properties are depleted using the "Unit of Production Method". The rate of depletion for all capitalized costs is computed with reference to the field/project/amortization base by considering the related proved and developed reserves excepting for acquisition costs which are depleted by considering the proved reserves. These reserves are estimated annually.



ONGC VIDESH LIMITED

6. Side tracking

- 6.1 The cost of abandoned portion of side tracked exploratory wells is charged to Profit and Loss Account as dry wells.
- 6.2 The cost of abandoned portion of side tracked development wells is considered as part of cost of development wells.
- 6.3 The cost of sidetracking in respect of existing producing wells is capitalized if it increases the Proved Developed Reserve otherwise, Charged to Profit and Loss Account as workover expenditure.

7. Impairment:

- 7.1 Producing Properties, Development Wells in Progress (DWIP) and Fixed Assets (Including Capital Works in Progress) of a “Cash Generating Unit” (CGU) are reviewed for impairment at each Balance Sheet date. In case, event and circumstances indicates any impairment, recoverable amount of these assets is determined, being the higher of net selling price and value in use. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount by writing down such assets to their recoverable amount. In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.
- 7.2 An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, is allocated to its assets on a pro-rata basis. Subsequent to impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.

8. Joint Ventures:

- 8.1 The Company has entered into overseas joint ventures with others. In such joint ventures as per the contractual arrangements, the Company shares control with other venturers. The financial statements reflect the share of the Company’s assets and liabilities as well as income and expenditure of Joint Venture Operations which are accounted for as per various joint venture agreements on a line by line basis along with similar items in the Company’s financial statements, except in case of leases, abandonment, impairment, depletion and depreciation which are accounted based on accounting policies of the Company.
- 8.2 The reserves of hydrocarbons in the joint ventures are taken in proportion to the participating interest of the Company.



ONGC VIDESH LIMITED

9. Fixed Assets:

- 9.1 Fixed assets (including those taken on finance lease, support equipment and facilities) are stated at historical cost.
- 9.2 All costs relating to acquisition of fixed assets till the time of commissioning of such assets are capitalized.
- 9.3 Costs incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortized on written down value method beginning from the date of capitalization.

10. Depreciation:

- 10.1 Depreciation on fixed assets (including those taken on finance lease) is provided for under the written down value method in accordance with Schedule XIV to the Companies Act, 1956.
- 10.2 Leasehold land (other than perpetual lease and lease over 99 years) is amortized over the lease period.
- 10.3 Depreciation on adjustments to fixed assets on account of price variation is provided for prospectively over the remaining useful life of such assets.
- 10.4 Depreciation on fixed assets (including those taken on finance lease, support equipment and facilities) used for exploration and drilling activities and on facilities is initially capitalized as part of exploration or development costs and expensed/depleted as stated in policy 3 and 4 above.

11. Inventories:

- 11.1 Crude oil and condensate are valued at cost or net realizable value, whichever is lower.
- 11.2 Natural gas in pipeline and crude oil/condensate stock in flow lines/Gathering Stations are not valued.
- 11.3 Inventory of stores and spares is valued at Weighted Average Cost or net realizable value, if available, whichever is lower. Wherever, Weighted Average Cost or Net Realizable Value is not available, the cost made available by the Operator is considered for valuation of Stores and Spares. Provisions are made for obsolete and non moving inventories.



ONGC VIDESH LIMITED

12. Investments:

- 12.1 Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments.
- 12.2 Current investments are valued at lower of cost or fair value.

13. Foreign Currency Transactions and Foreign Operations:

- 13.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.
- 13.2 At each Balance Sheet date, foreign currency monetary items are translated using the average of the exchange rates prevailing on the balance sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such item was determined.
- 13.3 All exchange differences arising on the settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.
- 13.4 In respect of the Company's integral foreign operations:
 - (a) The foreign currency transactions on initial recognition in the reporting currency are recorded following the policy stated in 13.1. For practical reasons, the average exchange rate of the relevant month/quarter is taken for the transactions of the month/quarter in respect of joint venture operations, where actual date of transaction is not available.
 - (b) At each Balance Sheet date, monetary and non-monetary items are translated following the policy stated in 13.2.
 - (c) All exchange differences are treated following the policy stated in 13.3.
- 13.5 The financial statements of the non-integral foreign operations of the company are incorporated in the financial statements using the following principles:
 - (a) the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the average of the exchange rate prevailing on the date of the balance sheet;
 - (b) income and expense items of the non-integral foreign operation are translated at the average exchange rates for the period to which the financial statements relate; and



ONGC VIDESH LIMITED

- (c) all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operation.
- 13.6 Exchange differences arising on the company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of such investment, at which time they are recognized as income or as expenses.

14 Finance Leases:

14.1 Assets given on Lease:

- a) Assets given on finance lease are accounted for as per Accounting Standard (AS) 19 "Leases" issued by the Institute of Chartered Accountant of India. Such assets are included as a receivable at an amount equal to the net investment in the lease.
- b) Initial direct costs incurred in respect of finance leases are recognized in the statement of profit and loss in the year in which such costs are incurred.

14.2 Assets taken on Lease:

Assets taken on finance lease are capitalised and recognised at the lower of the fair value of the asset and the discounted value of the minimum lease installments. The lease payments are bifurcated into repayment and interest components, based on a fixed interest rate and installment as derived from the underlying agreement. The lease commitments are carried under liabilities exclusive of interest. The interest component is recognised in the profit and loss account in accordance with the lease installments.

15. Revenue Recognition:

- 15.1 Revenue from sale of products is recognized on transfer of custody to customers. Any difference as of the reporting date between the entitlement quantity minus the quantities sold in respect of crude oil (including condensate), if positive is treated as inventory and, if negative, is adjusted to revenue by recording the same as liability.
- 15.2 Sales are inclusive of all statutory levies and any tax liability of the Company that may be paid by the government based on the provisions under agreements governing Company's activities in the respective field/ project.
- 15.3 Any payment received in respect of short lifted gas quantity for which an obligation exists to supply such gas in subsequent periods is recognized as



ONGC VIDESH LIMITED

Deferred Revenue in the year of receipt. The same is recognized as revenue in the year in which such gas is actually supplied for the quantity supplied or in the year in which the obligation to supply such gas ceases, whichever is earlier.

- 15.4 Revenue in respect of fixed price contracts is recognized for the quantum of work done on the basis of percentage of completion method. The quantum of work done is measured in proportion of cost incurred to date to the estimated total cost of the contract or based on reports of physical work done.
- 15.5 Finance income in respect of assets given on finance lease is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.
- 15.6 Revenue in respect of interest on delayed realization is recognized when there is reasonable certainty regarding ultimate collection.

16 Transportation Costs:

Any payment made in respect of the quantity of gas short transported, for which the right exists to transport such gas in subsequent periods at no charge, is treated as Deferred Expenditure in the year of payment. The same is treated as cost in the year in which the gas is actually transported for the quantity transported or in the year in which the right to transport such gas ceases, whichever is earlier.

17. Employee Benefits:

- 17.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
- 17.2 Contribution to Provident Fund and Composite Social Security Scheme is made as per the rules of the parent company. The same is paid to funds administered through trusts.
- 17.3 Provisions for gratuity leave encashment and other employee benefits are made as per actuarial valuation at the end of the financial year. The same are not funded.

18. Borrowing Costs:

Borrowing Costs specifically identified to the acquisition or constructions of qualifying assets are capitalized as part of such asset till such time when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Account.



ONGC VIDESH LIMITED

19. Insurance Claims

The Company accounts for insurance claims as under:-

- 19.1 In case of total loss of asset by transferring, either the carrying cost of the relevant asset or Insurance value (subject to deductibles), whichever is lower under the head “Claims Recoverable - Insurance” on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Profit and Loss Account.
- 19.2 In case of partial or other losses, expenditure incurred/payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as “Claims Recoverable-Insurance”. Insurance Policy deductibles are expensed in the year when the corresponding expenditure is incurred.
- 19.3 As and when claims are finally received from Insurer, the difference, if any, between Claims Recoverable – Insurance and Claims received is adjusted to profit and loss Account.

20. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities, if material, are disclosed by way of notes to the accounts.

21. Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961/ other applicable tax laws.. Deferred Tax Liability / Asset resulting from ‘timing difference’ between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

22. Accounting for derivatives

As per the ICAI Announcement, Accounting for Derivatives, other than those covered under –AS-11, is done on marked to market basis and the losses are charged to Profit & Loss A/c. Unrealized gains are ignored.



ONGC VIDESH LIMITED

23. Goodwill Amortization:

Following prudent accounting, the Company amortizes Goodwill based on “Unit of Production Method” considering the related Proved Reserves.



ONGC VIDESH LIMITED

SCHEDULE – '26'

NOTES TO THE ACCOUNTS

1. Accounting Policies:

During the year, the Company elaborated/indicated accounting policies being followed in respect of

- (a) Depreciation
- (b) Foreign Currency Transactions and Foreign Operations
- (c) Finance Leases
- (d) Goodwill Amortization

2. Details of Joint Ventures:

The details of Company's significant joint ventures as on 31st March, 2010 are as under:

Sr. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members*	Operator*	Project Status
1.	Block 06.1 Project, Vietnam, Offshore	45%	British Petroleum - 35% Petrovietnam - 20%	British Petroleum	The project is under development and production.
2.	Sakhalin -1 Project, Russia, Offshore	20%	ENL - 30% SODECO - 30% SMNG - 11.5% R N Astra – 8.5%	ENL	The project is under development and production.
3.	Block 5A Project, Sudan, Onshore	24.125%	Petronas - 67.875% Sudapet – 8%	Petronas and Sudapet - Joint Operatorship	The project is under exploration, development and production.
4.	Block A-1 Project, Myanmar, Offshore	20%	Daewoo – 60% KOGAS - 10% GAIL - 10%	Daewoo	The project is under development.
5.	Block A-3 Project, Myanmar, Offshore	20%	Daewoo – 60% KOGAS - 10% GAIL - 10%	Daewoo	The project is under development.
6.	Farsi Block Project, Iran, Offshore	40%	IOC – 40% OIL - 20%	OVL	The project 's exploration service contract ended on 24 June 2009 and negotiations for development service contract are going on.
7.	Block NC-189, Libya Onshore	49%	TPOC - 51%	TPOC	Block NC-189 is under exploration.



ONGC VIDESH LIMITED

8.	Block XXIV Project, Syria, Onshore	60%	IPRMEL - 40%	IPR MEL	The project is under exploration and development.
9.	Block 6 North Ramadan Project, Egypt, Offshore	70%	IPR Red Sea – 30%	IPR Red Sea	The project is under exploration and appraisal.
10.	Block 25-29, 35 (Part) & 36 Project, Cuba, Offshore	30%	Repsol YPF – 40% Stat Oil – 30%	Repsol YPF	The project is under exploration.
11.	Khartoum–Port Sudan Pipeline Project, Sudan	90%	OIL - 10%	OVL	The pipeline has been completed and is under lease.
12.	Block NEMED, Egypt. Offshore,	33%	Shell – 51% Petronas – 16%	Shell	The project is under exploration and appraisal.
13.	Block RC-8, Colombia, Offshore	40%	Ecopetrol - 40% Petrobras – 20%	OVL	The project is under exploration
14.	Block RC-9, Colombia, Offshore	50%	Ecopetrol - 50%	Ecopetrol	The project is under exploration
15.	Block RC-10, Colombia, Offshore	50%	Ecopetrol - 50%	OVL	The project is under exploration
16.	Block SSJN-7, Colombia	50%	Pacific - 50%	Pacific	The project is under exploration

***Abbreviations used:** British Petroleum – BP Exploration Operating Company Limited; Daewoo – Daewoo International Corporation; Ecopetrol – Ecopetrol S.A, Colombia; ENL – Exxon Neftegas Limited; GAIL – GAIL (India) Limited; IOC – Indian Oil Corporation Limited; IPRMEL – IPR Mediterranean Exploration Limited; IPR Red Sea – IPR Energy Red Sea Inc.; KOGAS – Korea Gas Corporation; OIL – Oil India Limited; Petrobras – Petrobras Colombia Ltd; Shell – Shell Egypt Deepwater B.V.; Pacific - Pacific Stratus Energy, Colombia ; Petronas – Petronas Carigali Overseas Sdn Bhd; Petrovietnam – Vietnam Oil and Gas Group; Repsol YPF – Repsol YPF Cuba SA; SMNG – Sakhalinmorneftegas Shelf; SODECO – Sakhalin Oil Development Company Limited; Sudapet – Sudapet Limited; TPOC – Turkish Petroleum Overseas Company Limited



ONGC VIDESH LIMITED

3. Company's Share in Joint Ventures:

The Company's share of assets, liabilities, income and expenses in the Joint Ventures as furnished by the operator has been incorporated in the financial statements as given below:

(₹ in Million)

Project	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Exploratory and Development Wells in Progress	Current Assets	Cash and Bank Balance	Liabilities	Income	Expenditure* (Including depreciation)
A. Audited as of the Reporting Date									
Block 5A, Sudan	2014.03	5332.98	1447.25	1308.12	1177.64	251.57	436.33	2962.58	1900.32
Block 5B, Sudan	3.82	0	0	0	0	0	0	0	-42.05
Farsi Block Iran	0.41	0	0	1444.66	0.71	1.63	168.27	0.37	24.12
Sudan Pipeline	0	0	0	0	4470.76	8.02	1491.79	325.79	-283.4
Block 06.1 Vietnam	1659.59	2988.33	253.17	15.41	1575.83	1.18	928.06	7413.68	3874.65
Total (A)	3677.85	8321.31	1700.42	2768.19	7224.94	262.4	3024.45	10702.42	5473.64
B. Audited as of 31 December 2009									
Sakhalin 1 Russia#	24347.64	37000.11	25497.72	1280.84	11625.42	129.02	16185.27	38907.22	21577.4
Block 6 North Ramadan, Egypt	3.98	0	33.5	1204.23	67.9		10.59		78.28
Block RC-8, Colombia	0.03	0	0	0	0	10.32	21.02	0	52.66
Block RC-10, Colombia	0.04	0	0	0	0	0	38.24	0	91.64
Blocks 25-29, 35 (Part) & 36, Cuba	0	0	346.91	121.74	62.43	0	10.31	0	48.22
Total (B)	24351.69	37000.11	25878.13	2606.81	11755.75	139.34	16265.43	38907.22	21848.20
C. Unaudited									
Block A-1, Myanmar	5.79	0	1236.07	1096.69	103.8	0	102.18	0	55.78
Block A-3, Myanmar	4.06	0	599.7	675.58	25.99	0	37.26	0	35.75
Block XXIV, Syria	7.51	0	0	449.15	36.83	0	106.26	2.7	-2.84
Block NC-189, Libya	1.66	0	0	0	37.84	0	30.20	0	514.95
Block NEMED, Egypt.	0	0	0	2788.67	58.02	0	27.95	0	69.38
Block RC-9, Colombia	0	0	0			0	0.03	0.64	181.57
Block MTPN, Congo	0	0	0	0	10.61	0	59.62	0	470.95
Block SSJN-7, Colombia	0	0	0	0		0	0	0	31.40
Total (C)	19.02	0	1835.77	5010.09	273.09	0	363.50	3.34	1356.94
Grand Total (A+B+C)	28048.56	45321.42	29414.32	10385.09	19253.78	401.74	19653.38	49612.98	28678.78

*Represents expenditure as per joint venture statement. In the accounts of the Company, the amount is reflected after netting off as per the Accounting Standard (AS) 27 viz. Financial Reporting of interests in Joint Ventures.

Amounts for the period Jan-March 2010 for Sakhalin are provisional.

The Company's share of assets, liabilities, incomes and expenses has been converted into the reporting currency at the average exchange rate over the period for which the details are provided by the Operators. Generally the details are provided by the operators on monthly basis except in respect of Sakhalin-1, Russia Project, where the details are provided by the Operator on quarterly basis.



ONGC VIDESH LIMITED

4. Title to Fixed Assets under Production Sharing Agreements:

The Company, in consortium with other partners (Consortium) carries on its business in respect of exploration, development and production of hydrocarbons under agreements with the host governments. Several of these agreements, governing Company's activities in the fields / projects, provide that the title to the fixed assets and other ancillary installations shall pass to host Government or its nominated entities either upon acquisition / first use of such assets or upon 100% recovery of such costs through allocation of "Cost Oil" and "Cost Gas" or upon relinquishment of the relevant contract areas or termination of the relevant agreement. However, as per the terms of the agreements, the Consortium and/ or Operator has the custody of all such assets and is entitled to use, free of charge all such assets for Petroleum Operations till the full term of the respective agreements. The Consortium also bears the custody and maintenance of such assets and all risks of accidental loss and damage and all costs necessary to maintain such assets and to replace or repair such damage or loss. Under the circumstances, such assets are kept in the records of the Company till the full term of the respective agreements.

5. Block 5A, Sudan:

During the year, total crude oil sales (including receivables) were ₹ 2,954.41 Million (Previous year ₹ 5,042.10 Million). Sales include the amount adjusted in kind by the transporter on account of quality bank compensation. Pending finalization of the transportation agreement with the transporters, the treatment in respect of transport charges and quality bank compensation has been carried out based upon the invoices of the transporter. The closing stock of crude oil till the Delivery Point has not been considered in view of the contractual arrangement that it remains the property of the State until the Delivery Point.

The Company carried the share of investment of Sudapet, a company owned by the Government of Sudan, for its 3.375% share in Block 5A till the commencement of first commercial production. The carried amounts are repayable without interest out of the production share of Sudapet as per the terms of the Exploration and Production Sharing Agreement (EPSA). Currently, Block 5A is under production and development and due to certainty of the recovery, the net carried amount of USD 10.27 Million equivalents to ₹ 46.28 Million (Previous year ₹ 812.46 Million) has been shown as Loans and Advances in Schedule 13.

6. Khartoum - Port Sudan Pipeline Project:

The Company had completed the execution of the 12"X741 Kms multi-product pipeline from Khartoum Refinery to Port Sudan for the Ministry of Energy and Mining of the Government of Sudan (MEM) on Build, Own, Lease and Transfer (BOLT) basis and handed over the same to MEM during the financial year 2005-06. The project was implemented in consortium with Oil India Limited, Company's share being 90%.

The EPC Contractor executing the project claimed additional costs aggregating to ₹1,676.46 Million (Previous year ₹ 1,894.15 Million), Company's share being ₹ 1,508.82 Million, (Previous year ₹ 1,704.73 Million), which have not been accepted by the Company. However, the claims have been forwarded to MEM for their approval for an aggregate amount of receivables from MEM of ₹ 2,083.95 Million (Previous year ₹ 2,354.55 Million), Company's share being ₹ 1,875.56 Million (Previous Year ₹ 2,119.10 Million). The EPC Contractor has initiated



ONGC VIDESH LIMITED

arbitration with a claim for USD 25.49 Million (₹ 1,150.24 Million) plus interest against the Company. Pending settlement with the EPC Contractor, an amount of ₹ 1,035.22 Million, being the Company's share out of ₹ 1,150.24 Million has been shown as liability. No revenue in this respect has been recognized pending final approvals by MEM. OVL has served a pre-arbitral notice on MEM, Government of Sudan, which is a statutory requirement prior to initiating any legal proceedings in Sudan.

The payment under the contract would be received over a period of 10 years with a moratorium of one year from the date of the contract i.e. 30 June, 2004 in 18 equal semi-annual installments along with lease rental. The lease period commenced from the date of handing over of the pipeline system and will continue till all payments by MEM are completed. All titles in the works and the transportation system shall vest in the Company and the title shall pass to MEM in proportion to the payments made by MEM against total payments due to Company under the contract. Further, subject to regular payments on due dates by MEM to the Company, MEM shall have the exclusive right to use and operate the pipeline system and the Company shall not assign, transfer, sub-let, sub-contract, mortgage or create any rights to any third party or encumbrances or make any disposition to any third party. Accordingly, the amount of net investment in the lease (i.e. aggregate of Minimum Lease Payments MINUS Unearned Finance Income) is recognized and recorded as receivables under the lease. The finance income thereon has been recognized based upon the pattern reflecting the constant periodic rate of return on the outstanding net investment in the lease.

The first nine installments due under the contract till the reporting date have been received.

The disclosure in accordance with the Accounting Standard (AS) 19 viz. Leases is as under:

(₹ in Million)

Particulars	31 March, 2010		31 March, 2009	
	Gross	Net	Gross	Net
a) Reconciliation between the total gross investment in the lease and the present value of minimum lease payments as at year end				
- Not later than one year	1,139.51	886.75	1,287.47	943.03
- Later than one year and not later than five years	3,988.27	3,576.08	5,149.87	4,408.72
- Later than five years	0.00	0.00	643.74	633.59
Total	5,127.78	4,462.83	7,081.08	5,985.34
b) Unearned Finance Income	664.95		1,095.74	
c) Unguaranteed residual value accruing to Company's benefit	Nil		Nil	
d) Accumulated provision for uncollectible minimum lease payments receivable	Nil		Nil	
e) Contingent rents recognised in the	Nil		Nil	



ONGC VIDESH LIMITED

statement of profit and loss for the period		
f) General description of the significant leasing arrangement	As described in para above	As described in para above
g) Accounting Policy followed in respect of initial direct costs	As per Accounting Policy 14.1(b)	As per Accounting Policy 14.2

7. Farsi Block, Iran:

In respect of Farsi Block, Iran, the Company in consortium with other partners has entered into an Exploration Service Contract (ESC) with National Iranian Oil Company (NIOC) on 25 December 2002. In pursuance to the committed work program, the Company carried out the commerciality studies in respect of the BB area and FB area. The commerciality report for Farzad-B Gas Field was submitted to NIOC on 23 December 2007 and further the feasibility report of BB Area was submitted to NIOC on 26 November 2008. NIOC has announced the Date of Commerciality for Farzad-B as 18 August 2008. The Master Development Plan for Farzad-B Gas Field has been submitted on 18 April, 2009. The Company had invested ₹1,444.66 million till 31 March 2010 in the project including an expenditure of ₹25.96 million during 2009-10. Necessary provision has been made and shown in Schedule 22.

8. MTPN , Congo Block:

OVL under a Swap deal with ENI acquired 20% Participating Interest in Mer Très Profonde Nord (MTPN) Block in offshore Congo (Brazzaville) with effect from 1 August 2006. The discovered contingent resources were well below the threshold volumes for commercial development at a water depths of more than 2700 mts. In view of the foregoing, partners submitted to DGH, Congo an application for relinquishment of the Block at the end of third and final exploration period on 31 December 2009. The approval of the same is awaited. The expenditure on the drilling of well has been written off during the year as a dry well and has been shown in Schedule 20.

9. Block 81-1, Libya:

The Company had acquired 100% Participating Interest in Block 81-1, in Libya during the year 2005-06. During the year, the Company completed the interpretation of the newly acquired 811 LKM of 2D data and 502 sq. km of 3D data. The Company intends to withdraw from the Block at the end of the first phase of exploration which ends on 9 December, 2010. Necessary provision of ₹ 180.52 Million (USD 4 Million) has been made for the Company's unfulfilled commitment of drilling one well in the Block and included in Schedule 22 as "Other Write Off". The Company has written off the acquisition cost of the project which has been shown in Schedule 22 as "Acquisition Cost Written Off".



ONGC VIDESH LIMITED

10. Block 127, Vietnam:

The Company had acquired 100% Participating Interest in Block 127, in Vietnam during the year 2006-07. During the year the Company completed the drilling of an unsuccessful exploratory well. The Company has decided not to seek further extension of the Block at the end of the extended first phase of the exploration period which ended on 31 December, 2009. Accordingly, expenditure on the drilling of well has been written off during the year as a dry well and has been shown in Schedule 20. Also provision has been made for ₹676.95 Million (USD 15.00 million) for unfulfilled commitment of drilling an exploration well and included in Schedule 22 as "Other Write Off". The Company has written off the acquisition cost of the project which has been shown in Schedule 22 as "Acquisition Cost Written Off".

11. Project Carabobo:

The consortium of ONGC Videsh Limited ("OVL", 11.0%), Indian Oil Corporation Limited ("IOC", 3.5%), Oil India Limited ("OIL", 3.5%), Repsol YPF ("Repsol", 11.0%) and Petroliam Nasional Berhad ("PETRONAS", 11.0%), was awarded by the Government of Venezuela 40% ownership interest in an "Empresa Mixta" (or "Mixed Company") which will develop the Carabobo 1 Norte and Carabobo 1 Centro blocks located in the Orinoco Heavy Oil Belt. The Corporación Venezolana del Petróleo ("CVP"), a subsidiary of Petróleos de Venezuela S.A. ("PDVSA"), Venezuela's state oil company, will hold the remaining 60% equity interest. A wholly owned subsidiary of the Company, Carabobo One AB was incorporated in Sweden on 25 February 2010. Petro Carabobo Ganga B.V. a wholly owned subsidiary of Carabobo One AB was incorporated in the Netherlands on 26 February 2010. Petro Carabobo Ganga B.V. will hold 11% shares in the Mixed Company. The Mixed Company contract for the development and production from Carabobo-1 Project was signed on 12 May 2010 in Caracas.

12. The company has assessed indicators for impairment and no indication for impairment in any of the Cash Generating Units were found except the Company's investment in Jarpeno Limited where 2P reserve have been revised downwards as per the consultants (D&M) report for the year 2009. Accordingly, the investment in Jarpeno limited was tested for impairment in accordance with AS-28 based on value in use method, which indicated no impairment as value in use was more than the carrying value.



ONGC VIDESH LIMITED

13. Details of Reserves:

(a). Company's share of Proved Reserves in respect of different projects as on 31 March, 2010 is as under:

Project	Details	Crude Oil* (Million Tonne)	Gas (Billion Cubic Meter)	Total Oil Equivalent** (Million Tonne)
Block 06.1, Vietnam	Opening	0.752	14.756	15.508
	Addition	-	-	-
	Deductions/ Adjustments	-	-	-
	Production	0.042	1.967	2.009
	Closing	0.710	12.789	13.499
Sakhalin-1, Russia	Opening	37.946	70.146	108.092
	Addition	0.535	0.236	0.771
	Deductions/ Adjustments	-	-	-
	Production	1.532	0.390	1.922
	Closing	36.949	69.992	106.941
Block 5A, Sudan	Opening	6.584	-	6.584
	Addition	0.234	-	0.234
	Deductions/ Adjustments	-	-	-
	Production	0.247	-	0.247
	Closing	6.571	-	6.571
North Ramadan, Egypt	Opening	0.455	-	0.455
	Addition	-	-	-
	Deductions/ Adjustments	-	-	-
	Production	-	-	-
	Closing	0.455	-	0.455
BLOCK-24, SYRIA	Opening	-	-	-
	Addition	1.815	-	1.815
	Deductions/ Adjustments	-	-	-
	Production	-	-	-
	Closing	1.815	0.000	1.815

* Crude Oil includes Condensate.

** For calculating "Oil Equivalent" 1,000M³ of Gas has been taken to be equal to 1 Tonne of Crude Oil.



ONGC VIDESH LIMITED

(b). Company's share of Proved and Developed Reserves in respect of different projects as on 31 March, 2010
is as under:

Project	Details	Crude Oil* (Million Tonne)	Gas (Billion Cubic Meter)	Total Oil Equivalent** (Million Tonne)
Block 06.1, Vietnam	Opening	0.743	11.201	11.944
	Addition	-	-	-
	Deductions/ Adjustments	-	-	-
	Production	0.042	1.967	2.009
	Closing	0.701	9.234	9.935
Sakhalin-1, Russia	Opening	11.146	12.093	23.239
	Additions	-	0.001	0.001
	Deductions/ Adjustments	-	-	-
	Production	1.532	0.390	1.922
	Closing	9.614	11.704	21.318
Block 5A, Sudan	Opening	4.234	-	4.234
	Additions	0.009	-	0.009
	Deductions/ Adjustments	-	-	-
	Production	0.247	-	0.247
	Closing	3.996	-	3.996

* Crude Oil includes Condensate.

** For calculating "Oil Equivalent", 1,000M³ of Gas has been taken to be equal to 1 Tonne of Crude Oil.

14. Segment information:

(₹ in Million)

Particulars	Asia		FSU Countries		Latin America		Africa		Unallocated		Grand Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
REVENUE												
External sales	6,784.92	6191.8	38,617.94	51376.11	0	0	2,954.41	5,042.10	0	0	48,357.27	62610.01
Inter Segment sales	0	0	0	0	0	0	0	0	0	0	0	0
Total Revenue	6,784.92	6191.8	38,617.94	51376.11	0	0	2,954.41	5,042.10	0	0	48,357.27	62610.01
Results	1,573.29	387.52	23,319.13	32,207.91	-454.07	-1,678.82	-1,423.68	-2,702.33	0		23,014.66	28,214.28
Segment results	1,573.29	387.52	23,319.13	32,207.91	-454.07	-1,678.82	-1,423.68	-2,702.33	0	0	23,014.66	28,214.28

ONGC VIDESH LIMITED

Unallocated corporate Expenses (Net)	0	0	0	0	0	0	0	0	-1,681.46	-3,065.27	-1,681.46	-3,065.27
Operating profit or (Loss)	1,573.29	387.52	23,319.13	32,207.91	-454.07	-1,678.82	-1,423.68	-2,702.33	-1,681.46	3,065.27	21,333.20	31,279.55
Interest expenses	0	0	0	965.7	0	0	0	308.59	-3,772.40	5,905.71	-3,772.40	7,180.00
Interest and other income	6.37	8.65	98.68	120.13	0.64	77.29	333.97	412.36	939.83	841.4	1,379.49	1,459.83
Income & other Tax	0	0	0	0	0	0	0	0	-7,229.02	11,132.59	-7,229.02	11,132.59
Profit / (loss) from ordinary activities	1,579.66	396.17	23,417.81	31,362.34	-453.43	-1,601.53	-1,089.72	-2,598.56	-11,743.05	-13,131.64	11,711.27	14,426.80
Net profit / (Loss)	1,579.66	396.17	23,417.81	31,362.34	-453.43	-1,601.53	-1,089.72	-2,598.56	-11,743.05	-13,131.64	11,711.27	14,426.80
Other information	0	0	0	0	0	0	0	0	0	0	0	0
Segment Assets	8,875.16	6,814.94	120,465.85	121,224.61	590.56	471.96	15,650.50	16,469.97	0	0	145,582.08	144,981.48
Unallocated Corporate Assets	0	0	0	0	0	0	0	0	139,402.71	148,634.06	139,402.71	148,634.06
Total Assets	8,875.16	6,814.94	120,465.85	121,224.61	590.56	471.96	15,650.50	16,469.97	139,402.71	148,638.06	284,984.79	293,615.53
Segment Liabilities	9,836.35	8,688.41	59,179.23	43,034.40	2,019.02	1,753.96	12,361.62	12,788.59	0	0	83,396.23	66,265.35
Unallocated Corporate Liabilities	0	0	0	0	0	0	0	0	142,103.15	167,624.34	142,103.15	167,624.34
Total	9,836.35	8,688.41	59,179.23	43,034.40	2,019.02	1,753.96	12,361.62	12,788.59	142,103.15	167,624.34	225,499.38	233,889.69
Capital Expenditure	2,285.40	634	18,567.79	19,660.61	49.42	50.53	575.64	976.19	47.48	20.43	21,525.73	21,341.77
Recouped cost	2,177.27	4,105.79	5,987.30	6,000.86	429.51	1,677.77	2,815.96	3,104.63	317.5	564.86	11,727.54	15,453.92
Non cash Exp.	0	0	0	0	0	0	0	0	0	0	0	0

Information about Secondary Business Segments (Product-wise):

(₹ in Million)

Revenue from	2009-10	2008-09
Crude Oil* and Natural Gas	48,357.27	62,610.01
Lease Finance Income	317.48	376.97

*Crude Oil includes Condensate.



ONGC VIDESH LIMITED

Notes:

- (i) Segments have been identified and reported taking into account the organization and management structure for internal reporting and significantly different risk and return perception in different geographical regions. These have been re-organized into five segments viz. Asia, FSU Countries, Latin America, Africa and Unallocated.
- (ii) The segment revenue in the business segment (Product-wise) is revenue from sale of Crude Oil and Natural Gas and Lease Finance Income.
- (iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. "Unallocated" includes common expenditure incurred for all the segments and expenses incurred at corporate level.
- (iv) Revenue figures are shown as net of VAT in 2009-10. Previous Year's figures have been revised accordingly.

15. Taxation:

(a) Deferred Tax Provision

- (i) The Net Deferred Tax Liability of the Company as at 31 March, 2010 is ₹ 3,786.09 Million (Previous year ₹ 3,482.23 Million). The difference of ₹303.86 Million has been adjusted to the current year's Profit and Loss Account.
- (ii) The item wise details of Net Deferred Tax Liability as on 31 March, 2010 accounted for in accordance with Accounting Standard (AS) 22 viz. Accounting for Taxes on Income are as under:

(₹ in Million)		
	As at 31 March, 2010	As at 31 March, 2009
Deferred Tax Assets :		
Carried Forward Expenditure U/S 42 of Income Tax Act, 1961	8,723.43	7,796.17
Amount disallowable U/S 43B of Income Tax Act, 1961	119.24	136.16
Total Deferred Tax Assets	8,842.67	7,932.33
Deferred Tax Liability :		
Difference in Net Block of Fixed Assets for Tax	12,628.76	11,414.56
Total Deferred Tax Liability	12,628.76	11,414.56
Net Deferred Tax Liability	3,786.09	3,482.23

(b) Current Tax provision

The provision for tax has been made for ₹6,925.16 Million (Previous year ₹ 12,123.57 Million), including the tax paid in respect of Sakhalin-1, Russia Project as well as taking into account the tax credit under India-Vietnam double tax avoidance agreement.



ONGC VIDESH LIMITED

(c) Tax Assessment

- i. The Company has appealed to Hon'ble Delhi High Court against the decision of Income Tax Appellate Tribunal for the Assessment Year 1981-82 to 1987-88 regarding disallowance of its claim for ₹ 94.04 Million (Previous year ₹ 94.04 Million) on account of depreciation, development allowance and receipt of interest on delayed payments in respect of Iran Project. However, pending decision the tax demand in this regard has already been paid by the Company.
- ii. The Company had filed appeals with Commissioner of Income Tax (Appeals) (CIT (Appeals)) against the disallowance of depreciation on acquisition costs of the projects and other expenses amounting to ₹ 3,958.54 Million, ₹ 3,006.17 Million, ₹ 3,470.29 Million, ₹.3, 212.03 Million and ₹. 4683.46 Million for assessment years 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07 respectively by the assessing officer. CIT (Appeals), while disposing off the appeals for assessment year 2002-03 and 2003-04 has partially allowed the disallowances. The Company filed appeals with the Income Tax Appellate Tribunal (ITAT) against the orders of CIT (Appeals). The Company got a favorable decision from ITAT for AY 2002-03 and all disallowances made by the AO have been deleted by ITAT. The Company has further filed an appeal in Honorable High Court of Delhi for AY 2002-03 for allowance of acquisition cost as revenue expenditure in the year of payment. Pending decision, no provision has been made for any additional tax liability that may arise.
- iii. For the assessment year 2005-06, the Company had claimed tax credit of ₹ 111.33 million under the India-Vietnam double tax avoidance agreement with respect to tax deemed to be paid. The claim was duly supported by report of a reputed accounting and tax firm in Vietnam and accepted by the assessing officer (AO). The CIT has issued an order dated 29 March 2010 holding the allowance of the credit to be erroneous and directed the AO to recompute the tax payable. The Company is of the view that the decision of the CIT is not in accordance with the law and proposes to contest the same. No provision has been made for the additional tax liability, if any, on this account.
- iv. The assessing officer has levied a penalty of ₹ 1046.81 Million for the assessment year 2003-04 in respect of the disallowances made by the assessing officer to the extent confirmed by CIT (Appeals). The Company has filed an application under Section 154 of the Income Tax Act, 1961 for rectification of penalty order on account of the mistakes apparent from the records and stay of demand application before AO. The Company has also filed an appeal with the CIT (Appeals) against the penalty order. No provision has been made for the additional tax liability, if any, on this account. The management is of the view that this penalty is not leviable and accordingly, no provision has been made for the liability, if any, on this account.
- v. During the current year, the assessing officer has raised net tax demand for ₹1556.92 million for assessment year 2006-07 (after adjusting refunds due for assessment year 2008-09) mainly on



ONGC VIDESH LIMITED

account of disallowance of depreciation on acquisition cost of participating interests. The Company has deposited ₹ 778.46 million in March 2010. The issues involved are principally the same as in earlier assessment years. Hence, the Company proposes to contest the tax demand. No provision has been made for additional tax liability, if any, on this account.

16. Disclosure pursuant to the clause 32 of the Listing Agreement:

(₹ In Millions)

Particulars	Loans & Advances in the Nature of Loans			
	2009-10		2008-09	
	Outstandng as on 31.03.2010	Maximum Amount Outstandng during the year	Outstandng as on 31.03.2009	Maximum Amount Outstandng during the year
a) Loans and advances to Subsidiaries				
i) Advance to ONGC Mittal Energy Limited	75.55	672.66	672.66	672.66
ii) Advance to Jarpeno Limited	942.90	108,466.44	100,721.92	100,721.92
iii) Advance to Carabobo one AB	1.12	-	-	-
iv) Loan to ONGC Narmada Limited	1,440.45	1,480.78	1,141.76	1,141.76
b) Loans to Associates	Nil	Nil	Nil	Nil
c) Loans having no repayment schedule or repayment schedule of more than seven years to employees	67.77	72.50	56.24	58.62
d) Loans having no interest or interest below section 372A of Companies Act	NA	NA	NA	NA
e) Investment by the loanee(borrower) in the shares of parent company and subsidiary company	Nil	Nil	Nil	Nil
f) Loan to firms/companies in which Directors are interested	Nil	Nil	Nil	Nil

17. Loans and Advances to Employees:

Loans and advances to employees include an amount of ₹ 0.14 Million (Previous Year ₹ 0.55 Million) outstanding from whole time Directors, Maximum outstanding during the year is Rs 0.27 Million (Previous Year ₹ 0.75 Million).

18. Capital Commitments:

(i) The Company either on its own or in consortium with other partners carries on its business in respect of exploration, development and production of hydrocarbons under agreements with the host governments. Several of these agreements provide for certain minimum work obligations/ certain minimum financial commitments over a period of time. The Company's share of such obligations/ commitments in respect of agreements where such obligations / commitments have not been completed as of the reporting date



ONGC VIDESH LIMITED

amounted to USD 129.66 Million equivalent to ₹ 5,851.65 Million (Previous year USD 249.48 Million equivalent to ₹ 12,721.18 Million). The Company is confident of meeting the obligations/ commitments.

(ii) Other Capital Commitments based upon the details provided by the operators: ₹ 1,900.49 Million (Previous year ₹ 728.94 Million).

19. Contingent Liabilities:

- (i) Liability for payment to contractual workers for regularization of their services is pending with Labor Court under civil suit. The amount of liability is not ascertainable.
- (ii) Claims not acknowledged as debt: ₹ 473.60 Million (Previous Year ₹ 533.22 Million). (Refer note 6 above).
- (iii) For corporate income-tax matters, attention is invited to note 15 above.
- (iv) A show-case notice was received on 17 March 2008 from the Service Tax authorities demanding service-tax amounting to ₹ 5.50 million with respect to certain services from foreign service providers during April 2002 to March 2006. The Company has obtained expert advice and submitted reply to the show-cause notice on 16 May 2008 (followed by personal hearing and further written submissions) maintaining that such tax is not payable by the Company. .
- (v) The Company has issued a Stand-by Letter of Credit in favour of Agencia Nacional do Petroleo (ANP), Brazil in respect of Blocks BM-S-73 and BM-ES-42 for an amount of USD 31.69 Million and USD 12.55 Million equivalent to ₹ 1430.17 Million and ₹ 566.38 Million respectively on behalf of ONGC Campos Ltda against the minimum work commitment. The validity of the Stand-by Letter of Credit is till 8 October 2010 in respect of Block BM-S-73 and till 7 October 2011 in respect of Block BM-ES-42. The Company is confident that ONGC Campos Ltda will be able to honor its obligations..
- (vi) The Company has issued a bank guarantee in favour of Union Cubapeotroleo, Cuba in respect of Block N 25 to 29, 35(part) and 36, Cuba for an amount of USD 6 million (equivalent to ₹. 270.78 Million) as performance guarantee for the fourth period of exploration. The validity of the Bank Guarantee is upto 19 December 2010.
- (vii) The Company has issued a bank guarantee in favour of ANH, Columbia in respect of Block CPO 5 for an amount of USD 10 million (equivalent to ₹451.30 Million) towards the fulfillment and execution of the Phase-1 commitments . The validity of the Bank Guarantee is upto 25 December 2010.
- (viii) The Company has issued a bank guarantee in favour of SPC, Syria in respect of Block 24 for an amount of USD 1.50 million (equivalent to ₹67.70 Million) towards entering the 1st extension to IEP. The guarantee is outstanding as on 31 March 2010.
- (ix) The Company has issued an irrevocable stand by letter of credit in favour of Agencia Nacional do Petroleo, Brazil in respect of Block BM-SEAL-4, Brazil for an amount of USD 3.33 Million (equivalent to



ONGC VIDESH LIMITED

₹. 150.28 Million) for the minimum exploration programme related to second exploratory period. The validity of the Bank Guarantee is upto 22 April 2011.

- (x) The Company has issued an irrevocable stand by letter of credit in favour of Agencia Nacional do Petroleo, Brazil in respect of Block BM-BAR-1, Brazil for an amount of USD 2.075 Million (equivalent to ₹93.64 Million) for drilling the second well during the second exploration phase. The validity of the Bank Guarantee is upto 16 March 2011.
- (xi) The Company has issued an irrevocable stand by letter of credit in favour of Bolivarian Republic of Venezuela Ministry of the Popular Power for Energy and Petroleum Venezuela in respect of Project Carabobo for an amount of USD 16.50 million (equivalent to ₹. 744.64 Million) as bid bond. The validity of the Bank Guarantee is upto 26 June 2010.
- (xii) The Company has received invoices from Japan Drilling Company (JDC), the drilling rig provider, in Block 128 relating to drilling operations for the period from 16 September 2009 to 5 October 2009 amounting to USD 4,987,047. The Company has observed and conveyed that invoices cannot be admitted since the contracted drilling slot had been terminated as at 16 September 2009. As JDC has not withdrawn the claim, the same is considered as a contingent liability as on 31 March 2010.
- (xiii) The Company has issued Stand By Letter of Credit in favour of ANH, Columbia in respect of Block SSJN 7, Columbia for an amount of USD 6.15 million (equivalent to ₹277.55 Million) to guarantee the fulfillment and the correct execution of all or some of the obligations of the phase I of the Exploration Period. The validity of the Bank Guarantee is upto 07 January 2011.
- (xiv) The Company has issued Letter of Credit for an amount of USD 2.06 Million, USD 2.57 Million and USD 2.57 Million equivalents to ₹ 92.97 Million, ₹115.98 Million and ₹ 115.98 Million in favour of Agencia Nacional de Hidrocarburos (ANH), Colombia in respect of Block RC-8, RC-9 and RC-10 respectively for fulfillment and correct execution of obligations during the Phase I Exploration Period under the Hydrocarbons Exploration and Production Agreement for its Participating Interest. The Company is confident of fulfilling its obligations arising under the contract.
- (xv) The Company has issued Corporate Guarantee in respect of Blocks AD-2, AD-3 & AD-9, Myanmar to Myanmar Oil & Gas Enterprise (MOGE) for an amount of USD 132 million (equivalent to ₹5,957.16 million) towards its commitment to discharge all obligations under the PSC.
- (xvi) The Company has issued Performance Guarantee in respect of concessionary contract for Block BC-10, Brazil and Blocks BM-S-73 and BM-ES-42 on behalf of ONGC Campos Ltda (OCL). The Company is confident that OCL will be able to honor its obligations.



ONGC VIDESH LIMITED

- (xvii) The Company has given a Performance Guarantee on behalf of Petro Carabobo Ganga B.V. to Government of Venezuela for a commitment of USD 1,333 Million in respect of Carabobo 1 Project.
- (xviii) All known contingent liabilities have been indicated. The contingent liabilities, if any, in respect of joint ventures, where the Company is the non-operator are not ascertainable except Sakhalin-1 where the Operator has intimated that the status of contingent liability is nil.

20. Market Borrowings:

(a) Debentures and Debentures Redemption Reserve

During the year., the Company has raised funds from the financial markets by issuance of non-convertible redeemable bonds as follows: :

(₹In Million)			
SI no	Particulars	Amount	Date of issue
01	8.40 % 5 Years Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series I	19,700	23 December 2009
02	8.54 % 10 Years Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series II	3,700	6 January 2010

The above securities have been listed in National Stock of India Ltd

Debenture redemption reserve amounting to ₹1068.07 Million (previous year Nil) has been created in respect of Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series I.

Debenture redemption reserve amounting to ₹86.12 Million (previous year Nil) has been created in respect of Unsecured Non Convertible Redeemable Bonds in the nature of Debentures- Series II.

(b) Commercial Papers

During the year, the Company has issued commercial papers as follows: :

(₹In Million)			
SI	Particulars	Amount	Date of issue
1	82 days commercial paper due 29 March 2010*	3,600	6 January 2010
2	159 days commercial paper due 14 June 2010	3,600	6 January 2010
3	251 days commercial paper due 14 Sep. 2010	3,650	6 January 2010
4	342 days commercial paper due 14 Dec. 2010	3,650	6 January 2010
	Total	14,500	

*Repaid on due date

The aggregate face value of commercial papers outstanding as on 31 March 2010 amounting to ₹ 10,900 million is disclosed in Schedule 3. Since the commercial papers are issued at discount to face value representing agreed yield, the finance charge pertaining to the period upto 31 March 2010 has been charged to Profit and Loss Account and disclosed in Schedule 21. The unexpired finance charge amounting to ₹ 267.60 Million is classified as loans and advances and disclosed in Schedule-13.

21. Loan from ONGC:



ONGC VIDESH LIMITED

During the year, Oil and Natural Gas Corporation Limited has decided not to charge any interest for the financial years 2009-10 and 2010-11 on the loans given by it to the Company. Accordingly, interest expenditure on loan from parent company during the year is Nil (Previous Year: ₹ 6604.17 Million).

22. Details of Production, Transportation, Selling and Distribution Expenditure (Schedule 19), and Provisions & Write Off (Net) (Schedule 22):

(₹ in Million)			
Sl no	Particulars	2009-10	2008-09
(i)	(a) Salaries, Wages, Ex-gratia, etc.	506.70	494.95
	(b) Contribution to Provident and other Funds	31.84	15.40
	(c) Provision for Gratuity	31.13	90.81
	(d) Provision for Leave Encashment	63.18	51.12
	(e) Provision of Medical/Terminal Benefits	15.03	11.23
	(f) Staff Welfare Expenses	<u>104.04</u>	<u>149.64</u>
	Sub-Total	751.92	813.15
(ii)	Rent	23.92	29.62
(iii)	Electricity, Water and Power	16.72	13.51
(iv)	Repairs to Building	0.00	0.05
(v)	Repairs to Plant and Machinery	0.00	0.00
(vi)	Other Repairs	6.93	5.42
(vii)	Hire Charges of Vehicles	24.08	118.35
(viii)	Professional Charges	15.56	26.98
(ix)	Telephone and Telex	11.40	11.14
(x)	Printing and Stationary	1.51	1.76
(xi)	Training and Seminar	0.10	6.72
(xii)	Business Meeting Expenses	12.79	7.11
(xiii)	Traveling Expenses	105.50	83.90
(xiv)	Insurance	53.62	21.35
(xv)	Advertisement and Exhibition Expenditure	7.40	5.01
(xvi)	Statutory Levies	820.82	849.73
(xvii)	Contractual Transportation	2707.99	3,236.59
(xviii)	Miscellaneous Expenditure	12.15	15.79
(xix)	Other Operating Expenditure *	4569.12	4,937.72
(xx)	Provisions for doubtful debts	0.00	1,831.09
(xxi)	Other Write offs	1301.74	1,046.62
(xxii)	Royalty	3156.41	4,543.69
	Total	13,599.69	17,605.30

* The Other Operating Expenditure (sl.no. (xix) above) includes the expenses in respect of Sakhalin-1, Russia project, where the above details are not made available by the Operator.



ONGC VIDESH LIMITED

23. Quantitative and other information pursuant to the provisions in Part II of Schedule VI to the Companies Act, 1956:

(i) Turnover

Revenue from	Unit	2009-10		2008-09	
		Quantity	Value (₹ in Million)	Quantity	Value (₹ in Million)
Crude Oil * @	Tonne	1,708,672	42,017.41	2,090,544	57,122.65
Gas*	000 M ³	1,237,508	7,156.28	1,137,582	6,286.75
Lease Finance	N.A.	N.A	317.48	N.A	376.97

*Company's entitlement based on actual delivery. In respect of Block 06.1, Vietnam Project, entitlements are reconciled on calendar year basis. Therefore, the entitlements from January to March 2010 are included based upon the estimate provided by the Operator.

@ Crude Oil includes Condensate.

(ii) Opening and Closing Stock of Goods Produced:

	As at 31 March, 2010		As at 31 March, 2009	
	Quantity (Tonne)	Value (₹ in Million)	Quantity (Tonne)	Value (₹ in Million)
Crude Oil @				
Opening Stock	4,490	11.92	17,392	155.11
Closing Stock*	3694	10.36	4,490	11.92

@Crude Oil includes Condensate

*includes the Underlift quantity of Crude Oil

(iii) Licensed Capacity, Installed Capacity and Actual Production

	Unit	2009-10		2008-09	
		Installed Capacity	Actual Production	Installed Capacity	Actual Production
Crude Oil * @	Tonne	Not applicable	1,821,126	Not applicable	2,183,638
Gas*	000 M ³	Not	2,357,093	Not	2,220,315

ONGC VIDESH LIMITED

	applicable	applicable	
--	------------	------------	--

* Company's participating share of production in Joint Ventures.

@ Crude Oil includes Condensate.

24. Expenditure in Foreign Exchange:

(₹ in Million)

Particulars	2009-10	2008-09
Import	NIL	NIL
Professional and Consultation Fee	246.03	624.06
Interest	.06	NIL
Others	42,686.80	28,630.00

25. Earnings in Foreign Exchange:

(₹ in Million)

Particulars	2009-10	2008-09
Export/ Sales (incl. advance received/ adjusted)	49,173.70	63,409.40
Royalty/Technical know-how	NIL	NIL
Interest	613.41	114.16
Dividend	NIL	NIL
Others	898.02	1,209.94

26. Managerial Remuneration:

(₹ in Million)

Particulars	2009-10	2008-09
Salary and Allowances	18.84	4.71
Contribution to Provident Fund	0.86	0.39
Other Benefits and Perquisites*	2.72	1.79
Total	22.42	6.89

* excludes provision by the holding company

Notes:

- a) In addition, Whole-time Directors are also allowed the use of Company car for private purposes up to 1000 Km/per month on payment of ₹ 780 per month for air-conditioned cars below 16 H.P.
- b) The remuneration does not include provision for gratuity and leave encashment since the same is not available for individual employee.
- c) During the year arrears related to pay revision wef 1 January 2007, performance related pay and revision of perquisites wef 26 November 2008 were paid, which are included in Salary and Allowances.



ONGC VIDESH LIMITED

27. Auditors' Remuneration:

(₹ in Million)

	2009-10	2008-09
Audit Fee	1.21	1.02
Tax Audit Fee	0.20	0.15
Certification Fee	0.22	0.02
Total	1.63	1.19

28. The expenditure incurred by Oil and Natural Gas Corporation Limited or its subsidiaries on behalf of the Company are accounted for on the basis of debit raised by them for which supporting documents are held by the respective parent company/subsidiaries.

29. The required disclosure under the Accounting Standard 15 (Revised) is given below:

(A) Brief Description: A general description of the type of Defined Benefit Plans is as follows:

(i) Earned Leave (EL) Benefit

Accrual -30 days per year

Encashment while in service-75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days

(ii) Good Health Reward (Half Pay Leave)

Accrual -20 days per year

Encashment while in service –Nil

Encashment on retirement - 50% of Half Pay Leave balance.

(iii) Gratuity

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 1.00 million.

(iv) Post Retirement Medical Benefits

Upon payment of one time prescribed contribution by the employees, full medical benefits on superannuation and on voluntary retirement subject to the completion of minimum 20 years of service and 50 years of age.

(V) Terminal Benefits

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Traveling Allowance. Employees are gifted a silver plaque also depending upon their level.



ONGC VIDESH LIMITED

(B) The amount recognized as expense for defined contribution plans are as under:

(₹ in Million)

Defined Contribution Plan	Expense Recognized during 2009-10	Contribution for Key Management Personnel during 2009-10	Expense Recognized during 2008-09	Contribution for Key Management Personnel during 2008-09
Contributory Provident Fund	31.84	0.80	15.40	0.30
Employee Pension Scheme -95	1.34	0.02	1.42	0.02
Composite Social Security Scheme	1.52	0.03	1.20	0.02

(C) The amount recognized in the balance sheet for post employment benefit plans are as under:

(₹ in Million)

Sl.	Particulars	Gratuity	Leave	Post Retirement Medical Benefits	Terminals Benefits
1	Present Value of Funded Obligation	-	-	-	-
		(-)	(-)	(-)	(-)
2	Fair Value of Plan Assets	-	-	-	-
		(-)	(-)	(-)	(-)
3	Present Value of Unfunded Obligation	164.23	127.04	54.74	4.79
		(138.95)	(100.66)	(41.46)	(3.04)
4	Unrecognized Past Service Cost	-	-	-	-
		(-)	(-)	(-)	(-)
5	Net Liability	164.23	127.04	54.74	4.79
		(138.95)	(100.66)	(41.46)	(3.04)

(D) The amount included in the fair value of plan assets of gratuity fund is as follows:

(₹ in million)

Defined Contribution Plan	Expense Recognized during 2009-10	Expense Recognized during 2008-09
Reporting Enterprise's own financial instruments	Nil	Nil
Any Property occupied by, or assets used by the reporting enterprise	Nil	Nil



ONGC VIDESH LIMITED

(E) Reconciliation showing the movements during the period in the net liability recognized in the balance sheet:

(₹ in Million)

Sl..	Particulars	Gratuity	Leave	Post Retirement Medical Benefits	Terminals Benefits
1	Opening defined benefit obligation	138.95 (49.65)	100.66 (61.23)	41.46 (30.63)	3.04 (2.65)
2	Current Service Cost	6.84 (5.90)	5.34 (4.43)	2.05 (1.62)	0.19 (0.13)
3	Past Service Cost	- (48.33)	- (-)	- (-)	- (-)
4	Interest Cost	10.42 (3.48)	7.55 (4.29)	3.11 (2.14)	0.23 (0.18)
5	Actuarial Losses (Gains)	13.86 (33.10)	50.29 (42.40)	8.12 (7.07)	1.33 (0.08)
6	Exchange differences on foreign plans	- (-)	- (-)	- (-)	- (-)
7	Benefits paid	-5.84 (-1.51)	-36.80 (-11.69)	- (-)	- (-)
8	Closing defined benefit obligation	164.23 (138.95)	127.04 (100.66)	54.74 (41.46)	4.79 (3.04)

(F) The total expenses recognized in the statement of profit and loss are as follows:

(₹ in Million)

Sl.	Particulars	Gratuity	Leave	Post Retirement Medical Benefits	Terminals Benefits
1	Current Service Cost	6.84 (5.90)	5.34 (4.43)	2.05 (1.62)	0.19 (0.13)
2	Interest on Obligation	10.42 (3.48)	7.55 (4.29)	3.11 (2.14)	0.23 (0.18)
3	Expected Return on plan assets	- (-)	- (-)	- (-)	- (-)
4	Net Actuarial Losses (Gains) recognised in year	13.86 (33.10)	50.29 (42.40)	8.12 (7.07)	1.33 (0.08)
5	Past Service Cost	- (48.33)	- (-)	- (-)	- (-)

ONGC VIDESH LIMITED

6	Losses (Gains) on curtailments and settlement	- (-)	- (-)	- (-)	- (-)
7	Total included in 'Employee Benefit Expense'	31.13 (90.81)	63.18 (51.12)	13.28 (10.83)	1.75 (0.39)
8	Actual return on Plan Assets	- (-)	- (-)	- (-)	- (-)

(G) Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

Sl.	Particulars	Gratuity	Leave	Post Retirement Medical Benefits	Terminals Benefits
1	Discount Rate	7.50% (7%)	7.50% (7%)	7.50% (7%)	7.50% (7%)
2	Expected Return on Plan Assets	- (-)	- (-)	- (-)	- (-)
3	Annual Increase in healthcare costs	- (-)	- (-)	- (-)	- (-)
4	Annual Increase in Salary	5% (5%)	5% (5%)	5% (5%)	5% (5%)

(H) Effect of 1.00 % increase and decrease in inflation rate on Post Retirement Medical Benefits as on 31st March 2010:

(₹ in Million)

	1.00 % (+)	1.00 % (-)
a) Effect on service and interest cost	1.05 (0.76)	-0.84 (-0.67)
b) Effect on Present Benefits Obligation (Closing)	10.47 (8.12)	-8.39 (-6.54)

Note: Figures in parenthesis represent last year's figure.

30. Information as per Accounting Standard (AS) 18 viz. Related Party Disclosures (excluding with State Controlled Entities):

(₹ in Million)

	Subsidiaries	Joint ventures	Key Managerial personnel	Total 2009-10	Total 2008--09
Income from rendering	433.10	158.00	-	591.10	384.25



ONGC VIDESH LIMITED

services					
Expenses on receiving services	2.24	-	-	2.24	0.38
Interest Income	257.18	351.07	-	608.25	494.50
Loans Given	8003.21	-	-	8003.21	1,087.20
Remuneration		-	22.42	22.42	6.89
Capital Contribution* [@]	86,744.37	0.77	-	86,745.14	-

Note:

Name of related parties and description of relationship (excluding State Controlled Entities):

Subsidiaries	ONGC Nile Ganga B V, Netherlands
	ONGC Nile Ganga Cyprus Limited, Cyprus
	ONGC Narmada Limited, Nigeria
	ONGC Nile Ganga (San Cristobal) B.V. Netherlands
	ONGC Amazon Alakananda Limited, Bermuda
	ONGC Campos Ltda, Brazil
	ONGC Do Brasil Exploracao Petrolifera Ltda, Brazil
	Jarpeno Limited, Cyprus
	Imperial Energy Corporation Plc, UK*
	Imperial Energy Limited, UK*
	Rus Imperial Corporation plc, UK*
	Imperial Energy Tomsk Limited, Cyprus
	Imperial Energy (Cyprus) Limited, Cyprus
	Imperial Energy Nord Limited, Cyprus
	Imperial Energy Gas Limited, Cyprus
	Nefsilius Holdings Limited, Cyprus
	RK Imperial Energy Kostanai Limited, Cyprus
	Imperial Frac Services (Cyprus) Limited, Cyprus
	Freshspring Investments Limited, Cyprus
	Redcliffe Holdings Limited, Cyprus
San Agio Investments Limited, Cyprus	
Imperial Energy Trading AG, Switzerland (Liquidated in Dec 09)	
Imperial Energy Finance (Jersey) Limited, Jersey*	
Biancus Holdings Limited, Cyprus	



ONGC VIDESH LIMITED

Joint Ventures	Rus Imperial Limited, UK*
	Imperial Energy Kostanai Limited, UK*
	OOO Sibinterneft, Russian Federation
	OOO Allianceneftegaz, Russian Federation
	OOO Nord Imperial, Russian Federation
	OOO Imperial Energy, Russian Federation
	OOO Imperial Energy Tomsk Gas, Russian Federation
	OOO Stratum, Russian Federation
	OOO Imperial Frac Service, Russian Federation
	OOO Imperial Trans Service, Russian Federation
	OOO Rus Imperial Group, Russian Federation
	TOO Sevkazgra, Kazakhstan*
	Carabobo One AB, Sweden
	Petro Carabobo Ganga B.V., the Netherlands
	Block 06.1 Project, Vietnam
	Sakhalin-1 Project, Russia
	Block 5A Project, Sudan
	Block A-1 Project, Myanmar
	Block A-3 Project, Myanmar
	Farsi Block Project, Iran
	Block 6 North Ramadan Project, Egypt
	Block NC-189 Project, Libya
	Block XXIV Project, Syria
	Block 5B, Sudan
	Block 25-29, 35 (Part) & 36 (Part), Cuba
	Khartoum - Port Sudan Pipeline Project, Sudan
	ONGC Mittal Energy Limited, Cyprus
	Block NEMED, Egypt
	Block RC-8, Colombia
	Block RC-9, Colombia
	Block RC-10, Colombia
	Block SSJN-7, Colombia
MTPN Block, Congo	
Farsi Block, Iran	
Key Management personnel	Shri R S Butola, Managing Director Shri J Thomas, Director (Exploration) Shri S P Garg, Director (Finance)
	Shri A Mathur, Director (Commercial)(till 31 August, 2009) Shri S.Roychoudhary, Director (Commercial)(with effect from 01 September'2009)

*Under liquidation.



ONGC VIDESH LIMITED

32. Previous year figures have been re-grouped/re-arranged and nomenclature re-named wherever necessary to make them comparable with current year classification.

Signature to Schedule – '1' to '26'



(V Sreedher)
Company Secretary



(S P Garg)
Director (Finance)



(R.S. Butola)
Managing Director



(R.S. Sharma)
Chairman

As per our report of even date attached
For BATRA SAPRA & COMPANY
Chartered Accountants



K.S. Kamath

New Delhi
May 21, 2010

(K.S. Kamath)
Partner (M.No44492)
Firm Registration Number 000103N

ONGC VIDESH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2010

(₹ in Million)

	Year Ended 31st March, 2010		Year Ended 31st March, 2009	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit before tax and prior period items		18,957.28		25,660.45
Adjustments For:				
Depreciation, Depletion & Amortisation	11,727.54		15,453.92	
Less : Cash Outflows	4,223.33		8,291.12	
	7,504.21		7,162.80	
-Interest on Borrowings	3,772.40		7,180.00	
-Provision for Gratuity	25.28		89.30	
-Provision for Leave Encashment	26.38		39.43	
-Provision for Terminal Benefits	15.03		11.23	
-Provision for Doubtful Debt	0.00		1,831.09	
-Provision for Abandonment	0.00		0.00	
-Provision for Pay Revision Arrears	(116.46)		48.48	
-Provision for Productivity Allowance	0.00		(0.95)	
-Provision for Wells drilled under Service Contract	25.96		64.70	
-Forex Translation Adjustment	891.89		779.07	
-Provision for Stores & Spares	0.00		0.00	
-Other Provisions & Write Off	1,275.77		981.91	
-Interest Income	(299.59)	13,120.87	(389.96)	17,797.10
Operating Profit before Working Capital Changes		32,078.15		43,457.55
Adjustments for:-				
-Debtors	531.61		2,677.25	
-Loans and Advances	4,508.49		(4,590.21)	
-Inventories	(274.66)		(0.76)	
-Trade Payable and Other Liabilities	1,080.75	5,846.19	3,082.16	1,168.44
Cash generated from Operations		37,924.34		44,625.99
Direct Taxes Paid		(4,185.14)		(16,796.26)
Cash Flow before Prior period items		33,739.20		27,829.73
Prior period items		(16.98)		(1.14)
Net Cash Flow from Operating Activities 'A'		33,722.22		27,828.59
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (Net)		(1,105.42)		(572.57)
Expenditure on Projects		(19,799.69)		(13,303.01)
Investment in Subsidiaries		(85,341.78)		(608.49)
Loans Advances to JVs/Subsidiaries		96,146.42		(97,120.38)
-Forex Translation Reserve		(11,951.70)		4,730.14
Advance to Sudapet & Shell		584.06		(1,428.82)
Interest Received		284.54		387.65
Net Cash Flow from Investing Activities 'B'		(21,183.57)		(107,915.48)

C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Non Convertible Redeemable Bonds	23,400.00	0.00
Proceeds from Issue of Commercial Papers	(41,600.00)	48,553.73
Proceeds from Issue of Share Capital	0.00	0.00
Net Long Term Borrowings from ONGC	9,657.80	40,416.33
Repayment of Long Term Borrowings from OIBD	0.00	0.00
Cash Credit	0.00	0.00
Dividend paid	0.00	0.00
Tax on Dividend	0.00	0.00
Interest Paid	(3,772.40)	(6,323.53)
Net Cash Flow from Financing Activities 'C'	(12,314.60)	82,646.53
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	224.04	2,559.64
Cash and Cash Equivalents as at 1st April, 2009 (Opening Balance)	5,431.02	2,871.38
Cash and Cash Equivalents as at 31st March, 2010 (Closing Balance)	5,655.06	5,431.02

Notes:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

2 Cash and Cash Equivalent represent:-

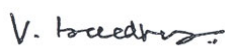
	2009-10	2008-09
a) Cash and Bank Balances	5,547.68	5,363.31
b) Abandonment Fund Deposits with J P Morgan Chase Bank (in accordance with the requirements of PSA for Sakhalin-1, Russia Project)*	107.37	67.71
Total	5,655.05	5,431.02

* The same can be withdrawn only for the specified purposes in accordance with the PSA Provisions.

3 Bracket indicates cash outflow.

4 Previous year figures have been regrouped wherever necessary to confirm the current year's classification

5 Adjustment have not been made to purchase of fixed assets etc. (investing activities), on account of increase / decrease in Capital Creditors.
The impact of the above is not readily ascertainable.



(V Sreedher)
Company Secretary



(S. P. Garg)
Director (Finance)



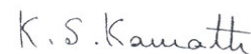
(R. S. Butola)
Managing Director



(R. S. Sharma)
Chairman

As per our preliminary observations of even date attached

For BATRA SAPRA & COMPANY
Chartered Accountants



(K. S. KAMATH)

Partner (M No.44492)

Firm Registration Number 000103N

New Delhi
May 21, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.

55-04343

State Code

55

Balance Sheet Date

31-03-2010

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN ₹ THOUSANDS)

Public Issue

NIL

Right Issue

NIL

Bonus Issue

23400000

Private Placement

NIL

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ THOUSANDS)

Total Liabilities

268097132

Total Assets

268097117

Source of Funds

Paid -up Capital

10000000

Reserves & Surplus

49485430

Secured Loans

NIL

Unsecured Loans

197956836

Deferred Tax Liability

3786080

Provision for Abandonment Cost

6868786

Application of Funds

(including Producing Properties, Development & Exploratory Wells in progress and Capital Work in Progress)

114903079

Investments

138154255

Net Current Assets

15039782.86

Misc. Expenditure

NIL

Accumulated Losses

NIL

IV. PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSANDS)

Turnover (Gross Revenue)	49736752	Total Expenditure	30796461
Profit/(Loss) Before Tax	18940291	Profit/(Loss) After Tax	11711269
Earning per Share (of ₹100 each) in Rs.	117.11	Dividend Rate %	NIL

V. GENERIC NAME OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY
(AS PER MONETARY TERMS)

1. Item Code No.	27090000
Product Description	Crude Oil
2. Item Code No.	27112100
Product Description	Natural Gas
3. Item Code No.	27111900
Product Description	Natural Gasoline



(V Sreedher)
Company Secretary



(S. P. Garg)
Director (Finance)



(R. S. Butola)
Managing Director



(R. S. Sharma)
Chairman

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARIES

Sl. No.	Name of the Subsidiaries	1. The Financial Year of the Subsidiary ends on	2. Date from which it became Subsidiary:	3. (a) Number of shares held by ONGC Videsh Ltd. in the Subsidiary at the end of the financial year of the Subsidiary**	3. (b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary	4. The net aggregate amount of the Subsidiary's Profit/(Loss) so far it concerns the members of the Holding Company:			
						4. (a) Not dealt within the Holding Company's accounts		4. (b) Dealt within the Holding Company's accounts:	
						4. (a) (i) For the period 1 st April, 2009 to 31 st March, 2010 (₹ in million)***	4. (a) (ii) For the previous period (s) of the Subsidiary since it became the Holding Company's Subsidiary (₹ in million):	4. (b) (i) For the period 1 st April, 2009 to 31 st March, 2010 (₹ in million)	4. (b) (ii) For the previous period (s) of the Subsidiary since it became the Holding Company's Subsidiary (₹ in million):
1	ONGC Nile Ganga B.V.	31st December, 2009	12 th March, 2003	40 Class "A" & 100 Class "B" shares of Euro 453.78 each & 880 Class "C" Shares of Euro 1 each directly, rest 720 Class "C" shares are held by OMEL which is JV Company of OVL & Mittal Investment Sarl (MIS)	Class A & B 100% Class C 77.491%	11710.27	47405.20	-	14098.77
2	ONGC Narmada Limited	31 st March, 2010	7 th December, 2005	20 million shares of one Naira each	100%	-117.32	-400.35	-	-
3	ONGC Amazon Alaknanda Limited****	31 st March, 2010	8 th August, 2006	12,000 Equity & 437,488,000 Preference shares of one USD each	100%	2718.98	7054.25	-	-
4	ONGC Do Brasil Exploracao Petrolifera Ltda.	31 st December, 2009	7 th July, 2006	1,000 quotas of BRL 1 each	100%	0.00	0.00	-	-
5	ONGC Campos Ltda.	31 st December, 2009	16 th March, 2007	329,769,113 quotas of BRL 1 each	100%	776.17	-2467.02	-	-
6	ONGC Nile Ganga (Cyprus) Ltd.	31 st December, 2009	26 th November, 2007	222,826 Shares of 0.01 USD each	100%	47.92	-1.79	-	-
7	ONGC Nile Ganga (San Cristobal) B.V.	31 st December, 2009	29 th February, 2008	54,000 shares of Euro 1 each	100%	4518.50	2814.85	-	-
8	Jarpeno Limited	31 st December, 2009	12th August, 2008	1,350 Equity shares of 1 EUR each & 192,210 Optionally Convertible Redeemable Preference shares of USD 1 each	100%	246.28	-76.24	-	-
9	Imperial Energy Corporation Plc.	31st March, 2010	13th January, 2009	104,607,145 shares of 0.025 GBP each	100%	992.66	161.59	-	-
10	Imperial Energy Limited	31st March, 2010	13th January, 2009	2 share of 1 GBP	100%	-337.75	-102.40	-	-
11	Rus Imperial Corporation plc.	31st March, 2010	13th January, 2009	30,000,001 shares of 0.05 GBP each	100%	0.00	-0.05	-	-

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARIES

Sl. No.	Name of the Subsidiaries	1. The Financial Year of the Subsidiary ends on	2. Date from which it became Subsidiary:	3. (a) Number of shares held by ONGC Videsh Ltd. in the Subsidiary at the end of the financial year of the Subsidiary**	3. (b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary	4. The net aggregate amount of the Subsidiary's Profit/(Loss) so far it concerns the members of the Holding Company:			
						4. (a) Not dealt within the Holding Company's accounts		4. (b) Dealt within the Holding Company's accounts:	
						4. (a) (i) For the period 1 st April, 2009 to 31 st March, 2010 (₹ in million)***	4. (a) (ii) For the previous period (s) of the Subsidiary since it became the Holding Company's Subsidiary (₹ in million):	4. (b) (i) For the period 1 st April, 2009 to 31 st March, 2010 (₹ in million)	4. (b) (ii) For the previous period (s) of the Subsidiary since it became the Holding Company's Subsidiary (₹ in million):
12	Imperial Energy Finance (Jersey) Limited	31st March, 2010	13th January, 2009	2 No Par Value shares	100%	-0.19	-0.05	-	-
13	Biancus Holdings Limited	31 st December, 2009	13th January, 2009	1,000 shares of 1.71 EUR each	100%	43.03	100.05	-	-
14	Rus Imperial Limited	31st March, 2010	13th January, 2009	99 shares of 1 GBP each	100%	0.00	-0.02	-	-
15	Imperial Energy Tomsk Limited	31 st December, 2009	13th January, 2009	1,000 shares of 1.71 EUR each	85%	-29.18	-6.95	-	-
16	Imperial Energy (Cyprus) Limited	31 st December, 2009	13th January, 2009	11,000 shares of 1.71 EUR each	100%	-313.22	-34.61	-	-
17	Imperial Energy Nord Limited	31 st December, 2009	13th January, 2009	11,000 shares of 1.71 EUR each	100%	-336.33	-52.12	-	-
18	Imperial Energy Gas Limited	31 st December, 2009	13th January, 2009	2,000 shares of 1 EUR each	100%	-1.23	-0.19	-	-
19	Nefsilius Holdings Limited	31 st December, 2009	13th January, 2009	1,000 shares of 1.71 EUR each	100%	-1.99	-0.10	-	-
20	RK Imperial Energy Kostanai Limited	31 st December, 2009	13th January, 2009	1,000 shares of 1.71 EUR each	100%	-1.00	-0.11	-	-
21	Imperial Frac Services (Cyprus) Limited	31 st December, 2009	13th January, 2009	1,000 shares of 1.71 EUR each	100%	-1.42	-0.18	-	-
22	Freshspring Investments Limited	31 st December, 2009	13th January, 2009	1,000 shares of 1.71 EUR each	100%	-1.14	-0.32	-	-
23	Redcliffe Holdings Limited	31 st December, 2009	13th January, 2009	1,000 shares of 1.71 EUR each	100%	-51.86	-7.35	-	-
24	San Agio Investments Limited	31 st December, 2009	13th January, 2009	1,000 shares of 1.71 EUR each	100%	-380.78	27.35	-	-

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARIES

Sl. No.	Name of the Subsidiaries	1. The Financial Year of the Subsidiary ends on	2. Date from which it became Subsidiary:	3. (a) Number of shares held by ONGC Videsh Ltd. in the Subsidiary at the end of the financial year of the Subsidiary**	3. (b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary	4. The net aggregate amount of the Subsidiary's Profit/(Loss) so far it concerns the members of the Holding Company:			
						4. (a) Not dealt within the Holding Company's accounts		4. (b) Dealt within the Holding Company's accounts:	
						4. (a) (i) For the period 1 st April, 2009 to 31 st March, 2010 (₹ in million)***	4. (a) (ii) For the previous period (s) of the Subsidiary since it became the Holding Company's Subsidiary (₹ in million):	4. (b) (i) For the period 1 st April, 2009 to 31 st March, 2010 (₹ in million)	4. (b) (ii) For the previous period (s) of the Subsidiary since it became the Holding Company's Subsidiary (₹ in million):
25	Imperial Energy Kostanai Limited	31st March, 2010	13th January, 2009	2 share of 1 GBP	100%	-2.09	-0.51	-	-
26	OOO Sibinterneft	31 st December, 2009	13th January, 2009	full charter capital 100,000RUR	55.9% (Net Interest 47.5%)	-228.01	-79.85	-	-
27	OOO Allianceneftegaz	31 st December, 2009	13th January, 2009	full charter capital 50,000RUR	100%	-1687.84	-1695.40	-	-
28	OOO Nord Imperial	31 st December, 2009	13th January, 2009	full charter capital 100,000RUR	100%	-5138.87	-3817.57	-	-
29	OOO Imperial Energy	31 st December, 2009	13th January, 2009	full charter capital 10,000RUR	100%	0.00	0.00	-	-
30	OOO Imperial Energy Tomsk Gas	31 st December, 2009	13th January, 2009	full charter capital 10,000RUR	95%	-2.61	-1.66	-	-
31	OOO Stratum	31 st December, 2009	13th January, 2009	full charter capital 100,000RUR	100%	-0.14	-0.05	-	-
32	OOO Imperial Trans Service	31 st December, 2009	13th January, 2009	full charter capital 100,000RUR	100%	0.62	-5.06	-	-
33	OOO Rus Imperial Group	31 st December, 2009	13th January, 2009	full charter capital 100,000RUR	100%	335.66	-492.86	-	-
34	TOO Sevkazgra	31 st December, 2009	13th January, 2009	full charter capital 1,701,235,780 tenge	100%	0.00	-0.34	-	-
35	AB Startkapalet nr 5636 (name changed to Carabobo One AB Ltd.)	31st March 2010	25th February, 2010	1000 ordinary shares of 100 SEK each	100%	0.02	-	-	-
36	Petro Carabobo Ganga B.V.	31st December 2010*	26th February, 2010	18,000 shares of 1 Euro each	100%	(0.38)	-	-	-

* The first financial year as subsidiary would end on 31st December, 2010

**Includes shares held through subsidiaries also.

***At the closing rate of exchange, there is a Foreign Exchange Translation Reserve of ₹ 11,314.90 million, which has not been adjusted.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN THE SUBSIDIARIES

Sl. No.	Name of the Subsidiaries	1. The Financial Year of the Subsidiary ends on	2. Date from which it became Subsidiary:	3. (a) Number of shares held by ONGC Videsh Ltd. in the Subsidiary at the end of the financial year of the Subsidiary**	3. (b) Extent of interest of Holding Company at the end of the financial year of the Subsidiary	4. The net aggregate amount of the Subsidiary's Profit/(Loss) so far it concerns the members of the Holding Company:			
						4. (a) Not dealt within the Holding Company's accounts		4. (b) Dealt within the Holding Company's accounts:	
						4. (a) (i) For the period 1 st April, 2009 to 31 st March, 2010 (₹ in million)***	4. (a) (ii) For the previous period (s) of the Subsidiary since it became the Holding Company's Subsidiary (₹ in million):	4. (b) (i) For the period 1 st April, 2009 to 31 st March, 2010 (₹ million)	4. (b) (ii) For the previous period (s) of the Subsidiary since it became the Holding Company's Subsidiary (₹ in million):

****Including figures in respect of JV Companies.

V. Sreedher

(V Sreedher)
Company Secretary

S. P. Garg

(S. P. Garg)
Director (Finance)

R. S. Butola

(R. S. Butola)
Managing Director

R. S. Sharma

(R. S. Sharma)
Chairman

M/S BATRA SAPRA & COMPANY
Chartered Accountants

F-14, Shivam House 17, Amar Chamber
Connaught Circus, New Delhi-110001
Email: - batrasapra@yahoo.co.in



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AUDITORS' REPORT TO THE MEMBERS OF ONGC VIDESH LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ONGC VIDESH LIMITED AND ITS SUBSIDIARIES AND JOINT VENTURES

1. We have audited the attached Balance Sheet, Profit and Loss Account and Cash Flow Statement of **ONGC Videsh Limited** and examined the consolidation of its subsidiaries and Joint Ventures as at 31st March 2010 and the Consolidated Balance Sheet, Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended 31st March 2010. These Financial Statements are the responsibility of the ONGC Videsh Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. An Audit of ONGC Videsh Limited based on the fact that the actual operations are performed outside India and operator is responsible for maintaining the original books of Account on behalf of all the members as per joint operating agreement, we have conducted our audit relying on such information furnished by the operator.
3. These accounts include company's share in 27 projects out of which 11 projects (Block 1a, 1b, 2a, 2b and 4, Sudan; AFPC, Syria; MECL, Columbia; Block-BC 10, Brazil; OOO Imperial Frac Service; Block BM-SEAL-4, Brazil; Block BM-BAR-1, Brazil; Block-2, JDZ, Nigeria; OPL-279, Nigeria; OPL-285, Nigeria and San Cristobal, Venezuela) are held in the books of company's subsidiaries/JV Companies mentioned at Para 6 to 11 below. The remaining 16 Joint Ventures projects are held by the company directly and the company has incorporated its share in the total value of assets, liabilities, expenses and incomes of 9 joint ventures accounts have been certified under respective local laws/Production Sharing Contracts/Joint Operating Agreement by the local audit firms appointed by the management of the respective Joint Ventures and remaining 7 have been certified by the management.
4. We conducted our audit in accordance with generally accepted Auditing Standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and



significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

5. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 27, "Financial Reporting of Interest in Joint Ventures", issued pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956.
6. We did not audit the financial statements of ONGC Nile Ganga BV, the subsidiary company, whose financial statements reflect total assets of ₹121,456.22 Million and total liability of ₹29,253.31 million as at March 31, 2010 and total revenues of ₹89,693.88 Million and total expenditure of ₹69,838.78 Million and Cash flow arising therefrom for the year ended on that date. The financial statements of the Subsidiary have been audited by other auditor whose report has been furnished to us and our opinion, in so far it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor.
7. We did not audit the financial statements of ONGC Mittal Energy Limited, the joint venture company, whose financial statements reflect total assets of ₹5,328.58 Million and total liability of ₹6,068.10 Million as at March 31, 2010 and total revenues of ₹61.57 Million and total expenditure of ₹1,372.99 Million and Cash flow arising therefrom for the year ended on that date. The financial statements of the Joint Venture Company have been prepared in accordance with IFRS as adopted by European Union and the same have been audited by other auditor whose report has been furnished to us and our opinion, in so far it relates to the amounts included in respect of the joint venture company is based solely on the report of the other auditor.
8. We did not audit the financial statements of ONGC Narmada Limited, the subsidiary company, whose financial statements reflect total assets of ₹936.55 Million and total liability of ₹1,450.11 Million as at 31st March 2010 and total revenues of ₹8.88 Million and total expenditure of ₹126.20 Million and Cash flow arising therefrom for the year ended on that date. The financial statements of the subsidiary are certified by the auditors but no audit report on these financial statements has been issued by the auditors and hence we do not express any opinion on the same, also we do not have responsibility for impact, if any, on the consolidated financial statements.
9. We did not audit the financial statements of ONGC Amazon Alaknanda Limited, the subsidiary company, whose financial statements reflect total assets of ₹31,491.39 Million and total liability of ₹1,930.94 Million as at March 31, 2010 and total revenues of ₹7,104.97 Million and total expenditure of ₹4,394.63 Million and Cash flow arising therefrom for the year ended on that date. The financial statements of the subsidiary have been audited under US GAAP by other auditor, whose report has been furnished to us and in our opinion, so far it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor.



10. We did not audit the financial statements of Jarpeno Limited, the subsidiary company, whose financial statements reflect total assets of ₹100,914.56 Million and total liability of Rs.24,496.20 Million as at March 31, 2010 and total revenues of ₹8,711.85 Million and total expenditure of ₹18,259.05 Million and Cash flow arising there from for the year ended on that date. The financial statements of the subsidiary have been prepared under Indian GAAP and audited by other auditor, whose report has been furnished to us and our opinion, in so far it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor.
11. We did not audit the financial statements of Carabobo one AB Limited, the subsidiary company, whose financial statements reflect total assets of ₹1.72 Million and total liability of ₹1.44 Million as at March 31, 2010 and total revenues of ₹0.02 Million and total expenditure of ₹0.39 Million and Cash flow arising there from for the year ended on that date. The financial statements of the subsidiary are unaudited, hence we do not express any opinion on the same, and also we do not have responsibility for impact, if any, on the consolidated financial statements.
12. Categorization of expenditure on projects in Exploratory & Development Well-In-Progress, Producing Properties and Capital Work-In Progress, allocation of cost incurred on them, depletion of producing properties including goodwill amortization, provision for abandonment cost and impairment, allocation of depreciation on fixed assets (including support equipments and facilities) are made according to evaluation by the management, technical and/or otherwise on which, we have placed reliance.
13. Attention is invited to:-
 - 13.1 Footnote to Note No. 24 of Schedule-25 regarding expense head-wise details in respect of other operating expenditure as required by Schedule VI to the Companies Act, 1956.
 - 13.2 The expenditure for production, transportation, selling and distribution are classified in Schedule 18 under production expenditure, transportation expenditure, royalty and other expenses, since further details are not available in respect of non operated joint ventures.

Read with our comments in paragraph 13 above, we report that on the basis of information and explanation given to us and on the consideration of the separate audit reports on financial statements of the company, its subsidiaries and joint venture company, we are of the opinion that the attached consolidated Financial Statements read together with the Notes in Schedule - 25 give a true and fair view:

- a) In case of consolidated Balance sheet of the consolidated state of affairs of ONGC Videsh Limited and its subsidiaries and joint venture company as at March 31, 2010 and
- b) In the case of consolidated Profit and Loss, of the consolidated results of operations of ONGC Videsh Limited, its subsidiaries and joint venture company for the year ended on that date and



- c) In case of consolidated Cash Flow Statement of the consolidated Cash Flow of ONGC Videsh Limited, its subsidiaries and joint venture company for the year ended on that date.

**FOR BATRA SAPRA & CO.
CHARTERED ACCOUNTANTS**

K.S.Kamath

K.S.KAMATH

Partner

M.No. 044492

Firm Registration No.000103N

Place: New Delhi

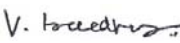
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
ONGC VIDESH LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010


	Schedule		As at 31st March, 2010	As at 31st March, 2009
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	10,000.00	10,000.00	
Reserves and Surplus	2	<u>106,448.97</u>	<u>116,448.97</u>	115,155.56
MINORITY INTEREST				
			(219.82)	(45.06)
LOAN FUNDS				
Secured Loans	3	0.00	0.00	
Unsecured Loans		<u>206,982.84</u>	<u>206,982.84</u>	206,790.13
DEFERRED TAX LIABILITY (Refer Note 19 of Schedule 25)				
			9,180.84	9,439.49
PROVISION FOR ABANDONMENT				
			10,583.69	11,361.59
TOTAL				
			<u>342,976.52</u>	<u>342,701.71</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	4	103,667.46	91,205.02	
Less: Depreciation		<u>56,010.31</u>	<u>50,873.83</u>	
Net Block			47,657.15	40,331.19
PRODUCING PROPERTIES (NET)				
	5		108,842.86	91,400.48
DEVELOPMENT & EXPLORATORY WELLS IN PROGRESS				
	6		24,628.08	31,671.14
CAPITAL WORK IN PROGRESS				
	7		36,421.10	33,780.13
GOODWILL				
		107,812.37	121,673.20	
Less: Goodwill Amortisation		<u>15,357.36</u>	<u>10,564.74</u>	111,108.46
CURRENT ASSETS, LOANS & ADVANCES				
Interest Accrued	8	33.19	28.14	
Inventories	9	6,200.84	5,940.50	
Sundry Debtors	10	29,384.37	24,700.88	
Cash & Bank Balances	11	16,597.81	15,997.59	
Loans & Advances	12	<u>23,695.54</u>	<u>34,824.72</u>	
		<u>75,911.75</u>	<u>81,491.83</u>	
LESS: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	13	44,809.94	47,696.07	
Provisions	14	<u>426.02</u>	<u>456.41</u>	
		<u>45,235.96</u>	<u>48,152.48</u>	
NET CURRENT ASSETS				
			30,675.79	33,339.35
DEFERRED TAX ASSETS (Refer Note 19 of Schedule 25)				
			2,296.53	1,070.96
TOTAL				
			<u>342,976.52</u>	<u>342,701.71</u>


STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES 24
NOTES TO THE ACCOUNTS 25

Schedules referred to above form an integral part of accounts


(V. Sreedher)
Company Secretary

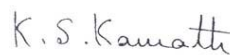

(S. P. Garg)
Director (Finance)


(R. S. Butola)
Managing Director


(R. S. Sharma)
Chairman

New Delhi
May 21st, 2010

As per our report of even date attached
For BATRA SAPRA & COMPANY
Chartered Accountants

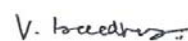


(K. S. KAMATH)
Partner (M No.44492)
Firm Registration Number 000103N

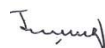
ONGC VIDESH LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	2009-10	2008-09
(₹ in Million)			
INCOME			
Sales	15	150,988.79	180,642.66
Other Income	16	1,723.49	2,747.89
Increase/(Decrease) in Stocks	17	1,115.73	844.93
		<u>153,828.01</u>	<u>184,235.48</u>
EXPENDITURE			
Production, Transportation, Selling and Distribution Expenditure	18	73,336.81	87,748.88
Depreciation, Depletion and Amortisation	19	36,513.19	30,619.56
Financing Costs & Foreign Exchange Fluctuation	20	1,719.57	9,192.80
Hedging (Gain)/Loss		(19.42)	(153.65)
Provisions & Write-Offs (Net)	21	2,819.04	3,162.89
		<u>114,369.19</u>	<u>130,570.48</u>
PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENTS		39,458.82	53,665.00
Adjustments relating to Prior Period (Net)	22	(582.21)	103.33
Provision for Taxation			
Current Year Tax		19,494.96	25,606.70
Deferred Tax		(619.42)	(1,197.04)
Fringe Benefit Tax		0.00	7.50
Wealth Tax		0.04	16.27
Earlier Years Tax		13.86	597.85
		<u>21,151.59</u>	<u>28,530.39</u>
PROFIT AFTER TAXATION		<u>21,151.59</u>	<u>28,530.39</u>
Less: Share of Profit or (loss) - Minority Interest		<u>255.83</u>	<u>463.38</u>
Group Profit After Tax		<u>20,895.76</u>	<u>28,067.01</u>
Add: Profit / (Loss) brought forward from Last year		<u>83,749.51</u>	<u>57,250.78</u>
Balance Available for Appropriation		<u>104,645.27</u>	<u>85,317.79</u>
Transfer to Capital Redemption Reserve		0.00	0.10
Transfer to General Reserve		1,413.95	1,464.99
Transfer to Debenture Redemption Reserve		1,154.19	0.00
Balance Carried to Balance Sheet		<u>102,077.13</u>	<u>83,852.70</u>
		<u>104,645.27</u>	<u>85,317.79</u>
EARNINGS PER EQUITY SHARE- BASIC AND DILUTED (Rs.)	23		
(Face Value Rs. 10/- Per Share)			
- before extraordinary items (net of tax)		208.96	280.67
- after extraordinary items (net of tax)		208.96	280.67
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES	24		
NOTES TO THE ACCOUNTS	25		

Schedules referred to above form an integral part of the Accounts



(V Sreedher)
Company Secretary



(S. P. Garg)
Director (Finance)

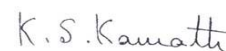


(R. S. Butola)
Managing Director



(R. S. Sharma)
Chairman

As per our report of even date attached
For BATRA SAPRA & COMPANY
Chartered Accountants



(K. S. KAMATH)
Partner (M No.44492)
Firm Registration Number 000103N

New Delhi
May 21st, 2010

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 1

(₹ in Million)

	As at 31st March, 2010	As at 31st March, 2009
SHARE CAPITAL		
Authorised		
100,000,000 (Previous year 100,000,000) Equity Shares of ₹100 each	<u>10,000.00</u>	<u>10,000.00</u>
Issued, Subscribed, Called and Paid Up	10,000.00	10,000.00
100,000,000 (Previous year 100,000,000) Equity Shares of ₹100 each fully paid up in cash (The entire share capital is held by Oil and Natural Gas Corporation Limited and its nominees)		
TOTAL	<u>10,000.00</u>	<u>10,000.00</u>

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 2

(₹ in Million)

		As at 31st March, 2010		As at 31st March, 2009
RESERVES AND SURPLUS				
Capital Reserve		851.44		939.40
Capital Redemption Reserve		0.09		0.10
General Reserve				
Opening balance	5,067.45		3,602.46	
Add: Transfer from Profit and Loss Account	<u>1,413.95</u>	6,481.40	<u>1,464.99</u>	5,067.45
Debenture Redemption Reserve				
Opening balance	0.00		0.00	
Add: transfer from Profit and Loss Account	<u>1,154.19</u>	1,154.19	<u>0.00</u>	0.00
Foreign Exchange Translation Reserve		(4,115.28)		15,399.10
Profit and Loss Account				
Opening Balance	83,749.51		57,250.78	
Adjustments	0.00		(103.19)	
Add: Addition during the year	<u>18,327.62</u>	102,077.13	<u>26,601.92</u>	83,749.51
TOTAL		<u>106,448.97</u>		<u>105,155.56</u>

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 3

(₹ in Million)

	As at 31st March, 2010	As at 31st March, 2009
LOANS		
SECURED LOANS	0.00	0.00
UNSECURED LOANS		
Long Term Loans		
Indian Rupee Loans		
(Guaranteed by Oil and Natural Gas Corporation Limited)		
From Oil and Natural Gas Corporation Limited	162,722.58	153,064.77
Foreign Currency Loans		
From Bank	9,026.00	0.00
Non- Recourse Deferred Credit	934.26	1,225.36
(In respect of Joint Venture)		
Non Convertible Redeemable Bonds*	23,400.00	0.00
Short Term Loans		
Commercial Papers	10,900.00	52,500.00
TOTAL	<u>206,982.84</u>	<u>206,790.13</u>
 (Repayable within one year)	 10,903.69	 52,669.54

* Consists of the following:

(a) 19700 Non-convertible redeemable bonds in the nature of debentures (Series I) of ₹ 1 million each face value

issued on 23/12/2009 and redeemable at par on 23/12/2014. The coupon rate is 8.40% p.a. payable annually on 23 December.

(b) 3700 Non-convertible redeemable bonds in the nature of debentures (Series II) of ₹ 1 million each face value

issued on 6/1/2010 and redeemable at par on 6/1/2020. The coupon rate is 8.54% p.a. payable annually on 6 January.

Both the Bonds are guaranteed for repayment of principal and payment of interest by Oil and Natural Gas

Corporation Limited, the parent company. Further, the Company is required to maintain 100% asset-cover as per SEBI

guidelines. There is no put/call option.

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE- 5

	As at 31st March, 2010	(₹in Million) As at 31st March, 2009
PRODUCING PROPERTIES		
Gross Cost		
Opening Balance	155,937.12	100,996.72
Acquisition Cost	698.97	2,019.05
Expenditure during the year	10,876.01	7,671.43
Transfer from Development & Exploratory Wells-in-Progress	26,231.94	12,366.14
Estimated Abandonment Costs	104.50	2,524.65
Adjustment	3,580.83	18,307.02
Foreign Currency Translation Adjustment	(9,467.40)	12,052.11
Total Gross (A)	187,961.97	155,937.12
Less: Depletion		
Opening Balance	64,536.65	40,156.29
Depletion for the year	16,940.51	13,735.16
Adjustment	3,003.44	3,781.57
Foreign Currency Translation Adjustment	(5,361.49)	6,863.62
Total Depletion (B)	79,119.11	64,536.64
NET PRODUCING PROPERTIES (A - B)	108,842.86	91,400.48

ONGC VIDESH LIMITED
SCHEDULE TO THE CONSOLIDATED BALANCE SHEET
SCHEDULE - 6

	As at 31st March, 2010	(₹ in Million) As at 31st March, 2009
DEVELOPMENT AND EXPLORATORY WELLS IN PROGRESS		
A. Development Wells in Progress		
Opening Balance	2,882.28	4,358.89
Addition during the year	4,752.99	9,790.92
Adjustments during the year	8,519.55	0.00
Less: Transfer to Producing Properties	11,733.88	11,926.10
Foreign Currency Translation Adjustment	(370.85)	658.57
Development Wells in Progress (A)	4,050.09	2,882.28
B. Exploratory Wells in Progress		
Opening Balance	28,788.85	14,589.66
Addition during the year	21,483.01	9,968.80
Adjustments during the year	(8,699.14)	6,687.17
Less: Transfer to Producing Properties	14,498.06	440.04
Less: Wells written off during the year	7,096.07	3,734.80
Less: Provision for Wells drilled under Service Contract	25.96	64.70
Foreign Currency Translation Adjustment	625.36	1,782.77
Exploratory Wells in Progress (B)	20,577.99	28,788.86
DEVELOPMENT AND EXPLORATORY WELLS IN PROGRESS (A+B)	24,628.08	31,671.14

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 7

	As at 31st March, 2010	(₹in Million) As at 31st March, 2009
CAPITAL WORK IN PROGRESS		
Block 06.1, Vietnam	253.17	153.19
Block 127, Vietnam	0.00	92.54
Block 128, Vietnam	92.54	92.54
Sakhalin-1 Project, Russia	25,497.72	12,470.34
Block 5A, Sudan	1,447.25	821.51
Block 6, North Ramadan, Egypt	33.50	33.50
Block A1, Myanmar	1,236.07	302.84
Block A3, Myanmar	599.70	157.55
Block 81/1, Libya	0.00	268.92
Block 25, 26, 27, 28, 29, 36 and P35 (Part), Cuba	346.91	346.91
Block 1,2,3 &4 (Area 43), Libya	408.90	408.90
Block AD2, Myanmar	392.70	392.70
Block BC-10, Brazil	0.00	11,207.57
GNPOC, Sudan	2,141.11	918.42
Sancristobal Project, Vanezuela	579.79	1,619.03
Others	3,391.74	4,493.67
TOTAL	36,421.10	33,780.13

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 8

	As at 31st March, 2010	(₹in Million) As at 31st March, 2009
INTEREST ACCRUED		
(Unsecured, Considered Good unless otherwise stated)		
Interest Accrued On		
Deposits with Banks	1.83	2.65
Others	31.36	25.49
TOTAL	33.19	28.14

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 9

			(₹ in Million)
	As at		As at
	31st March,		31st March,
	2010		2009
INVENTORIES			
(As taken, valued and certified by the Management)			
Finished Goods		1,326.17	1,038.88
Stores and Spares	5,316.52		5,346.59
Less: Provision for Non-moving / Surplus Stores	<u>441.85</u>	<u>4,874.67</u>	<u>446.56</u>
(In respect of Joint Venture)			
Stores & Spares - Farsi Block, Iran	0.00		6.92
Less: Written off to Net Realisable Value	<u>0.00</u>	<u>0.00</u>	<u>5.33</u>
TOTAL		<u>6,200.84</u>	<u>5,940.50</u>

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 10

	As at		(₹ in Million)
	31st March,		As at
	2010		31st March,
			2009
SUNDRY DEBTORS			
(Unsecured)			
Debts outstanding for a period exceeding six months:			
Considered Good		0.00	181.06
Considered Doubtful	53.24		0.00
Less: Provision for Doubtful debts	<u>53.24</u>	0.00	0.00
Other Debts:			
Considered Good		29,384.37	24,519.82
Considered Doubtful		0.00	0.00
TOTAL		<u>29,384.37</u>	<u>24,700.88</u>

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 11

		(₹ in Million)	
		As at	As at
		31st March,	31st March,
		2010	2009
CASH AND BANK BALANCES			
A. Cash Balances			
	a) At New Delhi	0.28	0.09
	b) Overseas	6.16	5.87
B. Balances with Scheduled banks			
	a) On Current Account	4,522.80	7,663.40
	b) On Deposit Accounts	5,324.28	478.07
C. Balances with Non-Scheduled Banks			
1	On SB Account (USD) with Bank for Foreign Trade of Vietnam, HCMC, Vietnam (Maximum balance during the year ₹ 615.44 Million Previous year ₹483.04 Million)	0.20	0.25
2	On SB Account (VND) with Bank for Foreign Trade of Vietnam, HCMC, Vietnam (Maximum balance during the year ₹ 0.15 Million Previous year ₹105.02 Million)	0.12	0.12
3	On Current Account (USD) with Bank of Commerce and Development, Libya (Maximum balance during the year ₹ 2.56 Million Previous year ₹2.49 Million)	0.49	0.51
4	On Current Account (LYD) with Bank of Commerce and Development, Libya (Maximum balance during the year ₹ 1.76 Million Previous year ₹2.12 Million)	0.88	0.35
5	On Current Account (USD) with Banco Financiero Internacionle SA, Cuba (Maximum balance during the year ₹ 4.36 Million Previous year ₹28.96 Million)	0.45	0.45
6	On Current Account (GBP) with ICICI Bank UK Limited, London (Maximum balance during the year ₹ 0.31 Million Previous year ₹ 0.31 Million)	0.29	0.31
7	On Current Account (BRL) with Banco ABN AMRO Real, Rio de Janeiro, Brazil (Maximum balance during the year ₹ 1565.24 Million Previous year ₹ 285.73 Million)	6.18	2.20
8	On Current Account (IRR) with EN Bank, Tehran (Maximum balance during the year ₹ 1.36 Million Previous year ₹ 2.94 Million)	0.35	0.29
9	On Current Account (EUR) with EN Bank, Tehran (Maximum balance during the year ₹ 0.90 Million Previous year ₹ 1.63 Million)	0.03	0.10
10	On Current Account (RUR) Bank of Moscow, Sakhalin (Maximum balance during the year ₹ 0.02 Million Previous year ₹ 0.02 Million)	0.00	0.02
11	On Current Account (USD) with Royal Bank of Scotland, Sakhalin (Maximum balance during the year ₹ 0.17 Million Previous year ₹ 258.02 Million)	0.00	0.19
12	On Current Account (RUR) with Royal Bank of Scotland, Sakhalin (Maximum balance during the year ₹ 2,864.00 Million Previous year ₹ 15,120.38 Million)	13.81	1.22
13	On Current Account (RUR) with Royal Bank of Scotland, Sakhalin (Maximum balance during the year ₹ 0.96 Million Previous year ₹ 0.63 Million)	0.26	0.40
14	On Current Account (USD) with Royal Bank of Scotland, Sakhalin (Maximum balance during the year ₹ 8.33 Million Previous year ₹ 8.75 Million)	6.76	5.94
15	On Current Account (USD) with Royal Bank of Scotland, Sakhalin (Maximum balance during the year ₹ 2836.58 Million Previous year ₹ 232.39 Million)	108.20	145.38
16	On Current Account (USD) with Royal Bank of Scotland, Astana, Kazakhstan (Maximum balance during the year ₹ 3.38 Million Previous year ₹0.71 Million)	1.01	0.10
17	On Current Account (COP) with Banco de Credito Helm Financial Services , Colombia (Maximum balance during the year ₹ 9.89 Million Previous year ₹ 3.01 Million)	3.96	0.54

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 11

		(₹ in Million)	
		As at 31st March, 2010	As at 31st March, 2009
18	On Current Account (COP) with Banco de Credito Helm Financial Services , Colombia (Maximum balance during the year ₹ 17.45 Million Previous year ₹ Nil Million)	8.73	0.00
19	On Current Account (Euro) with Deutsche Bank, Amsterdam (Maximum balance during the year ₹ 1.09 Million Previous year Nil)	1.07	0.00
20	On Current Account (SEK) with Swedbank, Stockholm (Maximum balance during the year ₹ 0.65 Million Previous year Nil)	0.64	0.00
21	On Current Account (RUR) with Royal Bank of Scotland, Russia (Maximum balance during the year ₹ 323.57 Million Previous year ₹ 374.01 Million)	0.79	58.64
22	On Current Account (RUR) with Royal Bank of Scotland, Russia (Maximum balance during the year ₹ 2.25 Million Previous year ₹ 4.64 Million)	0.07	2.25
23	On Current Account (RUR) with Royal Bank of Scotland, Russia (Maximum balance during the year ₹ 144.22 Million Previous year ₹ 127.48 Million)	0.16	0.06
24	On Current Account (RUR) with Royal Bank of Scotland, Russia (Maximum balance during the year ₹ 128.93 Million Previous year ₹ 47.78 Million)	22.04	2.97
25	On Current Account (RUR) with Royal Bank of Scotland, Russia (Maximum balance during the year ₹ 1.63 Million Previous year ₹ 1.87 Million)	0.51	0.92
26	On Current Account (RUR) with Royal Bank of Scotland, Russia (Maximum balance during the year ₹ 189.59 Million Previous year ₹ 65.11 Million)	1.49	65.11
27	On Current Account (USD) with Royal Bank of Scotland, Russia (Maximum balance during the year ₹ 881.58 Million Previous year ₹ 1,344.15 Million)	1.72	438.86
28	On Current Account (USD) with Royal Bank of Scotland, Moscow, Russia (Maximum balance during the year ₹ 0.10 Million Previous year ₹ 0.05 Million)	0.01	0.05
29	On Current Account (RUR) with Royal Bank of Scotland, Moscow, Russia (Maximum balance during the year ₹ 56.49 Million Previous year ₹ 101.47 Million)	1.97	27.07
30	On Current Account (USD) with Royal Bank of Scotland, UK (Maximum balance during the year ₹ 47.05 Million Previous year ₹ 952.63 Million)	47.05	20.34
31	On Current Account (USD) with Royal Bank of Scotland, UK (Maximum balance during the year ₹ 15.29 Million Previous year ₹ 3.84 Million)	15.29	0.36
32	On Current Account (USD) with Royal Bank of Scotland, UK (Maximum balance during the year ₹ 0.07 Million Previous year ₹ 0.08 Million)	0.01	0.07
33	On Current Account (USD) with Royal Bank of Scotland, UK (Maximum balance during the year ₹ 0.19 Million Previous year ₹ 9,908.96 Million)	0.00	0.19
34	On Current Account (GBP) with Royal Bank of Scotland, UK (Maximum balance during the year ₹ 63.69 Million Previous year ₹ 1,048.98 Million)	1.95	63.69
35	On Current Account (GBP) with Royal Bank of Scotland, UK (Maximum balance during the year ₹ 0.11 Million Previous year ₹ 0.15 Million)	0.00	0.11
36	On Current Account (GBP) with Royal Bank of Scotland, UK (Maximum balance during the year ₹ 0.06 Million Previous year ₹ 0.07 Million)	0.06	0.07
37	On Current Account (GBP) with Royal Bank of Scotland, UK (Maximum balance during the year ₹ 0.02 Million Previous year ₹ 0.03 Million)	0.00	0.02

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 11

		(₹ in Million)	
		As at	As at
		31st March,	31st March,
		2010	2009
38	On Current Account (GBP) with Royal Bank of Scotland, UK (Maximum balance during the year ₹ 0.03 Million Previous year ₹ 0.03 Million)	0.02	0.03
39	On Current Account (GBP) with Royal Bank of Scotland, UK (Maximum balance during the year ₹ 0.03 Million Previous year ₹ 0.03 Million)	0.00	0.03
40	On Current Account (RUR) with Gazprombank, Russia (Maximum balance during the year ₹ 38.67 Million Previous year ₹ 55.02 Million)	7.58	4.73
41	On Current Account (RUR) with Gazprombank, Russia (Maximum balance during the year ₹ 10.52 Million Previous year ₹ 2.38 Million)	8.01	1.45
42	On Current Account (RUR) with Gazprombank, Russia (Maximum balance during the year ₹ 0.77 Million Previous year ₹ 0.37 Million)	0.02	0.24
43	On Current Account (RUR) with Gazprombank, Russia (Maximum balance during the year ₹ 54.74 Million Previous year ₹ 62.21 Million)	0.42	0.03
44	On Current Account (RUR) with Gazprombank, Russia (Maximum balance during the year ₹ 17.29 Million Previous year ₹ 14.20 Million)	0.88	2.37
45	On Current Account (RUR) with Gazprombank, Russia (Maximum balance during the year ₹ 0.51 Million Previous year ₹ 0.12 Million)	0.02	0.12
46	On Current Account (USD) with Gazprombank, Russia (Maximum balance during the year ₹ 0.14 Million Previous year ₹ 0.16 Million)	0.00	0.16
47	On Current Account (RUR) with Raiffeisenbank, Russia (Maximum balance during the year ₹ 40.55 Million Previous year ₹ 39.34 Million)	0.01	7.45
48	On Current Account (USD) with Piraeus Bank, Cyprus (Maximum balance during the year ₹ 903.03 Million Previous year ₹ 0.02 Million)	0.48	0.01
49	On Current Account (Euro) with Piraeus Bank, Cyprus (Maximum balance during the year ₹ 0.11 Million Previous year ₹ 0.18 Million)	0.00	0.11
50	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 1,015.53 Million Previous year ₹ 1.94 Million)	0.15	0.35
51	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 1,128.36 Million Previous year ₹ 2.72 Million)	0.56	2.72
52	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 0.84 Million Previous year ₹ 1.59 Million)	0.01	0.25
53	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 1,196.40 Million Previous year ₹ 1.45 Million)	0.10	0.56
54	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 105.60 Million Previous year ₹ 0.29 Million)	105.60	0.06
55	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 469.95 Million Previous year ₹ 0.81 Million)	0.20	0.06
56	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 0.49 Million Previous year ₹ 0.37 Million)	0.02	0.05
57	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 0.33 Million Previous year ₹ 0.08 Million)	0.04	0.06

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 11

		(₹ in Million)	
		As at 31st March, 2010	As at 31st March, 2009
58	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 45.13 Million Previous year ₹ 0.35 Million)	0.02	0.05
59	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 0.34 Million Previous year ₹ 0.11 Million)	0.01	0.11
60	On Current Account (USD) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 0.44 Million Previous year ₹ 0.17 Million)	0.03	0.05
61	On Current Account (EUR) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 0.00 Million Previous year ₹ 0.01 Million)	0.00	0.01
62	On Current Account (EUR) with Bank of Cyprus, Cyprus (Maximum balance during the year ₹ 0.01 Million Previous year ₹ 0.01 Million)	0.00	0.01
63	On Current Account (CHF) with UBS, Switzerland (Maximum balance during the year ₹ 2.78 Million Previous year ₹ 4.68 Million)	2.78	3.14
64	On Deposit Account (RUR) with Royal Bank of Scotland, Russia (Maximum balance during the year ₹ 342.93 Million Previous year Nil)	30.74	0.00
65	On Current Account (USD) with Royal Bank of Scotland, Russia (Maximum balance during the year ₹ 762.67 Million Previous year Nil)	624.40	0.00
66	On Current Account (USD) with Royal Bank of Scotland, Russia (Maximum balance during the year ₹ 1,191.43 Million Previous year Nil)	24.66	0.00
67	On Deposit Account (USD) with ICICI Bank Eurasia, Russia (Maximum balance during the year ₹ 1,152.20 Million Previous year Nil)	23.45	0.00
68	On Current Account (RUR) with ICICI Bank Eurasia, Russia (Maximum balance during the year ₹ 13.01 Million Previous year Nil)	0.27	0.00
69	On Current Account (RUR) with ICICI Bank Eurasia, Russia (Maximum balance during the year ₹ 31.21 Million Previous year Nil)	0.74	0.00
70	On Current Account (RUR) with ICICI Bank Eurasia, Russia (Maximum balance during the year ₹ 0.02 Million Previous year Nil)	0.01	0.00
71	On Current Account (RUR) with ICICI Bank Eurasia, Russia (Maximum balance during the year ₹ 127.55 Million Previous year Nil)	0.13	0.00
72	On Current Account (USD) with Gazprombank, Russia (Maximum balance during the year ₹ 45.13 Million Previous year Nil)	45.13	0.00
73	On Deposit Account (RUR) with Raiffeisenbank, Russia (Maximum balance during the year ₹ 139.92 Million Previous year Nil)	13.82	0.00
D. Cash and Bank Balances		5,500.06	6,919.09
(In respect of Joint Venture)			
E. Deposit with Bank Under Site Restoration Fund Scheme		107.37	67.71
TOTAL		16,597.81	15,997.59

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 12

	As at 31st March, 2010	(₹ in Million) As at 31st March, 2009
LOANS AND ADVANCES		
A. Secured - Considered Good		
Loans and Advances to Employees	<u>67.80</u>	<u>56.29</u>
B. Unsecured - Considered Good		
Carry Finance to Sudapet, Sudan	463.28	709.31
Loans and Advances to Employees	59.58	72.36
Advances recoverable in cash or in kind or for value to be received	2,756.91	4,324.23
Insurance Claims Receivable	0.00	388.96
Other Receivable	331.22	362.74
Other Deposits	260.54	198.13
VAT Receivable	1,244.11	1,445.98
Unamortised Financial Charges on Commercial Papers	267.60	3,089.80
Investment in Lease	5,697.53	12,956.82
Advances recoverable in cash or in kind or for value to be received (In respect of Joint Venture)	7,042.64	2,953.93
Income Tax :		
Advance Payment of Income Tax	18,195.56	30,591.86
Less: Provision	<u>12,691.23</u> <u>5,504.33</u>	<u>22,325.69</u> <u>8,266.17</u>
Unsecured - Considered Good (B)	<u>23,627.74</u>	<u>34,768.43</u>
C. Unsecured - Considered Doubtful		
Carry Finance	7,260.41	6,757.20
Less: Provisions for Doubtful Loans and Advances	<u>7,260.41</u>	<u>6,757.20</u>
Unsecured - Considered Doubtful (C)	<u>0.00</u>	<u>0.00</u>
LOANS AND ADVANCES (A+B+C)	<u>23,695.54</u>	<u>34,824.72</u>

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 13

	As at 31st March, 2010	(₹ in Million) As at 31st March, 2009
CURRENT LIABILITIES		
Sundry Creditors for Supplies/ Works		
Due of micro enterprises and small enterprises	0.00	0.00
Other than micro enterprises and small enterprises	6,004.17	8,312.37
Deposits	113.97	1.36
Advance from Customers	132.12	166.55
Payable to Oil and Natural Gas Corporation Limited	6.21	8.98
Lease Liability	4,517.23	0.00
Other Liabilities	4,712.05	7,500.76
Amount Payable to Operators	9,606.75	5,671.80
Deferred Credit on Gas Sales	3.61	5.99
Tax Payable by Subsidiary and Joint Venture Companies in foreign country	5,648.36	8,396.48
Sundry Creditors for Supplies/ Works (In respect of Joint Venture)	14,065.47	17,631.76
Bank Overdraft	0.00	0.02
TOTAL	44,809.94	47,696.07

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 14

(₹in Million)

	Balance as at 1st April, 2009	Utilisation/ Reversal during the Year	Provision/ Adjustment made for the Year	Foreign Currency Translation Adjustment	Balance as at 31st March, 2010
PROVISIONS					
Gratuity	138.95	5.85	31.13	0.00	164.23
Leave Encashment	100.66	36.80	63.18	0.00	127.04
Post Retirement Medical Benefits/Other Terminal Benefits	100.34	15.73	57.88	(7.74)	134.75
Pay Revision Arrears	116.46	116.46	0.00	0.00	0.00
Productivity Allowance	0.00	0.00	0.00	0.00	0.00
	456.41	174.84	152.19	(7.74)	426.02

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 15

		(₹ in Million)
	2009-10	2008-09
SALES		
Crude Oil	140,444.27	169,087.63
Gas	7,607.51	7,307.45
Condensate	1,705.56	2,108.90
Transportation and Other Services	2,047.89	2,938.20
	<u>151,805.23</u>	<u>181,442.18</u>
Less: Value Added Tax	816.44	799.52
TOTAL	<u>150,988.79</u>	<u>180,642.66</u>

Note: Sales are shown on Entitlement basis and net of Government share of Profit Oil.

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 16

	(₹ in Million)	
	2009-10	2008-09
OTHER INCOME		
Interest Income on:		
On Deposits with Banks	103.82	1,129.21
(Tax deducted at source ₹ 0.07 Million previous year ₹0.50 Million)		
Loans and Advances to Employees	3.22	10.13
Others	193.95	430.61
Lease Income	317.48	376.97
Profit on sale/redemption of Shares	0.00	0.63
Miscellaneous Receipts	1,105.02	800.34
TOTAL	<u>1,723.49</u>	<u>2,747.89</u>

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 17

			(₹ in Million)	
	2009-10		2008-09	
INCREASE/(DECREASE) IN STOCK (FINISHED GOODS)*				
Closing Stock		1,326.17		1,038.88
Opening Stock	1,038.88		164.66	
Less: Adjustment	<u>828.44</u>	<u>210.44</u>	<u>(29.29)</u>	<u>193.95</u>
NET INCREASE/(DECREASE) IN STOCK		<u>1,115.73</u>		<u>844.93</u>

*As taken, valued and certified by the Management

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 18

		(₹ in Million)
	2009-10	2008-09
PRODUCTION, TRANSPORTATION, SELLING AND DISTRIBUTION EXPENDITURE		
Transportation Expenditure	3,991.87	3,762.28
Production Expenditure	15,625.97	11,894.51
Royalty	48,693.21	66,639.77
Service Tax and Other Levies	694.13	2,217.92
Staff Expenditure	1,991.72	1,573.40
Rent	789.59	142.40
Repair & Maintenance	139.84	56.22
Insurance	90.80	38.81
Others	1,319.68	1,423.57
TOTAL	73,336.81	87,748.88

Note: The above expenses have been reclassified in accordance with Part II of Schedule VI to the Companies Act, 1956 and exhibited in note -24 of Schedule '25'

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 19

				(₹ in Million)
		2009-10		2008-09
DEPRECIATION, DEPLETION AND AMORTISATION				
Depreciation	7,038.14		9,363.67	
Amortisation -Intangibles	21.56		57.43	
Less: Capitalised	<u>2,830.06</u>	4,229.64	<u>6,261.91</u>	3,159.19
Depletion		16,940.51		13,735.16
Survey Expenditure		3,024.55		6,387.32
Dry Wells Written Off		7,096.07		3,734.80
Pre-Acquisition Expenses		243.51		726.53
Amortisation of Goodwill		<u>4,978.91</u>		<u>2,876.56</u>
TOTAL		<u>36,513.19</u>		<u>30,619.56</u>

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 20

(₹ in Million)

2009-10

2008-09

FINANCING COSTS & FOREIGN EXCHANGE FLUCTUATION

A. Interest On

Loan from Oil and Natural Gas Corporation Limited	0.00	6,604.13	
Less: Capitalised	<u>0.00</u>	<u>0.00</u>	284.74
Finance Lease		463.30	0.00
Amortised Financial Charges on Commercial Papers		3,249.92	856.47
Interest on Bonds		522.42	0.00
Others		<u>134.49</u>	<u>112.92</u>
Sub-Total		<u>4,370.13</u>	<u>7,288.78</u>

B. Foreign Exchange Fluctuation

Net Exchange Variation for the Year		<u>(2,650.56)</u>	<u>1,904.02</u>
TOTAL		<u>1,719.57</u>	<u>9,192.80</u>

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 21

	(₹ in Million)	
	2009-10	2008-09
PROVISIONS AND WRITE-OFFS (NET)		
Provisions for Doubtful Debts/Claims	972.09	2,063.05
Provision for Wells drilled under Service Contract	25.96	64.70
Provision for Non Moving Inventory	81.43	40.81
Excess Provisions Written Back	(40.14)	(380.96)
Acquisition Cost Written Off	361.46	1,260.64
Other Write Off	<u>1,418.24</u>	<u>114.65</u>
TOTAL	<u>2,819.04</u>	<u>3,162.89</u>

Note: The above expenses have been reclassified in accordance with Part II of Schedule VI to the Companies Act, 1956 and exhibited in Note 24 of Schedule '25'

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 22

		(₹ in Million)
	2009-10	2008-09
ADJUSTMENTS RELATING TO PRIOR PERIOD (NET)		
A. Expense		
Amortisation of Goodwill	38.35	0.00
Other Expenses	(620.56)	3.40
Depreciation	0.00	99.93
Sub-Total	<u>(582.21)</u>	<u>103.33</u>
B. Income		
Miscellaneous Items	0.00	0.00
Sub-Total	<u>0.00</u>	<u>0.00</u>
TOTAL (A - B)	<u>(582.21)</u>	<u>103.33</u>

ONGC VIDESH LIMITED

SCHEDULE TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT

SCHEDULE - 23

(Amount In ₹)

	2009-10	2008-09
EARNING PER EQUITY SHARE		
Basic and Diluted Earnings Per Equity Share	208.96	280.67
(Per Share of ₹ 100 each)		

Note: Earnings Per Equity Share has been computed by dividing the net profit after taxation of ₹ 20,895.76 Million (Previous Year ₹ 28,067.01 Million) by weighted average number of equity shares of 100,000,000 (Previous year 100,000,000)

ONGC VIDESH LIMITED

SCHEDULE -24

SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation:

The Consolidated Financial Statements relate to ONGC Videsh Limited (Company), ONGC Nile Ganga B.V., The Netherlands (Subsidiary), ONGC Narmada Limited, Nigeria (Subsidiary), ONGC Amazon Alaknanda Limited (Subsidiary), Jarpeno Limited, Cyprus (Subsidiary) and jointly controlled entity ONGC Mittal Energy Limited, Cyprus (joint Venture Company). The Financial Statements of the Company, its Subsidiaries and Joint Venture Company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, unless indicated otherwise.

The financial statements of the foreign subsidiaries and Joint Venture Company have been incorporated in the consolidated financial statements by translating to Indian rupees following the principles for translation of the financial statements of Non-integral Foreign Operation as laid down in Accounting Standard (AS) 11 viz. Effects of changes in foreign exchange rates (revised 2003) issued by the Institute of Chartered Accountants of India (ICAI).

B. Accounting Policies:

1. Accounting Conventions:

The financial statements are prepared under the historical cost conventions in accordance with Generally Accepted Accounting Principles (GAAP). The company follows Successful Efforts Method as per the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India, and the provisions of the Companies Act, 1956. Generally, revenues are recognized on accrual basis with provision made for known losses and expenses.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions which affect the reported amount of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

ONGC VIDESH LIMITED

3. Acquisition, Exploration, Development, Abandonment and Production Costs:

3.1. Acquisition Cost:

Acquisition costs of an oil and gas property in exploration/development stage are taken to capital work in progress. Such costs are capitalized by transferring to Producing Property when it is ready to commence commercial production. In case of abandonment of the property, such costs are expensed. Acquisition costs of a producing oil and gas property are capitalized as Producing Property.

3.2. Survey Costs:

Cost of Surveys and prospecting activities conducted in the search of oil and gas are expensed in the year in which these are incurred.

3.3. Exploratory/Development Wells in Progress Costs:

3.3.1 Exploration costs involved in drilling and equipping exploratory and appraisal wells, cost of drilling exploratory type stratagraphic test wells are initially taken to capital work in progress as exploratory wells in progress till the time these are either capitalized to producing properties when ready to commence commercial production or expensed when determined to be dry or of no further use, as the case may be.

3.3.2 All costs relating to development wells, development type stratagraphic test wells, service wells, are initially taken to capital work in progress as development wells in progress and capitalized to producing properties when ready to commence commercial production.

3.3.3 Exploratory wells in progress which are more than two years old from the date of completion of drilling are charged to Profit and Loss Account except those wells which have proved reserves and the development of the fields in which the wells are located; has been planned.

3.4 Abandonment Costs:

Costs relating to dismantling, abandoning and restoring well sites and allied facilities are provided as abandonment costs based on the provisions under respective agreements governing company's activities in the field/ projects.

3.5 Production Costs:

Production costs include pre-wellhead and post-wellhead expenses including depreciation and applicable operating costs of support equipment and facilities.

ONGC VIDESH LIMITED

4. Producing Properties:

- 4.1 Producing properties are created in respect of a field/project having proved developed oil and gas reserves when any well in the field/project is ready to commence commercial production. Development wells are capitalized to producing properties when ready to commence commercial production.
- 4.2 All acquisition costs, cost of successful exploratory wells and of all development wells, all related development costs including depreciation on support equipment and facilities and estimated future abandonment costs relating to producing properties are capitalized as Producing Properties.

5. Depletion of Producing Properties:

Producing properties are depleted using the “Unit of Production Method”. The rate of depletion for all capitalized costs is computed with reference to the field/project/amortization base by considering the related proved and developed reserves excepting for acquisition costs which are depleted by considering the proved reserves. These reserves are estimated annually.

6. Side tracking

- 6.1 The cost of abandoned portion of side tracked exploratory wells is charged to Profit and Loss Account as dry wells.
- 6.2 The cost of abandoned portion of side tracked development wells is considered as part of cost of development wells.
- 6.3 The cost of sidetracking in respect of existing producing wells is capitalized if it increases the Proved Developed Reserve otherwise, Charged to Profit and Loss Account as workover expenditure.

7. Impairment:

- 7.1 Producing Properties, Development Wells in Progress (DWIP) and Fixed Assets (Including Capital Works in Progress) of a “Cash Generating Unit” (CGU) are reviewed for impairment at each Balance Sheet date. In case, event and circumstances indicates any impairment, recoverable amount of these assets is determined, being the higher of net selling price and value in use. An impairment loss is recognized, whenever the carrying amount of such assets exceeds the recoverable amount by writing down such assets to their recoverable amount. In assessing value in use, the estimated future cash flows from the use of assets and from its disposal at the end of its useful life are discounted to their present value at appropriate rate.

ONGC VIDESH LIMITED

7.2 An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU, is allocated to its assets on a pro-rata basis. Subsequent to impairment, depreciation is provided on the revised carrying value of the assets over the remaining useful life.

8. Joint Ventures:

8.1 The Company has entered into overseas joint ventures with others. In such joint ventures as per the contractual arrangements, the Company shares control with other venturers. The financial statements reflect the share of the Company's assets and liabilities as well as income and expenditure of Joint Venture Operations which are accounted for as per various joint venture agreements on a line by line basis along with similar items in the Company's financial statements, except in case of leases, abandonment, impairment, depletion and depreciation which are accounted based on accounting policies of the Company.

8.2 The reserves of hydrocarbons in the joint ventures are taken in proportion to the participating interest of the Company.

9. Fixed Assets:

9.1 Fixed assets (including those taken on finance lease, support equipment and facilities) are stated at historical cost.

9.2 All costs relating to acquisition of fixed assets till the time of commissioning of such assets are capitalized.

9.3 Costs incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortized on written down value method beginning from the date of capitalization.

10. Depreciation:

10.1 Depreciation on fixed assets (including those taken on finance lease) is provided for under the written down value method in accordance with Schedule XIV to the Companies Act, 1956.

10.2 Leasehold land (other than perpetual lease and lease over 99 years) is amortized over the lease period.

10.3 Depreciation on adjustments to fixed assets on account of price variation is provided for prospectively over the remaining useful life of such assets.

ONGC VIDESH LIMITED

10.4 Depreciation on fixed assets (including those taken on finance lease, support equipment and facilities) used for exploration and drilling activities and on facilities is initially capitalized as part of exploration or development costs and expensed/depleted as stated in policy 3 and 4 above.

11. Inventories:

11.1 Crude oil and condensate are valued at cost or net realizable value, whichever is lower.

11.2 Natural gas in pipeline and crude oil/condensate stock in flow lines/Gathering Stations are not valued.

11.3 Inventory of stores and spares is valued at Weighted Average Cost or net realizable value, if available, whichever is lower. Wherever, Weighted Average Cost or Net Realizable Value is not available, the cost made available by the Operator is considered for valuation of Stores and Spares. Provisions are made for obsolete and non moving inventories.

12. Investments:

12.1 Long-term investments are valued at cost. Provision is made for any diminution, other than temporary, in the value of such investments.

12.2 Current investments are valued at lower of cost or fair value.

13. Foreign Currency Transactions and Foreign Operations:

13.1 Foreign currency transactions on initial recognition in the reporting currency are accounted for at the exchange rates prevailing on the date of transaction.

13.2 At each Balance Sheet date, foreign currency monetary items are translated using the average of the exchange rates prevailing on the balance sheet date and non-monetary items are translated using the exchange rate prevailing on the date of transaction or on the date when the fair value of such item was determined.

13.3 All exchange differences arising on the settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

13.4 In respect of the Company's integral foreign operations:

(a) The foreign currency transactions on initial recognition in the reporting currency are recorded following the policy stated in 13.1. For practical

ONGC VIDESH LIMITED

reasons, the average exchange rate of the relevant month/quarter is taken for the transactions of the month/quarter in respect of joint venture operations, where actual date of transaction is not available.

- (b) At each Balance Sheet date, monetary and non-monetary items are translated following the policy stated in 13.2.
- (c) All exchange differences are treated following the policy stated in 13.3.

13.5 The financial statements of the non-integral foreign operations of the company are incorporated in the financial statements using the following principles:

- (a) the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the average of the exchange rate prevailing on the date of the balance sheet;
- (b) income and expense items of the non-integral foreign operation are translated at the average exchange rates for the period to which the financial statements relate; and
- (c) all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operation.

13.6 Exchange differences arising on the company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of such investment, at which time they are recognized as income or as expenses.

14 Finance Leases:

14.1 Assets given on Lease:

- a) Assets given on finance lease are accounted for as per Accounting Standard (AS) 19 "Leases" issued by the Institute of Chartered Accountant of India. Such assets are included as a receivable at an amount equal to the net investment in the lease.
- b) Initial direct costs incurred in respect of finance leases are recognized in the statement of profit and loss in the year in which such costs are incurred.

14.2 Assets taken on Lease:

Assets taken on finance lease are capitalised and recognised at the lower of the fair value of the asset and the discounted value of the minimum lease installments. The lease payments are bifurcated into repayment and interest components, based

ONGC VIDESH LIMITED

on a fixed interest rate and installment as derived from the underlying agreement. The lease commitments are carried under liabilities exclusive of interest. The interest component is recognised in the profit and loss account in accordance with the lease installments.

15. Revenue Recognition:

- 15.1 Revenue from sale of products is recognized on transfer of custody to customers. Any difference as of the reporting date between the entitlement quantity minus the quantities sold in respect of crude oil (including condensate), if positive is treated as inventory and, if negative, is adjusted to revenue by recording the same as liability.
- 15.2 Sales are inclusive of all statutory levies and any tax liability of the Company that may be paid by the government based on the provisions under agreements governing Company's activities in the respective field/ project.
- 15.3 Any payment received in respect of short lifted gas quantity for which an obligation exists to supply such gas in subsequent periods is recognized as Deferred Revenue in the year of receipt. The same is recognized as revenue in the year in which such gas is actually supplied for the quantity supplied or in the year in which the obligation to supply such gas ceases, whichever is earlier.
- 15.4 Revenue in respect of fixed price contracts is recognized for the quantum of work done on the basis of percentage of completion method. The quantum of work done is measured in proportion of cost incurred to date to the estimated total cost of the contract or based on reports of physical work done.
- 15.5 Finance income in respect of assets given on finance lease is recognized based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.
- 15.6 Revenue in respect of interest on delayed realizations is recognized when there is reasonable certainty regarding ultimate collection.

16. Transportation Costs:

Any payment made in respect of the quantity of gas short transported, for which the right exists to transport such gas in subsequent periods at no charge, is treated as Deferred Expenditure in the year of payment. The same is treated as cost in the year in which the gas is actually transported for the quantity transported or in the year in which the right to transport such gas ceases, whichever is earlier.

ONGC VIDESH LIMITED

17. Employee Benefits:

- 17.1 All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
- 17.2 Contribution to Provident Fund and Composite Social Security Scheme is made as per the rules of the parent company. The same is paid to funds administered through trusts.
- 17.3 Provisions for gratuity leave encashment and other employee benefits are made as per actuarial valuation at the end of the financial year. The same are not funded.

18. Borrowing Costs:

Borrowing Costs specifically identified to the acquisition or constructions of qualifying assets are capitalized as part of such asset till such time when all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Account.

19. Insurance Claims

The Company accounts for insurance claims as under:-

- 19.1 In case of total loss of asset by transferring, either the carrying cost of the relevant asset or Insurance value (subject to deductibles), whichever is lower under the head “Claims Recoverable –Insurance” on intimation to Insurer. In case insurance claim is less than carrying cost, the difference is charged to Profit and Loss Account.
- 19.2 In case of partial or other losses, expenditure incurred/payments made to put such assets back into use, to meet third party or other liabilities (less policy deductibles) if any, are accounted for as “Claims Recoverable-Insurance”. Insurance policy deductibles are expensed in the year when the corresponding expenditure is incurred.
- 19.3 As and when claims are finally received from Insurer, the difference, if any, between Claims Recoverable –Insurance and Claims received is adjusted to profit and loss Account.

ONGC VIDESH LIMITED

20. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities, if material, are disclosed by way of notes to the accounts.

21. Taxes on Income

Provision for current tax is made as per the provisions of the Income Tax Act, 1961/ other applicable tax laws. Deferred Tax Liability / Asset resulting from 'timing difference' between book and taxable profit is accounted for considering the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

22. Accounting for derivatives

As per the ICAI Announcement, Accounting for Derivatives, other than those covered under –AS-11, is done on marked to market basis and the losses are charged to Profit & Loss A/c. Unrealized gains are ignored.

23. Goodwill Amortization:

Following prudent accounting, the Company amortizes Goodwill based on "Unit of Production Method" considering the related Proved Reserves.

C Other significant accounting policies:

These are set out under "Significant Accounting Policies" of the respective Financial Statements of the Company and its Subsidiaries and Joint Venture Companies.

ONGC VIDESH LIMITED CONSOLIDATED

SCHEDULE '25'

NOTES TO THE ACCOUNTS

1. Accounting Policies:

During the year, the Company elaborated/indicated accounting policies being followed in respect of

- (a) Depreciation
- (b) Foreign Currency Transactions and Foreign Operations
- (c) Finance Leases
- (d) Goodwill Amortization

2. The Consolidated Financial Statements represent consolidation of Accounts of the Company (ONGC Videsh Limited), its Subsidiaries and Joint Venture Company. The consolidated accounts incorporate financial statements of the Company and its Subsidiaries and the Joint Venture Company for the year ended 31 March, 2010 as detailed below:

SI No.	Name of the Subsidiaries / Jointly Controlled Entities	Country of Incorporation	Proportion of Ownership Interest		Status of Audit as on 31 March, 2010
			31 March, 2010	31 March, 2009	
1.1	ONGC Nile Ganga B.V. (ONGBV)	The Netherlands	Class A and Class B 100%	Class A and Class B 100%	Audited
1.1 (i)	ONGC Do Brasil Exploracao Petrolifera Ltda.	Brazil	100%	100%	Audited
1.1 (ii)	ONGC Campos Ltda.	Brazil	100%	100%	Audited
1.1 (iii)	ONGC Nile Ganga (Cyprus) Ltd.	Cyprus	100%	100%	Audited
1.1 (iv)	ONGC Nile Ganga (San Cristobal) B.V.	The Netherlands	100%	100%	Audited
1.2	ONGC Nile Ganga B.V. (ONGBV)	The Netherlands	Class C 55% Directly and 45% by OMEL	Class C 55% Directly and 45% by OMEL	Audited
2	ONGC Narmada Limited (ONL)	Nigeria	100%	100%	Audited
3	ONGC Amazon Alaknanda Limited (OAAL)	Bermuda	100%	100%	Audited
4	ONGC Mittal Energy Limited (OMEL)	Cyprus	49.98%	49.98%	Audited
5	Jarpeno Limited	Cyprus	100%	100%	Audited

ONGC VIDESH LIMITED CONSOLIDATED

5 (i)	Imperial Energy Corporation Plc.	UK*	100%	100%	Audited
5 (ii)	Imperial Energy Limited.	UK*	100%	100%	Audited
5 (iii)	Rus Imperial Corporation plc	UK*	100%	100%	Audited
5 (iv)	Imperial Energy Tomsk Limited	Cyprus	85%	85%	Audited
5 (v)	Imperial Energy (Cyprus) Limited	Cyprus	100%	100%	Audited
5 (vi)	Imperial Energy Nord Limited.	Cyprus	100%	100%	Audited
5 (vii)	Imperial Energy Gas Limited.	Cyprus	100%	100%	Audited
5 (viii)	Nefsilius Holdings Limited.	Cyprus	100%	100%	Audited
5 (ix)	RK Imperial Energy Kostanai Limited.	Cyprus	100%	100%	Audited
5 (x)	Imperial Frac Services (Cyprus) Limited.	Cyprus	100%	100%	Audited
5 (xi)	Freshspring Investments Limited.	Cyprus	100%	100%	Audited
5 (xii)	Redcliffe Holdings Limited, Cyprus	Cyprus	100%	100%	Audited
5(xiii)	San Agio Investment Limited	Cyprus	100%	100%	Audited
5 (xiv)	Imperial Energy Trading AG	Switzerland	Liquidated in Dec 09	100%	Audited
5 (xv)	Imperial Energy Finance (Jersey) Limited.	Jersey*	100%	100%	Audited
5 (xvi)	Biancus Holdings Limited.	Cyprus	100%	100%	Audited
5 (xvii)	Rus Imperial Limited.	UK*	100%	100%	Audited
5 (xviii)	Imperial Energy Kostanai Limited.	UK*	100%	100%	Audited
5 (xix)	OOO Sibinterneft.	Russian Federation	47.5%	47.5%	Audited
5 (xx)	OOO Allianceneftegaz.	Russian Federation	100%	100%	Audited
5 (xxi)	OOO Nord Imperial.	Russian Federation	100%	100%	Audited
5 (xxii)	OOO Imperial Energy.	Russian Federation	100%	100%	Audited
5 (xxiii)	OOO Imperial Energy Tomsk Gas.	Russian Federation	95%	95%	Audited
5 (xxiv)	OOO Stratum.	Russian Federation	100%	100%	Audited
5 (xxv)	OOO Imperial Trans Service.	Russian Federation	100%	100%	Audited
5 (xxvi)	OOO Rus Imperial Group.	Russian Federation	100%	100%	Audited
5 (xxvii)	TOO Sevkazgra.	Kazakhstan	100%	75%	Audited
5 (xxviii)	OOO Imperial Frac Service	Russian Federation	50%	50%	Audited
6	Carabobo One AB	Sweden	100%	N/A	Unaudited
6 (i)	Petro Carabobo Ganga B.V.	The Netherlands	100%	N/A	Unaudited

*Under Liquidation.

ONGC VIDESH LIMITED CONSOLIDATED

3. In view of different set of environments in which the Subsidiaries and the Joint Venture Company operate, the accounting policies followed for treatment of depreciation on fixed assets by the Subsidiary, OAAL and sales revenue and royalties by the Subsidiary, ONGBV, are different from the accounting policies of the Company. Such different accounting policies have been adopted in respect of the following:

(a) Depreciation on Fixed Asset:

The Subsidiaries - OAAL, Jarpeno Limited and joint venture company OMEL provide depreciation on fixed assets using the straight line method. The amount involved is ₹ 789.21 Million (Previous year ₹ 569.80 Million) shown as depreciation under Schedule 19.

(b) Revenue Recognition:

The Subsidiary - ONGBV follows the entitlement method for revenue recognition associated with sale of crude oil and liquids for its share of petroleum production as specified in the Exploration Production Sharing Agreement (EPSA) and Crude Oil Pipeline Agreement (COPA). The amount involved is ₹ 66,283.67 Million (Previous year ₹ 82,410.16 Million) shown as sales under Schedule 15.

(c) Royalties:

The Subsidiary - ONGBV conducts its operations in Sudan jointly with Sudapet the national oil company of Sudan among others. All government stakes other than income taxes are considered to be royalty interest. Royalties on production represent the entitlement of the government of Sudan to a portion of ONGBV's share of crude oil and liquid production and are recorded using the rates in effect under the terms of the contract at the time of production. Royalties / taxes in Syrian concession are accounted similarly by ONGBV. The amount involved is ₹ 43,287.70 Million (Previous year ₹ 62,096.09 Million) under the head Royalty in Schedule 18.

(d) The Subsidiaries and the Joint Venture Company provide for the retirement benefits in accordance with the laws of their respective jurisdictions. The net impact on account of the difference in accounting policy is not ascertainable.

4. Foreign Currency Translation Reserve:

The Company has followed the Accounting Standard (AS) 11 viz. Effects of Changes in Foreign Exchange Rates (revised 2003) issued by the Institute of Chartered Accountants of India for incorporating in the consolidated financial statements following the principles for translation of the financial statements of Non-integral Foreign Operation. Accordingly, the resulting exchange loss of ₹ 19,514.38 Million (Previous Year ₹ 23,965.05 Million exchange gain) has been accounted as foreign currency translation reserve and shown in Schedule 2 as per details given below:

ONGC VIDESH LIMITED CONSOLIDATED

(₹ in Million)		
Particulars	2009-10	2008-09
Opening Balance	15,399.10	(8,565.95)
Additions during the current year	(19,514.38)	23,965.05
Closing balance	(4,115.28)	15,399.10

5. Title to Fixed Assets under Production Sharing Agreements

The Company, the Subsidiaries and Joint Venture Company in consortium with other partners (Consortium) carry on their business in respect of exploration, development and production of hydrocarbons under agreements with the host governments. In several of these agreements governing activities in the fields / projects, the agreements provide that the title to the fixed assets and other ancillary installations shall pass to host government or its nominated entities either upon acquisition / first use of such assets or upon 100% recovery of such costs through allocation of "Cost Oil" and "Cost Gas" or upon relinquishment of the relevant contract areas or termination of the relevant agreement. However, as per the terms of the agreements, the Consortium and/ or Operator has the custody of all such assets and is entitled to use, free of charge all such assets for Petroleum Operations till the full term of the respective agreements. The Consortium also bears the custody and maintenance of such assets and all risks of accidental loss and damage and all costs necessary to maintain such assets and to replace or repair such damage or loss. Under the circumstances, such assets are kept in the records of the Company, Subsidiaries or the Joint Venture Company, as the case may be, till the full term of the respective agreements.

6. Amortization of Goodwill:

Following prudent accounting, the Company amortizes goodwill based on Unit of Production Method. Goodwill amortized during the year amounted to ₹ 4,978.91 Million (Previous year ₹ 2,876.56 Million) in respect of following projects/subsidiaries:-

(₹ in Million)		
	2009-10	2008-09
Cumulative Goodwill Amortisation at beginning of the year	10,564.74	7,625.12
Amortisation for the year:		
GNOP, Sudan (ONGC Nile Ganga B.V.)	471.46	750.84
MECL Project, Colombia (ONGC Amazon Alaknanda Ltd.)	1,445.38	1,549.68
BC-10 Project, Brazil, Offshore (Through ONGC Nile Ganga B.V)	169.76	N/A
San Cristobal Project, Venezuela (ONGC Nile Ganga (San Cristobal) B.V.)	379.19	300.89
Imperial Energy Project, Russia (Jarpeno Ltd.)	2,513.12	275.15
Sub-total	4,978.91	2,876.56
Foreign currency translation difference	(186.29)	63.06
Cumulative Goodwill Amortisation at end of the year	15,357.36	10,564.74

ONGC VIDESH LIMITED CONSOLIDATED

7. Details of Joint Ventures:

The details of Company's and its Subsidiaries' significant joint ventures as on 31st March, 2010 are as under:

Sr. No.	Name of the Project and Country of Operation	Company's participating share (%)	Other Consortium Members	Operator	Project Status
1.	Block 06.1 Project, Vietnam, Offshore	45%	British Petroleum - 35% Petrovietnam - 20%	British Petroleum	The project is under development and production
2.	Block 1a, 1b, 2a, 2b & 4 (GNOP) Project, Sudan, Onshore (Through ONGC Nile Ganga B.V)	25%	CNPC - 40% Petronas - 30% Sudapet - 5%	Joint Operatorship	The project is under production.
3.	Sakhalin -1 Project, Russia, Offshore	20%	ENL - 30% SODECO - 30% SMNG - 11.5% R N Astra – 8.5%	ENL	The project is under development and production
4.	AFPC Project Syria, Onshore (Through ONGC Nile Ganga B.V)	38.75%	Fulin – 50% Mittals – 11.25%	Shell	The project is under production.
5.	MECL, Colombia, Onshore (Through ONGC Amazon Alaknanda Limited)	50%	Sinopec – 50%	Joint Operatorship	The project is under development and production
6.	Block 5A Project, Sudan, Onshore	24.125%	Petronas - 67.875% Sudapet - 8%	Petronas and Sudapet - Joint Operatorship	The project is under exploration, development and production
7.	Block BC-10 Project, Brazil, Offshore (Through ONGC Nile Ganga B.V)	15%	Shell – 50% Petrobras – 35%	Shell	The project is under development and production
8.	OOO Imperial Frac Service (Through Jarpeno Ltd)	50%	Mr. Vladimir Aleksandrovich Borisov – 50%	OVL	The company provides Fracing Services
9.	San Cristobal Project, Venezuela (Through ONGC Nile Ganga B.V.)	40%	CVP 60%	Joint Operatorship	The project is under development and production
10.	Block A-1 Project, Myanmar, Offshore	20%	Daewoo - 60% KOGAS - 10% GAIL – 10%	Daewoo	The project is under development.
11.	Block A-3 Project Myanmar, Offshore	20%	Daewoo - 60% KOGAS - 10% GAIL – 10%	Daewoo	The project is under development.
12.	Farsi Block Project, Iran, Offshore	40%	IOC – 40% OIL – 20%	OVL	The project 's exploration service contract ended on 24 June 2009 and negotiations for

ONGC VIDESH LIMITED CONSOLIDATED

					development service contract are going on.
13.	NC-189 Project, Libya, Onshore	49%	TPOC - 51%	TPOC	Block NC-189 is under exploration.
14.	Block XXIV Project, Syria, Onshore	60%	IPRMEL - 40%	IPRMEL	The Project is under exploration and development.
15.	Block 6 North Ramadan Project, Egypt, Offshore	70%	IPR Red Sea - 30%	IPR Red Sea	The project is under exploration and appraisal.
16.	Block 2, Joint Development Zone, Nigeria / Sao Tome Principe (STP), Offshore (Through ONGC Narmada Limited)	13.5%	Sinopec 28.67% ERHC-22% Addax-14.33% Equator – 9% A & Hatman Ltd. – 2.5% Foby – 5% Amber – 5%	Sinopec	The project is under exploration.
17.	Block 25-29, 35 (Part) & 36 Project, Cuba, Offshore	30%	Repsol YPF – 40% Stat Oil – 30%	Repsol YPF	The project is under exploration.
18.	Khartoum–Port Sudan Pipeline Project, Sudan	90%	OIL – 10%	OVL	The pipeline on completion is under Lease.
19.	Block NEMED in Offshore, Egypt	33%	Shell – 51% Petronas – 16%	Shell	The project is under exploration and appraisal.
20.	Block RC-8, Colombia	40%	Ecopetrol - 40% Petrobras – 20%	OVL	The project is under exploration
21.	Block RC-9, Colombia	50%	Ecopetrol - 50%	Ecopetrol	The project is under exploration
22.	Block RC-10, Colombia	50%	Ecopetrol - 50%	OVL	The project is under exploration
23.	Block BM-SEAL-4, Brazil. (Through ONGC Nile Ganga B.V)	25%	Petrobras 75%	Petrobras	The project is under exploration
24.	Block BM-BAR-1, Brazil (Through ONGC Nile Ganga B.V)	25%	Petrobras 50% Devon 25%	Petrobras	The project is under exploration
25.	Block SSJN-7, Colombia	50%	Pacific - 50%	Pacific	The project is under exploration
26.	OPL-279, Nigeria (Through ONGC Mittal Energy Limited)	22.74% (OMEL 45.5%)	EMO 40% Total 14.5%	OMEL	The project is under exploration
27.	OPL-285, Nigeria (Through ONGC Mittal Energy Limited)	32.15% (OMEL 64.33%)	EMO 10% Total 25.67%	OMEL	The project is under exploration

***Abbreviations used:** Addax – Addax Energy Nigeria Limited; British Petroleum – BP Exploration Operating Company Limited; CNPC – China National Petroleum Corporation; CVP – Corporacion Venezolana Del Petroleo S.A.; Daewoo – Daewoo International Corporation; Devon – Devon Energy do Brazil Ltda ; ; EMO – EMO

ONGC VIDESH LIMITED CONSOLIDATED

Exploration & Production Limited; Equator – Equator Exploration JDZ Block 2 Limited; ERHC – ERHC Energy Nigeria JDZ Block 2 Limited; ENL – Exxon Neftegas Limited; Foby – Foby Energy Company Limited; Fulin – Fulin Investments Sarl; GAIL – GAIL (India) Limited;; IOC – Indian Oil Corporation Limited; IPRMEL – IPR Mediterranean Exploration Limited; IPR Red Sea – IPR Energy Red Sea Inc.; KOGAS – Korea Gas Corporation; B.V; Mittals – Mittal Investments Sarl; Amber – Momo Deepwater JDZ Limited; OIL – Oil India Limited; Pacific - Pacific Stratus Energy, Colombia; Petrobras – Petroleo Brasileiro S.A.; Petronas – Petronas Carigali Overseas Sdn Bhd; Petrovietnam – Vietnam Oil and Gas Group; Repsol – Repsol YPF Cuba SA; Shell – Shell Brazil Ltda; Sinopec – Sinopec Overseas Oil and Gas Limited; Sinopec JDZ– Sinopec JDZ Block 2 Limited; SMNG – Sakhalinmorneftegas Shelf; SODECO – Sakhalin Oil Development Company Limited; Sudapet – Sudapet Limited; TPOC – Turkish Petroleum Overseas Company Limited;

8. Company's share in Joint Ventures

- (i) The Company, its Subsidiaries' and the Joint Venture Company's share of assets, liabilities, income and expenses in the Joint Ventures as furnished by the Operator has been incorporated in the financial statements as given below:

(₹ in Million)

Project	Net Fixed Assets	Net Producing Property	Capital Work in Progress	Exploratory and Development Wells in Progress	Current Assets	Cash and Bank Balance	Liabilities	Income	Expenditure* (Including depreciation)
A. Audited as of the Reporting Date									
Block 5A, Sudan	2014.03	5332.98	1447.25	1308.12	1177.64	251.57	436.33	2962.58	1900.32
Block 5B, Sudan	3.82	0	0	0	0	0	0	0	(42.05)
Block 1a, 1b, 2a, 2b & 4, Sudan	753.63	18,813.42	2,141.11	4,115.81	16,455.88	4,725.59	10,382.25	51,486.02	40,312.04
AFPC, Syria	0.74	2,402.27	0.00	0.00	5,971.26	4.24	5,406.35	21,558.53	19,917.71
Block BC-10 & Exploratory Blocks, Brazil	12,037.28	14,753.16	0.00	1,009.36	3,165.87	732.49	811.58	2,413.55	(558.23)
PIVSA (San Cristobal), Venezuela	539.83	1,632.54	579.79	0	15,396.81	212.27	6,034.27	14,250.20	9,731.86
Tamba BV	0	0	0	0	144.33	814.61	5,415.54	36.09	427.69
MECL	3,657.97	3,846.89	66.22	1,820.10	2282.47	2,522.49	1,601.89	7,113.25	3,666.22
LLC Imperial Frac Service, (Jarpeno)	32.27	53.48	0.00	0.00	47.21	2.03	85.30	(143.42)	135.45
Block 2, JDZ, Nigeria (ONL)	18.95	0.00	513.81	312.76	82.45	0.00	9.66	8.88	126.20
Farsi Block Iran	0.41	0	0	1444.66	0.71	1.63	168.27	0.37	24.12
Sudan Pipeline	0	0	0	0	4470.76	8.02	1491.79	325.79	(283.40)
Block 06.1 Vietnam	1659.59	2988.33	253.17	15.41	1575.83	1.18	928.06	7413.68	3874.65
Total (A)	20718.52	49823.07	5001.35	10026.22	50771.22	9276.12	32771.29	107425.52	79232.58
B. Audited as of 31 December 2009									
Sakhalin 1 Russia#	24347.64	37000.11	25497.72	1280.84	11625.42	129.02	16185.27	38907.22	21577.40
Block 6 North Ramadan, Egypt	3.98	0	33.50	1204.23	67.90	0	10.59	0	78.28

ONGC VIDESH LIMITED CONSOLIDATED

Block RC-8, Colombia	0.03	0	0	0	0	10.32	21.02	0	52.66
Block RC-10, Colombia	0.04	0	0	0	0	0	38.24	0	91.64
Blocks 25-29, 35 (Part) & 36, Cuba	0	0	346.91	121.74	62.43	0	10.31	0	48.22
Total (B)	24351.69	37000.11	25878.13	2606.81	11755.75	139.34	16265.43	38907.22	21848.2
C. Unaudited									
Block A-1, Myanmar	5.79	0	1236.07	1096.69	103.80	0	102.18	0	55.78
Block A-3, Myanmar	4.06	0	599.70	675.58	25.99	0	37.26	0	35.75
Block XXIV, Syria	7.51	0	0	449.15	36.83	0	106.26	2.70	(2.84)
Block NC-189, Libya	1.66	0	0	0	37.84	0	30.20	0	514.95
Block NEMED, Egypt.	0	0	0	2788.67	58.02	0	27.95	0	69.38
Block RC-9, Colombia	0	0	0	0	0	0	0.03	0.64	181.57
Block MTPN, Congo	0	0	0	0	10.61	0	59.62	0	470.95
Block SSJN-7, Colombia	0	0	0	0	0	0	0	0	31.40
Total (C)	19.02	0	1835.77	5010.09	273.09	0	363.50	3.34	1356.94
Grand Total (A+B+C)	45089.23	86823.18	32715.25	17643.12	62800.06	9415.46	49400.22	146336.08	102437.72

*Represents expenditure as per joint venture statement. In the accounts of the Company, the amount is reflected after netting off as per the Accounting Standard (AS) 27 viz. Financial Reporting of interests in Joint Ventures.

Amounts for the period Jan-March 2010 for Sakhalin are provisional.

The Company's share of assets, liabilities, income and expenses have been converted into the reporting currency at the average exchange rates over the period for which the details are provided by the Operators. Generally the details are provided by the Operators on monthly basis except in respect of Sakhalin-1, Russia Project, where the details are provided by the Operator on quarterly basis.

(ii) The Company's share of assets, liabilities, income and expenses incorporated in the financial statements in respect of Joint Venture Company is given below:

Particulars	(₹ in Million)
a) Net Fixed Assets	44.92
b) Net Producing Property	0.00
c) Capital Work in Progress	2811.71
d) Exploratory & Development Wells-in-Progress	1376.59
e) Current Assets	115.23
f) Cash and Bank	876.83
g) Liabilities	6068.10
h) Income	61.57
i) Expenditure	1370.79

9. Khartoum - Port Sudan Pipeline Project:

ONGC VIDESH LIMITED CONSOLIDATED

The Company had completed the execution of the 12"X741 Kms multi-product pipeline from Khartoum Refinery to Port Sudan for the Ministry of Energy and Mining of the Government of Sudan (MEM) on Build, Own, Lease and Transfer (BOLT) basis and handed over the same to MEM during the financial year 2005-06. The project was implemented in consortium with Oil India Limited, Company's share being 90%.

The EPC Contractor executing the project claimed additional costs aggregating to ₹ 1,676.46 Million (Previous year ₹ 1,894.15 Million), Company's share being ₹ 1,508.82 Million, (Previous year ₹ 1,704.73 Million), which have not been accepted by the Company. However, the claims have been forwarded to MEM for their approval for an aggregate amount of receivables from MEM of ₹ 2,083.95 Million (Previous year ₹ 2,354.55 Million), Company's share being ₹ 1,875.56 Million (Previous Year ₹ 2,119.10 Million). The EPC Contractor has initiated arbitration with a claim for USD 25.49 Million (₹ 1,150.24 Million) plus interest against the Company. Pending settlement with the EPC Contractor, an amount of ₹ 1,035.22 Million, being the Company's share out of ₹ 1,150.24 Million has been shown as liability. No revenue in this respect has been recognized pending final approvals by MEM. OVL has served a pre-arbitral notice on MEM, Government of Sudan, which is a statutory requirement prior to initiating any legal proceedings in Sudan.

The payment under the contract would be received over a period of 10 years with a moratorium of one year from the date of the contract i.e. 30 June, 2004 in 18 equal semi-annual installments along with lease rental. The lease period commenced from the date of handing over of the pipeline system and will continue till all payments by MEM are completed. All titles in the works and the transportation system shall vest in the Company and the title shall pass to MEM in proportion to the payments made by MEM against total payments due to Company under the contract. Further, subject to regular payments on due dates by MEM to the Company, MEM shall have the exclusive right to use and operate the pipeline system and the Company shall not assign, transfer, sub-let, sub-contract, mortgage or create any rights to any third party or encumbrances or make any disposition to any third party. Accordingly, the amount of net investment in the lease (i.e. aggregate of Minimum Lease Payments MINUS Unearned Finance Income) is recognized and recorded as receivables under the lease. The finance income thereon has been recognized based upon the pattern reflecting the constant periodic rate of return on the outstanding net investment in the lease.

The first nine installments due under the contract till the reporting date have been received.

The disclosure in accordance with the Accounting Standard (AS) 19 viz. Leases is as under:

ONGC VIDESH LIMITED CONSOLIDATED

(₹ in Million)

Particulars	31 March, 2010		31 March, 2009	
	Gross	Net	Gross	Net
a) Reconciliation between the total gross investment in the lease and the present value of minimum lease payments as at year end				
- Not later than one year	1,139.51	886.75	1,287.47	943.03
- Later than one year and not later than five years	3,988.27	3,576.08	5,149.87	4,408.72
- Later than five years	0.00	0.00	643.74	633.59
Total	5,127.78	4,462.83	7,081.08	5,985.34
b) Unearned Finance Income	664.95		1,095.74	
c) Unguaranteed residual value accruing to Company's benefit	Nil		Nil	
d) Accumulated provision for uncollectible minimum lease payments receivable	Nil		Nil	
e) Contingent rents recognised in the statement of profit and loss for the period	Nil		Nil	
f) General description of the significant leasing arrangement	As described in para above		As described in para above	
g) Accounting Policy followed in respect of initial direct costs	As per Accounting Policy 14.1(b)		As per Accounting Policy 14.2	

10. Farsi Block, Iran:

In respect of Farsi Block, Iran, the Company in consortium with other partners has entered into an Exploration Service Contract (ESC) with National Iranian Oil Company (NIOC) on 25 December 2002. In pursuance to the committed work program, the Company carried out the commerciality studies in respect of the BB area and FB area. The commerciality report for Farzad-B Gas Field was submitted to NIOC on 23 December 2007 and further the feasibility report of BB Area was submitted to NIOC on 26 November 2008. NIOC has announced the Date of Commerciality for Farzad-B as 18 August 2008. The Master Development Plan for Farzad-B Gas Field has been submitted on 18 April, 2009. The Company had invested ₹1,444.66 Million till 31 March 2010 in the project including an expenditure of ₹ 25.96 Million during 2009-10. Necessary provision has been made and shown in Schedule 22.

11. MTPN , Congo Block:

ONGC VIDESH LIMITED CONSOLIDATED

Company under a Swap deal with ENI acquired 20% Participating Interest in Mer Très Profonde Nord (MTPN) Block in offshore Congo (Brazzaville) with effect from 1 August 2006. The discovered contingent resources were well below the threshold volumes for commercial development at a water depth of more than 2700 mts. In view of the foregoing, partners submitted to DGH, Congo an application for relinquishment of the Block at the end of third and final exploration period on 31 December 2009. The approval of the same is awaited. The expenditure on the drilling of well has been written off during the year as a dry well and has been shown in Schedule 20.

12. Block 81-1, Libya:

The Company had acquired 100% Participating Interest in Block 81-1, in Libya during the year 2005-06. During the year, the Company completed the interpretation of the newly acquired 811 LKM of 2D data and 502 sq. km of 3D data. The Company intends to withdraw from the Block at the end of the first phase of exploration which ends on 9 December, 2010. Necessary provision of ₹ 180.52 Million (USD 4 Million) has been made for the Company's unfulfilled commitment of drilling one well in the Block and included in Schedule 22 as "Other Write Off". The Company has written off the acquisition cost of the project which has been shown in Schedule 22 as "Acquisition Cost Written Off".

13. Block 127, Vietnam:

The Company had acquired 100% Participating Interest in Block 127 in Vietnam during the year 2006-07. During the year the Company completed the drilling of an unsuccessful exploratory well. The Company has decided not to seek further extension of the Block at the end of the extended first phase of the exploration period which ended on 31 December, 2009. Accordingly expenditure on the drilling of well has been written off during the year as a dry well and has been shown in Schedule 20. Also provision has been made for ₹ 676.95 Million (USD 15.00 Million) for unfulfilled commitment of drilling an exploration well and included in Schedule 22 as "Other Write Off". The Company has written off the acquisition cost of the project which has been shown in Schedule 22 as "Acquisition Cost Written Off".

14. GNOP Sudan Pipeline Dispute

ONGBV along with its consortium partners (ONGBV's share being 25%) charges tariff for transporting crude oil through a pipeline, which is under the rights of Greater Nile Oil Project (GNOP) under Crude Oil Pipeline Agreement (COPA). The tariff is charged under the provisions of Crude Oil Pipeline Agreement (COPA) and Crude Oil Transportation Agreement (COTA) signed with the Government of Sudan (GoS). The pipeline and all associated rights would be permanently transferred to the GoS at a date, which comes after duration of 15 years from the startup date, which falls on 01.09.2014 or when consortium achieves expected economic return

ONGC VIDESH LIMITED CONSOLIDATED

of 16.2%, whichever comes later as per COPA. By way of various letters from late 2006 till Nov 2008, the GoS, through its Ministry of Energy & Mining (MEM), has been insisting the Consortium to transfer the pipeline together with all revenues; with effect from 01.10.2006 i.e. the date on which Consortium had achieved expected economic return of 16.2%. The Consortium does not agree with the contention of GoS for an early transfer of pipeline i.e. prior to 01.09.2014 and the dispute is under arbitration with a claim by MEM, GoS of USD 876.10 Million (ONGBV's share being USD 219.03 Million equivalent to ₹ 9884.82 Million) as on 31.03.2010. Hearing before the arbitral tribunal is scheduled in July 2010 and the Consortium is confident of an award in its favour. As such no provision has been made in the financial statements.

15. Project Carabobo

The consortium of ONGC Videsh Limited ("OVL", 11.0%), Indian Oil Corporation Limited ("IOC", 3.5%), Oil India Limited ("OIL", 3.5%), Repsol YPF ("Repsol", 11.0%) and Petrolim Nasional Berhad ("PETRONAS", 11.0%), was awarded by the Government of Venezuela, 40% ownership interest in an "Empresa Mixta" (or "Mixed Company") which will develop the Carabobo 1 Norte and Carabobo 1 Centro blocks located in the Orinoco Heavy Oil Belt. The Corporación Venezolana del Petróleo ("CVP"), a subsidiary of Petróleos de Venezuela S.A. ("PDVSA"), Venezuela's state oil company, will hold the remaining 60% equity interest. A wholly owned subsidiary of the Company, Carabobo One AB was incorporated in Sweden on 25 February 2010. Petro Carabobo Ganga B.V. a wholly owned subsidiary of Carabobo One AB was incorporated in the Netherlands on 26 February 2010. Petro Carabobo Ganga B.V. will hold 11% shares in the Mixed Company. The Mixed Company contract for the development and production from Carabobo-1 Project was signed on 12 May 2010 in Caracas.

16. The Company has assessed indicators for impairment and no indication for impairment in any of the Cash Generating Units were found except the Company's investments in Jarpeno Limited where 2P reserves have been revised downwards as per the consultant's (D&M) report for the year 2009. Accordingly, the investment in Jarpeno Limited was tested for impairment in accordance with AS-28 based on value in use method, which indicated no impairment as value in use was more than the carrying value.

17. Details of Reserves:

(a) Company and its Subsidiaries' share of Proved Reserves in respect of different projects as on 31 March, 2010 is as under:

Project	Details	Crude Oil* (Million Tonne)	Gas (Billion Cubic Meter)	Total Oil Equivalent** (Million Tonne)
Block 06.1, Vietnam	Opening	0.752	14.756	15.508
	Addition			
	Deductions/ Adjustment			

ONGC VIDESH LIMITED CONSOLIDATED

	Production	0.042	1.967	2.009
	Closing	0.710	12.789	13.499
Sakhalin-1, Russia	Opening	37.946	70.147	108.093
	Addition	0.535	0.236	0.771
	Deductions/ Adjustment			
	Production	1.532	0.390	1.922
	Closing	36.949	69.993	106.942
Block 1a, 1b, 2a, 2b & 4 (GNOP), Sudan	Opening	20.220		20.220
	Addition	1.762		1.762
	Deductions/ Adjustment	0.025		0.025
	Production	2.126		2.126
	Closing	19.831		19.831
Block 5A, Sudan	Opening	6.584		6.584
	Addition	0.234		0.234
	Deductions/ Adjustment			
	Production	0.247		0.247
	Closing	6.571		6.571
AFPC, Syria	Opening	2.988		2.988
	Addition	0.669		0.669
	Deductions/ Adjustment			0.000
	Production	0.718		0.718
	Closing	2.939		2.939
MECL, Columbia,	Opening	3.729		3.729
	Addition	0.062		0.062
	Deductions/ Adjustment	0.001		0.001
	Production	0.409		0.409
	Closing	3.381		3.381
BC-10, Brazil	Opening	1.946	0.601	2.547
	Addition			
	Deductions/ Adjustment	0.149	0.038	0.187
	Production	0.192		0.192
	Closing	1.605	0.563	2.168
Imperial Energy, Russia	Opening	18.946	3.901	22.847
	Addition		1.091	1.091
	Deductions/ Adjustment	1.527		1.527
	Production	0.543		0.543
	Closing	16.876	4.992	21.868
Block-24, Syria	Opening	0.000		0.000
	Addition	1.815		1.815
	Deductions/ Adjustment			
	Production			
	Closing	1.815		1.815

ONGC VIDESH LIMITED CONSOLIDATED

North Ramadan, Egypt	Opening	0.455		0.455
	Addition			
	Deductions/ Adjustment			
	Production			
	Closing	0.455		0.455
PIVSA, Venezuela	Opening	7.260		7.260
	Addition			
	Deductions/ Adjustment	0.030		0.030
	Production	0.704		0.704
	Closing	6.526		6.526
Total	Opening	100.827	89.404	190.231
	Addition	5.077	1.327	6.404
	Deductions/ Adjustment	1.732	0.038	1.770
	Production	6.513	2.357	8.870
	Closing	97.659	88.336	185.995

* Crude Oil includes Condensate.

** For calculating "Oil Equivalent" 1,000M³ of Gas has been taken to be equal to 1 Tonne of Crude Oil.

(b) Company's share of Proved and Developed Reserves in respect of different projects as on 31 March, 2010 is as under:

Project	Details	Crude Oil* (Million Tonne)	Gas (Billion Cubic Meter)	Total Oil Equivalent** (Million Tonne)
Block 06.1, Vietnam	Opening	0.743	11.201	11.944
	Addition			
	Deductions/ Adjustment			
	Production	0.042	1.967	2.009
	Closing	0.701	9.234	9.935
Sakhalin-1, Russia	Opening	11.146	12.093	23.239
	Addition		0.001	0.001
	Deductions/ Adjustment			
	Production	1.532	0.390	1.922
	Closing	9.614	11.704	21.318
Block 1a, 1b, 2a, 2b & 4 (GNOP), Sudan	Opening	7.830		7.830
	Addition	1.426		1.426
	Deductions/ Adjustment	0.025		0.025
	Production	2.126		2.126
	Closing	7.105		7.105
Block 5A, Sudan	Opening	4.234		4.234
	Addition	0.009		0.009
	Deductions/ Adjustment			0.000
	Production	0.247		0.247
	Closing	3.996		3.996

ONGC VIDESH LIMITED CONSOLIDATED

Total Revenue	28,343.64	34,854.24	46,809.51	52,103.96	22,290.13	21,750.34	53,545.51	71,934.12	0	0	150988.79	180,642.66
Results												
Segment results	8,000.97	5,437.04	14,219.33	30,571.80	6,284.64	7,783.52	16,454.11	16,232.10	0	(2,052.98)	44959.05	57,971.48
Unallocated corporate Expenses (Net)	0	0	0	0	0	0	0	0	3642.94	332.28	3642.94	332.28
Operating profit or (Loss)	8,000.97	5,437.04	14,219.33	30,571.80	6,284.64	7,783.52	16,454.11	16,232.10	(3,642.94)	(2,385.26)	41,316.11	57,639.20
Interest expenses	0	0	925.79	1,182.71	0	0	35.11	386.43	3409.23	5,719.65	4370.13	7,288.79
Interest and other income	6.56	11.03	618.95	167.91	972.45	801.46	525.02	608.51	716.24	1,158.98	2839.22	2,747.89
Income Tax	2,106.79	2,927.84	41.89	11.38	1,735.69	3,513.86	4,948.90	7,298.55	10056.17	11,279.66	18889.44	25,031.29
Profit / (loss) from ordinary activities	5,900.74	2,520.23	13,870.60	29,545.62	5,521.40	5,071.12	11,995.12	9,155.63	(16,392.10)	(18,225.59)	20,895.76	28,067.01
Net profit / (Loss)	5,900.74	2,520.23	13,870.60	29,545.62	5,521.40	5,071.12	11,995.12	9,155.63	(16,392.10)	(18,225.59)	20,895.76	28,067.01
Other information												
Segment Assets	4,717.41	6,814.94	131,429.46	232,614.50	93,678.87	32,961.05	58,785.04	65,592.17	0	0	288,610.78	337,982.67
Unallocated Corporate Assets	0	0	0	0	0	0	0	0	97,283.08	51,800.56	97,283.08	51,800.56
Total Assets	4,717.41	6,814.94	131,429.46	232,614.50	93,678.87	32,961.05	58,785.03	65,592.17	97,283.08	51,800.56	385,893.85	389,783.23
Segment Liabilities	15,242.70	18,823.10	73,416.97	49,807.65	47,752.37	52,960.00	23,102.44	32,335.14	0	0	159,514.48	153,925.89
Unallocated Corporate Liabilities	0	0	0	0	0	0	0	0	112,586.83	121,817.80	112,586.83	121,817.80
Total	15,242.70	8,688.41	73,416.97	160,438.38	47,752.37	3,820.99	23,102.44	32,335.14	112,586.83	71,004.75	272,101.31	275,743.69
Capital Expenditure	2,285.40	6,763.30	24,795.80	20,645.39	3,119.40	20,801.10	2,221.72	3,160.16	47.48	83,002.10	32,469.80	134,372.06
Recouped cost	3,479.18	4,105.79	14,720.46	6,551.14	5,924.51	2,722.29	12,071.53	16,880.80	317.50	564.86	36,513.18	30,824.88
Non cash Exp.	0	0	0	0	0	0	0	0	0	0	0	0

Information about Secondary Business Segments (Product-wise):

(₹ in Million)

Revenue from	2009-10	2008-09
Crude Oil* and Natural Gas (Net of VAT)	148,940.90	177,704.46
Transportation Income	2,047.89	2,938.20
Lease Finance Income	317.48	376.97

*Crude Oil includes Condensate.

ONGC VIDESH LIMITED CONSOLIDATED

Notes:

- (i) Segments have been identified and reported taking into account, the organization and management structure for internal reporting and significantly different risk and return perception in different geographical regions. These are organized into five segments viz. Asia, FSU Countries, Latin America, Africa and Unallocated. Australia, which had been recognised as a separate segment until last year is included in the Unallocated segment in view of the nil activity during the year.
- (ii) The segment revenue in the business segment (Product-wise) is revenue from sale of Crude Oil and Natural Gas, Crude Oil Transportation Income and Lease Finance Income.
- (iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. "Unallocated" includes common expenditure incurred for all the segments and expenses incurred at corporate level.
- (iv) Revenue figures are shown as net of VAT in 2009-10. Previous Year's figures have been revised accordingly.

19. Taxation

(a) Deferred Tax Provision

Net consolidated deferred tax liability as at 31 March, 2010 aggregated to ₹ 9,180.84 Million (Previous year ₹ 9,439.49 Million) and Net consolidated deferred tax asset as at 31 March, 2010 aggregated to ₹ 2,296.53 Million (Previous year ₹ 1,070.96 Million).

The item wise details of Net Deferred Tax Liability/Asset as on 31 March 2010 accounted for in accordance with Accounting Standard (AS) 22 viz. accounting for Taxes on Income are as under:

	As at 31 March, 2010	As at 31 March, 2009
		(₹ in Million)
Deferred Tax Liability of OVL		
Deferred Tax Assets :		
Carried Forward Expenditure U/S 42 of Income Tax Act, 1961	8,723.43	7,796.17
Amount disallowable U/S 43B of Income Tax Act, 1961	119.24	136.16
Total Deferred Tax Assets	8,842.67	7,932.33
Deferred Tax Liability :		
Difference in Net Block of Fixed Assets for Tax	12,628.75	11,414.56
Total Deferred Tax Liability	12,628.75	11,414.56
Net Deferred Tax Liability of the Company (OVL)	3,786.08	3,482.23
Net Deferred Tax Liability of ONGBV	5,065.98	5,492.74
Net Deferred Tax Liability of OAAL	328.78	464.52
Consolidated Net Deferred Tax Liability	9,180.84	9,439.49
Net Deferred Tax Asset of ONGBV	2,183.50	1,015.80
Net Deferred Tax Asset of OAAL	111.31	54.88
Net Deferred Tax Asset of OMEL	1.72	0.28
Consolidated Net Deferred Tax Asset	2,296.53	1,070.96

ONGC VIDESH LIMITED CONSOLIDATED

An amount of ₹ 619.42 Million (Previous year : ₹ 1,197.04 Million) has been credited to the Profit and Loss Account and ₹ 347.50 Million (Previous year: ₹ 1,354.34 Million) has been adjusted to foreign currency translation reserve.

(b) Tax Assessment

- (ii) The Company has appealed to Hon'ble Delhi High Court against the decision of Income Tax Appellate Tribunal for the Assessment Year 1981-82 to 1987-88 regarding disallowance of its claim for ₹ 94.04 Million (Previous year ₹ 94.04 Million) on account of depreciation, development allowance and receipt of interest on delayed payments in respect of Iran Project. However, pending decision the tax demand in this regard has already been paid by the Company.
- (iii) The Company had filed appeals with Commissioner of Income Tax (Appeals) (CIT (Appeals)) against the disallowance of depreciation on acquisition costs of the projects and other expenses amounting to ₹ 3,958.54 Million, ₹ 3,006.17 Million, ₹ 3,470.29 Million, ₹ 3,212.03 Million and ₹ 4683.46 Million for assessment years 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07 respectively by the assessing officer. CIT (Appeals), while disposing off the appeals for assessment year 2002-03 and 2003-04 has partially allowed the disallowances. The Company filed appeals with the Income Tax Appellate Tribunal (ITAT) against the orders of CIT (Appeals). The Company got a favorable decision from ITAT for AY 2002-03 and all disallowances made by the AO have been deleted by ITAT. The Company has further filed an appeal in Honorable High Court of Delhi for AY 2002-03 for allowance of acquisition cost as revenue expenditure in the year of payment. Pending decision, no provision has been made for any additional tax liability that may arise.
- (iv) For the assessment year 2005-06, the Company had claimed tax credit of ₹ 111.36 Million under the India-Vietnam double tax avoidance agreement with respect to tax deemed to be paid. The claim was duly supported by report of a reputed accounting and tax firm in Vietnam and accepted by the assessing officer (AO). The CIT has issued an order dated 29 March 2010 holding the allowance of the credit to be erroneous and directed the AO to recompute the tax payable. The Company is of the view that the decision of the CIT is not in accordance with the law and proposes to contest the same. No provision has been made for the additional tax liability, if any, on this account.

20. Capital Commitments:

- (i) The Company either on its own or in consortium with other partners carries on its business in respect of exploration, development and production of hydrocarbons under agreements with the host governments. Several of these agreements provide for certain minimum work obligations/ certain minimum financial commitments over a period of time. The Company's share of such obligations/ commitments in respect of agreements where such obligations / commitments have

ONGC VIDESH LIMITED CONSOLIDATED

not been completed as of the reporting date amounted to USD 129.66 Million equivalent to ₹ 5,851.65 Million (Previous year USD 249.48 Million equivalent to ₹ 12,721.18 Million). The Company is confident of meeting the obligations/ commitments.

- (ii) Other Capital Commitments based upon the details provided by the operators: ₹ 1,900.49 Million (Previous year ₹ 728.94 Million).
- (iii) ONGBV's share of estimated amount of contracts to be executed on capital account, arising out of the Greater Nile Oil Project, and not provided for as at March 31, 2009 is ₹ 1605.73 million (Previous year ₹ 225.89 million).

21. Contingent Liability:

- (i) Liability for payment to contractual workers for regularization of their services is pending with Labor Court under civil suit. The amount of liability is not ascertainable.
- (ii) Claims not acknowledged as debt: ₹ 473.60 Million (Previous Year ₹ 533.22 Million). (Refer note 6 above).
- (iii) The assessing officer has levied a penalty of ₹ 1046.81 Million for the assessment year 2003-04 in respect of the disallowances made by the assessing officer to the extent confirmed by CIT (Appeals). The Company has filed an application under Section 154 of the Income Tax Act, 1961 for rectification of penalty order on account of the mistakes apparent from the records and stay of demand application before AO. The Company has also filed an appeal with the CIT (Appeals) against the penalty order.
- (vi) The Company has issued a Stand-by Letter of Credit in favour of Agencia Nacional do Petroleo (ANP), Brazil in respect of Blocks BM-S-73 and BM-ES-42 for an amount of USD 31.69 Million and USD 12.55 Million equivalent to ₹1430.17 Million and ₹ 566.38 Million respectively on behalf of ONGC Campos Ltda against the minimum work commitment. The validity of the Stand-by Letter of Credit is till 8 October 2010 in respect of Block BM-S-73 and till 7 October 2011 in respect of Block BM-ES-42. The Company is confident that ONGC Campos Ltda will be able to honor its obligations..
- (v) The Company has issued a bank guarantee in favour of Union Cubapeotroleo, Cuba in respect of Block N 25 to 29, 35(part) and 36, Cuba for an amount of USD 6 million (equivalent to ₹ 270.78 Million) as performance guarantee for the fourth period of exploration. The validity of the Bank Guarantee is upto 19 December 2010.
- (vi) The Company has issued a bank guarantee in favour of ANH, Columbia in respect of Block CPO 5 for an amount of USD 10 million (equivalent to ₹ 451.30 Million) towards the fulfillment and

ONGC VIDESH LIMITED CONSOLIDATED

execution of the Phase-1 commitments . The validity of the Bank Guarantee is upto 25 December 2010.

- (vii) The Company has issued a bank guarantee in favour of SPC, Syria in respect of Block 24 for an amount of USD 1.50 million (equivalent to ₹ 67.70 Million) towards entering the 1st extension to IEP. The guarantee is outstanding as on 31 March 2010.
- (viii) The Company has issued an irrevocable stand by letter of credit in favour of Agencia Nacional do Petroleo, Brazil in respect of Block BM-SEAL-4, Brazil for an amount of USD 3.33 Million (equivalent to ₹150.28 Million) for the minimum exploration programme related to second exploratory period. The validity of the Bank Guarantee is upto 22 April 2011.
- (ix) The Company has issued an irrevocable stand by letter of credit in favour of Agencia Nacional do Petroleo, Brazil in respect of Block BM-BAR-1, Brazil for an amount of USD 2.075 Million (equivalent to ₹ 93.64 Million) for drilling the second well during the second exploration phase. The validity of the Bank Guarantee is upto 16 March 2011.
- (x) The Company has issued an irrevocable stand by letter of credit in favour of Bolivarian Republic of Venezuela Ministry of the Popular Power for Energy and Petroleum Venezuela in respect of Project Carabobo for an amount of USD 16.50 million (equivalent to ₹ 744.64 Million) as bid bond. The validity of the Bank Guarantee is upto 26 June 2010.
- (xi) The Company has received invoices from Japan Drilling Company (JDC), the drilling rig provider, in Block 128 relating to drilling operations for the period from 16 September 2009 to 5 October 2009 amounting to USD 4,987,047 (equivalent to ₹ 225.06 Million). The Company has observed and conveyed that invoices cannot be admitted since the contracted drilling slot had been terminated as at 16 September 2009. As JDC has not withdrawn the claim, the same is considered as a contingent liability as on 31 March 2010.
- (xii) The Company has issued Stand By Letter of Credit in favour of ANH, Columbia in respect of Block SSJN 7, Columbia for an amount of USD 6.15 million (equivalent to ₹ 277.55 Million) to guarantee the fulfillment and the correct execution of all or some of the obligations of the phase I of the Exploration Period. The validity of the Bank Guarantee is upto 07 January 2011.
- (xiii) The Company has issued Letter of Credit for an amount of USD 2.06 Million, USD 2.57 Million and USD 2.57 Million equivalents to ₹ 92.97 Million, ₹ 115.98 Million and ₹ 115.98 Million in favour of Agencia Nacional de Hidrocarburos (ANH), Colombia in respect of Block RC-8, RC-9

ONGC VIDESH LIMITED CONSOLIDATED

and RC-10 respectively for fulfillment and correct execution of obligations during the Phase I Exploration Period under the Hydrocarbons Exploration and Production Agreement for its Participating Interest. The Company is confident of fulfilling its obligations arising under the contract.

- (xiv) The Company has issued Corporate Guarantee in respect of Blocks AD-2, AD-3 & AD-9, Myanmar to Myanmar Oil & Gas Enterprise (MOGE) for an amount of USD 132 million (equivalent to ₹5,957.16 million) towards its commitment to discharge all obligations under the PSC.
- (xv) The Company has issued Performance Guarantee in respect of concessionary contract for Block BC-10, Brazil and Blocks BM-S-73 and BM-ES-42 on behalf of ONGC Campos Ltda (OCL). The Company is confident that OCL will be able to honor its obligations.
- (xvi) ONGBV's share of the claims against Greater Nile Petroleum Operating Company (GNPOC) arising out of contractor disputes as at March 31, 2009 amount to USD 0.82 Mn equivalent to ₹ 37 Million (Previous year Nil).
- (iv) ONGBV has given guarantee to State Bank of India for granting of guarantee facilities to ONGC Mittal Energy Limited (OMEL). Under the said guarantee facility to OMEL, SBI London has issued performance bonds in favour of Nigerian National Petroleum Corporation. The obligation of the Company is limited to 51% of the guaranteed amounts. As on 31/03/2009, the outstanding guarantee obligation of the company was USD 56.35 Million (eqvt of ₹ 2,543.08 Million).
- (v) ONGBV has given performance guarantee to ANP, the regulatory authority in Brazil, favoring ONGC Campos Ltda (OCL) for BC-10 Project where OCL has a 15% participating interest and Shell Brazil is the operator. OCL has paid its cash calls under the project. The total financial investment budgeted for the BC-10 Project from 2009 onwards is USD 3,568.16 Million (eqvt. to ₹ 161,031.06 Mn) out of which OCL's 15% share works out to USD 535.22 Mn (eqvt. to ₹ 24,154.66 Mn).
- (vi) ONGBV's share of the claims against Greater Nile Petroleum Operating Company (GNPOC) arising out of contractor disputes as at March 31, 2010 amounts to USD 35.82 Million equivalent to ₹ 1616.55 Mn (Previous year: USD 0.82 Million equivalent to ₹ 41.82 Mn). No provision has been made for contingent liability based on probability assessment done by the management.
- (xvii) All known contingent liabilities have been indicated. The contingent liabilities, if any, in respect of joint ventures, where the Company is the non-operator are not ascertainable except Sakhalin-1 where the Operator has intimated that the status of contingent liability is nil.

ONGC VIDESH LIMITED CONSOLIDATED

22. Tamba BV Financial Lease

ONGBV owns 15% equity shares in Tamba B.V. The Netherlands; with the balance held by Shell E and P Offshore Services B.V., The Netherlands ("SEPBV"), and Petobras Netherlands B.V. The Netherlands ("PNBV"). Tamba B.V. has been established to facilitate the development and production of hydrocarbons in the BC-10 concession, Campos Basin area in Brazil. Tamba B.V. has a third party lease for major oil field equipment (FPSO) and constructed other sub-sea assets for onwards lease to the BC-10 Project. Both financial leases commenced on 31st December 2008. The financial statements of Tamba BV were prepared and audited for the period ending December 31, 2009. For the period, January 1, 2010 to March 31, 2010, the financial statements were reviewed by the auditors of Tamba BV.

Tamba BV leases part of its assets from a third party, the risks and rewards incidental to ownership are largely transferred to it. These assets are capitalised and recognised in the balance sheet as from the moment the lease contract is concluded, at the lower of the fair value of the asset and the discounted value of the minimum lease instalments. The lease instalments payable are broken down into repayment and interest components, based on a fixed interest rate and instalments as derived from the underlying agreement. The lease commitments are carried under long-term liabilities exclusive of interest. The interest component is recognised in the profit and loss account in accordance with the lease instalments.

Tamba BV leases part of its assets to an affiliate, the risks and rewards incidental to ownership are largely transferred to this affiliate. These assets are disposed of and recognised in the balance sheet as from the moment the lease contract is concluded, at the discounted value of the minimum lease instalments. The lease instalments receipts are broken down into repayment and interest components, based on a fixed interest rate and instalments as derived from the underlying agreement. The lease commitments are carried under long-term receivables exclusive of interest. The interest component is recognised in the profit and loss account in accordance with receipt of the lease instalments.

Revenue of finance lease contracts represents the transfer of economic ownership from Tamba BV (lessor) to the lessee of the asset, being an affiliate. Cost of sales represents the costs associated with the finance lease contracts. The Company's share of the lease liability (at USD 1= ₹ 45.13) are tabulated below:

Lease liability	₹ in Million
Opening balance as at 1 January 2009	5205.89
Interest	545.03
Lease Payments	(1243.40)
Downtime Provision	9.71
Closing balance as at 31 March 2010	4,517.23

The Company's 15% share of future estimated minimum lease expenses in the period and their present values are scheduled to be as follows:

(₹ in Million)

ONGC VIDESH LIMITED CONSOLIDATED

	< 1Year	1-5 Years	>5Years	Total
Future minimum lease payments:	840.77	3047.63	3078.09	6966.49
Present value of minimum lease payments	798.80	2332.09	1410.09	4540.98

Tamba BV has entered into a 15 year lease contract for the supply of the FPSO "Espirito Santo" with a third party. The lease contract contains priced termination options for each of the 15 years and priced extension options for the 4 years following the initial 15 year term. The company can exercise a priced purchase option during the term of the lease. Certain operational elements that are priced in the contractual rates are escalated per 5 year intervals on the basis of agreed price indices.

23. Hedging Gain:

The hedging gain for the year is ₹ 19.42 Million (Previous year gain ₹153.65 Million) comprises of unrealized losses of ₹ 14.22 Million and realized gains of ₹ 33.64 Million (Previous year realized losses of ₹ 71.99 Million and realized gains of ₹ 225.64 Million) in respect of hedging of crude oil against prices by OMEL.

24. Details of Production, Transportation, Selling and Distribution Expenditure (Schedule 18) and Provisions & Write Offs (Net) (Schedule 21):

(₹ in Million)			
Sl No.	Particulars	2009-10	2008-09
i	a. Salaries, Wages, Ex-gratia etc.	1746.50	1,255.20
	b. Contribution to Provident Fund and other Funds.	31.84	15.40
	c. Provision for Gratuity	31.13	90.81
	d. Provision for Leave Encashment	63.18	51.12
	e. Provision for medical / Terminal Benefits	15.03	11.23
	f. Staff Welfare Expenses	104.04	149.64
	Sub Total (A)	1991.72	1,573.40
ii	Rent	789.59	142.40
iii	Electricity, Water and Power	27.23	111.80
iv	Repairs to buildings	0.00	1.44
v	Repairs to Plant and Machinery	0.00	9.48
vi	Other Repairs	139.84	45.30
vii	Hire Charges of Vehicles	67.21	118.35
viii	Professional Charges	119.13	176.08
ix	Telephone and Telex	41.86	11.14
x	Printing and Stationery	1.51	1.76
xi	Training and Seminar	0.10	6.72
xii	Business Meeting Expenses	12.79	7.11
xiii	Traveling Expenses	126.09	83.90
xiv	Pipeline construction Cost	0.00	0.00

ONGC VIDESH LIMITED CONSOLIDATED

xv	Insurance	90.80	38.81
xvi	Advertisement and Exhibition Expenditure	15.03	5.01
xvii	Contractual Transportation	3,991.87	3,762.28
xviii	Miscellaneous Expenditure	1319.69	1,423.57
xix	Other Operating Expenditure*	15215.03	11,372.64
xx	Provisions for doubtful Debts	972.09	2,063.05
xxi	Other Write offs	1,418.24	114.65
xxii	Excess provision Written Back	(40.14)	(380.96)
xxiii	Other Provision	468.86	1,366.15
xxiv	Royalty	48,693.21	66,639.77
xxv	Statutory Levies	694.13	3,017.44
	Sub Total (B)	74,164.13	90,137.89
	Total of Operating Expenditure. Establishment Expenditure and Provision and Write off (A+B)	76,155.85	91,711.29

*The operating expenditure (no. (xix) above) includes the expenses in respect of Sakhalin-1, Russia project, where the above details are not made available by the Operator.

25. Managerial Remuneration:

(₹ in Million)

	2009-10	2008-09
Salary and Allowances	27.35	15.18
Contribution to Provident Fund	0.86	0.39
Other Benefits and Perquisites	<u>7.04</u>	<u>6.64</u>
Total	35.25	22.21

* excludes provision by the holding company

26. Auditors' Remuneration (excluding subsidiaries and joint venture company):

(₹ in Million)

	2009-10	2008-09
Audit Fee	1.21	1.02
Tax Audit Fee	0.20	0.15
Certification Fee	0.22	0.02
Total	1.63	1.19

ONGC VIDESH LIMITED CONSOLIDATED

27. The expenses incurred by Oil and Natural Gas Corporation Limited or its subsidiaries or subsidiaries of the Company on behalf of the Company are accounted for on the basis of debit raised by them for which supporting documents are held by the respective company.

28. The required disclosure under the Accounting Standard 15 (Revised) is given below:

(A) Brief Description: A general description of the type of Defined Benefit Plans is as follows:

(i) Earned Leave (EL) Benefit

Accrual -30 days per year

Encashment while in service-75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days

(ii) Good Health Reward (Half Pay Leave)

Accrual -20 days per year

Encashment while in service –Nil

Encashment on retirement - 50% of Half Pay Leave balance.

(iii) Gratuity

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 1.00 million.

(iv) Post Retirement Medical Benefits

Upon payment of one time prescribed contribution by the employees, full medical benefits on superannuation & on voluntary retirement subject to the completion of minimum 20 years of service and 50 years of age.

(v) Terminal Benefits

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Transfer Traveling Allowance. Employees are gifted a silver plaque also depending upon their level.

(B) The amount recognized as expense for defined contribution plans are as under:

(₹ in Million)

Defined Contribution Plan	Expense Recognized during 2009-10	Contribution for Key Management Personnel during 2009-10	Expense Recognized during 2008-09	Contribution for Key Management Personnel during 2008-09
Contributory Provident Fund	31.84	0.80	15.40	0.30
Employee Pension Scheme -95	1.34	0.02	1.42	0.02
Composite Social Security Scheme	1.52	0.03	1.20	0.02

(C) The amount recognized in the balance sheet for post employment benefit plans are as under:

(₹ in Million)

Sl.	Particulars	Gratuity	Leave	Post Retirement Medical Benefits	Terminals Benefits
1	Present Value of Funded	-	-	-	-

ONGC VIDESH LIMITED CONSOLIDATED

	Obligation	(-)	(-)	(-)	(-)
2	Fair Value of Plan Assets	-	-	-	-
		(-)	(-)	(-)	(-)
3	Present Value of Unfunded Obligation	164.23	127.04	54.74	4.79
		(138.95)	(100.66)	(41.46)	(3.04)
4	Unrecognized Past Service Cost	-	-	-	-
		(-)	(-)	(-)	(-)
5	Net Liability	164.23	127.04	54.74	4.79
		(138.95)	(100.66)	(41.46)	(3.04)

(D) The amount included in the fair value of plan assets of gratuity fund is as follows:

(₹. in Million)

Defined Contribution Plan	Expense Recognized during 2009-10	Expense Recognized during 2008-09
Reporting Enterprise's own financial instruments	Nil	Nil
Any Property occupied by, or assets used by the reporting enterprise	Nil	Nil

(E) Reconciliation showing the movements during the period in the net liability recognized in the balance sheet:

(₹ in Million)

Sl..	Particulars	Gratuity	Leave	Post Retirement Medical Benefits	Terminals Benefits
1	Opening defined benefit obligation	138.95	100.66	41.46	3.04
		(49.65)	(61.23)	(30.63)	(2.65)
2	Current Service Cost	6.84	5.34	2.05	0.19
		(5.90)	(4.43)	(1.62)	(0.13)
3	Past Service Cost	-	-	-	-
		(48.33)	(-)	(-)	(-)
4	Interest Cost	10.42	7.55	3.11	0.23
		(3.48)	(4.29)	(2.14)	(0.18)
5	Actuarial Losses (Gains)	13.86	50.29	8.12	1.33
		(33.10)	(42.40)	(7.07)	(0.08)
6	Exchange differences on foreign plans	-	-	-	-
		(-)	(-)	(-)	(-)
7	Benefits paid	-5.84	-36.80	-	-
		(-1.51)	(-11.69)	(-)	(-)
8	Closing defined benefit obligation	164.23	127.04	54.74	4.79
		(138.95)	(100.66)	(41.46)	(3.04)

ONGC VIDESH LIMITED CONSOLIDATED

(F) The total expenses recognized in the statement of profit and loss are as follows:

(₹ In million)

Sl.	Particulars	Gratuity	Leave	Post Retirement Medical Benefits	Terminals Benefits
1	Current Service Cost	6.84 (5.90)	5.34 (4.43)	2.05 (1.62)	0.19 (0.13)
2	Interest on Obligation	10.42 (3.48)	7.55 (4.29)	3.11 (2.14)	0.23 (0.18)
3	Expected Return on plan assets	- (-)	- (-)	- (-)	- (-)
4	Net Actuarial Losses (Gains) recognised in year	13.86 (33.10)	50.29 (42.40)	8.12 (7.07)	1.33 (0.08)
5	Past Service Cost	- (48.33)	- (-)	- (-)	- (-)
6	Losses (Gains) on curtailments and settlement	- (-)	- (-)	- (-)	- (-)
7	Total included in 'Employee Benefit Expense'	31.13 (90.81)	63.18 (51.12)	13.28 (10.83)	1.75 (0.39)
8	Actual return on Plan Assets	- (-)	- (-)	- (-)	- (-)

(G) Principal actuarial assumption at the balance sheet date (expressed as weighted averages):

Sl.	Particulars	Gratuity	Leave	Post Retirement Medical Benefits	Terminals Benefits
1	Discount Rate	7.50% (7%)	7.50% (7%)	7.50% (7%)	7.50% (7%)
2	Expected Return on Plan Assets	- (-)	- (-)	- (-)	- (-)
3	Annual Increase in healthcare costs	- (-)	- (-)	- (-)	- (-)
4	Annual Increase in Salary	5% (5%)	5% (5%)	5% (5%)	5% (5%)

ONGC VIDESH LIMITED CONSOLIDATED

(H) Effect of 1.00 % increase and decrease in inflation rate on Post Retirement Medical Benefits as on 31st March 2010:

(₹ in Million)		
	1.00 % (+)	1.00 % (-)
a) Effect on service and interest cost	1.05 (0.76)	-0.84 (-0.67)
b) Effect on Present Benefits Obligation (Closing)	10.47 (8.12)	-8.39 (-6.54)

Note: Figures in parenthesis represent last year's figure.

29. Information as per Accounting Standard (AS) 18 viz. Related Party Disclosures is given below (excluding with State Controlled Entities):

(₹ in Million)				
	Joint ventures	Key Managerial personnel	Total 2009-10	Total 2008-09
Income from rendering services	158.00	-	158.00	46.25
Interest Income	351.07	-	351.07	439.94
Remuneration	-	35.25	35.25	22.21
Capital Contribution	0.77	-	0.77	-

Note:

Name of related parties and description of relationship (excluding State Controlled Entities):

Joint Ventures	Block 06.1 Project, Vietnam
	Sakhalin-1 Project, Russia
	Block 1a, 1b, 2a, 2b & 4 Project, Sudan
	Block 5A Project, Sudan
	MECL, Colombia
	AFPC, Syria
	Block BC-10, Brazil
	Block BM-SEAL-4, Brazil
	Block BM-BAR-1, Brazil
	Block A-1 Project, Myanmar
	Block A-3 Project, Myanmar
	Farsi Block Project, Iran
	Block 6 North Ramadan Project, Egypt
	Block NC-189 Project, Libya
	Block XXIV Project, Syria
	Block 2, JDZ, Nigeria / STP
	Block 25-29, 35 (Part) & 36 Project, Cuba
	Khartoum – Port Sudan Pipeline Project, Sudan
	ONGC Mittal Energy Limited, Cyprus
	Block NEMED in Offshore, Egypt

ONGC VIDESH LIMITED CONSOLIDATED

	Block RC-8, Colombia
	Block RC-9, Colombia
	Block RC-10, Colombia
	Block SSJN-7, Colombia
	MTPN Block, Congo
	San Cristobal Project, Venezuela
	ONGC Nile Ganga B.V. , The Netherlands
	Imperial Energy Tomsk Limited, Cyprus
	OOO Sibinterneft, Russian Federation
	OOO Imperial Energy Tomsk Gas, Russian Federation
	TOO Sevkazgra, Russian Federation
Key Management personnel (excludes Joint Venture Company)	<p>Mr R S Butola, Managing Director</p> <p>Mr J Thomas, Director (Exploration)</p> <p>Mr S P Garg, Director (Finance)</p> <p>Mr A Mathur, Director (Commercial) (till 31st August'2009)</p> <p>Mr S.Roychoudhary, Director (Commercial)(with effect from 01st september'2009)</p> <p>Ir. A R Baron Mackay Holding B.V., Director, ONGC Nile Ganga B.V.</p> <p>Dr. C M Lamba, Director, ONGC Nile Ganga B.V. (till 18th December, 2009)</p> <p>Mr Costas Christoforou, Director, Jarpeno Limited</p> <p>Ms Arlene Nahikian, Director, Jarpeno Limited</p> <p>Ms. K. Antoniadou, Director, Jarpeno Limited</p> <p>Ms. E. Chrysanthou, Director, Jarpeno Limited</p> <p>Mr A. Loizou, Director, Jarpeno Limited</p> <p>Mr. Roland Göransson, Director, Carabobo One AB</p> <p>Mr. Richard Chindt, Director, Carabobo One AB</p>

30. The figures in respect of Subsidiaries / Joint Venture Company have been regrouped / re-arranged based upon the details obtained from the managements of the Subsidiaries / Joint Venture Company, wherever their audited accounts did not provide the break up details required for the consolidated financial statements.

ONGC VIDESH LIMITED CONSOLIDATED

31. Previous year figures have been re-grouped/re-arranged and nomenclature re-named wherever necessary to make them comparable with current year classification.

Signature to Schedule – '1' to '25'



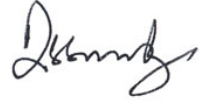
(V Sreedher)
Company Secretary



(S P Garg)
Director (Finance)

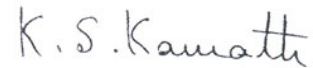


(R.S. Butola)
Managing Director



(R.S. Sharma)
Chairman

As per our report of even date attached
For BATRA SAPRA & COMPANY
Chartered Accountants



(K.S. Kamath)
Partner (M.No 44492)
Firm Registration Number: 000103N

New Delhi
May 21, 2010

ONGC VIDESH LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(₹ in Million)

	Year Ended		Year Ended	
	31st March, 2010		31st March, 2009	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net profit before tax and prior period items		39,458.81		53,665.01
Adjustments For:				
-Depreciation, Depletion and Amortisation (Represented by Depreciation, Depletion and Amortisation)	36,513.18		30,619.55	
Less : Cash Outflows	10,364.13		10,848.64	
	26,149.05		19,770.91	
-Interest on Borrowings	4,370.13		7,288.78	
-Provision for Gratuity	25.28		89.30	
-Provision for Leave Encashment	26.38		39.43	
-Provision for Terminal Benefits	34.41		9.14	
-Provision for Doubtful Debt	972.09		2,063.05	
-Provision for Pay Revision Arrears	(116.46)		48.48	
-Provision for Productivity Allowance	0.00		(0.95)	
-Provision for Wells drilled under Service Contract	25.96		64.70	
-Provision for Stores & Spares	81.43		40.81	
-Other Provisions & Write Off	1,779.70		1,375.29	
-Forex Translation Adjustment	891.92		779.07	
-Interest Income	(300.98)	33,938.91	(1,569.95)	29,998.06
Operating Profit before Working Capital Changes		73,397.72		83,663.07
Adjustments for:-				
-Debtors	(4,683.48)		(9,478.50)	
-Loans and Advances	4,024.77		(17,123.74)	
-Inventories	(341.77)		(2,781.32)	
-Trade Payable and Other Liabilities	(3,247.56)	(4,248.04)	22,739.16	(6,644.40)
Cash generated from Operations		69,149.68		77,018.67
Direct Taxes Paid		(16,747.02)		(30,850.96)
Cash Flow before Prior period items		52,402.66		46,167.71
Prior period items		582.21		(103.33)
Net Cash Flow from Operating Activities 'A'		52,984.87		46,064.38
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets (Net)		(17,125.21)		(3,151.42)
Expenditure on Projects		(40,327.75)		(54,908.01)
Investment in Subsidiaries		(430.59)		(508.44)
Foreign Currency Translation Adjustment		6,009.95		(78,800.42)
Advance to Sudapet & Carry Finances		257.17		1,633.04
Interest Received		295.93		1,662.65
Net Cash Flow from Investing Activities 'B'		(51,320.50)		(134,072.60)

	Year Ended		Year Ended	
	31st March, 2010		31st March, 2009	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Non Convertible Redeemable Bond		23,400.00		0.00
Proceeds from Issue of Commercial Papers		(42,027.72)		48,553.73
Net Long Term Borrowings from ONGC		9,657.81		40,416.34
Cash Credit /Bank Borrowings		9,025.98		(95.81)
Interest Paid		(1,120.21)		(6,432.31)
Net Cash Flow from Financing Activities 'C'		(1,064.14)		82,441.95
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		600.23		(5,566.27)
Cash and Cash Equivalents as at 1st April, 2009 (Opening Balance)		15,997.58		21,563.85
Cash and Cash Equivalents as at 31st March, 2010 (Closing Balance)		16,597.81		15,997.58

Notes:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

2 Cash and Cash Equivalent represent:-

	2009-10	2008-09
a) Cash and Bank Balances	16,490.44	15,929.87
b) Abandonment Fund Deposits with J P Morgan Chase Bank (in accordance with the requirements of PSA for Sakhalin-1, Russia Project)*	107.37	67.71
Total	16,597.81	15,997.58


* The funds can be withdrawn only for the specified purposes in accordance with the PSA Provisions.


3 Bracket indicates cash outflow/deduction.


4 Previous year figures have been regrouped wherever necessary to confirm the current year's classification.

5 Adjustment have not been made to purchase of fixed assets etc. (investing activities), on account of increase / decrease in Capital Creditors. The impact of the above is not readily ascertainable.


(V. Sreedher)
Company Secretary


(S. P. Garg)
Director (Finance)


(R. S. Butola)
Managing Director


(R. S. Sharma)
Chairman

As per our report of even date attached
For BATRA SAPRA & COMPANY
Chartered Accountants



(K. S. KAMATH)

Partner (M No.44492)

Firm Registration Number 000103N

New Delhi
May 21st, 2010

DETAILS OF THE SUBSIDIARIES

(US\$ in Million)

(Rs. in Million)

Sr.No.	Name of Subsidiary Company	As on 31.03.2010					For the year 2009-10					As on 31.03.2010					For the year 2009-10				
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (except in case of investment in the subsidiaries)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (except in case of investment in the subsidiaries)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	ONGC Nile Ganga B.V.*	0.10	2,042.96	2,664.72	621.66	-	1,814.85	650.23	229.49	420.74	-	4.51	92,198.78	120,258.81	28,055.52	-	86,102.47	30,849.06	10,887.76	19,961.29	-
2	ONGC Narmada Limited	0.16	(11.54)	20.75	32.13	-	-	(2.47)	-	(2.47)	-	7.22	(520.80)	936.45	1,450.03	-	-	(117.32)	-	(117.32)	-
3	ONGC Amazon Alaknanda Limited*	437.50	217.50	697.79	42.79	-	139.06	72.66	15.35	57.31	-	19,744.38	9,815.78	31,491.26	1,931.11	-	6,597.47	3,447.23	728.25	2,718.98	-
4	ONGC Do Brasil Exploracao Petrolifera Ltda.	0.00	-	0.00	-	-	-	-	-	-	-	0.02	-	0.02	-	-	-	-	-	-	-
5	ONGC Campos Ltda.	185.16	(46.25)	702.37	563.46	-	31.16	(1.67)	(18.03)	16.36	-	8,356.27	(2,087.26)	31,697.96	25,428.95	-	1,478.33	(79.23)	(855.40)	776.17	-
6	ONGC Nile Ganga (Cyprus) Ltd.	0.00	123.79	123.91	0.13	-	-	1.12	0.11	1.01	-	0.09	5,586.51	5,592.24	5.64	-	-	53.14	5.22	47.92	-
7	ONGC Nile Ganga (San Cristobal) B.V.*	0.07	347.52	481.30	133.71	-	299.60	187.84	92.60	95.24	-	3.16	15,683.58	21,721.07	6,034.33	-	14,214.01	8,911.75	4,393.25	4,518.50	-
8	Jarpeno Limited	0.19	1,927.38	3,251.71	1,324.14	-	-	5.23	0.04	5.19	-	8.57	86,982.66	146,749.67	59,758.44	-	-	248.13	1.90	246.23	-
9	Imperial Energy Corporation Plc.	5.07	934.23	940.31	1.01	-	-	21.24	0.31	20.93	-	228.81	42,161.80	42,436.19	45.58	-	-	1,007.70	14.71	992.99	-
10	Imperial Energy Limited	-	11.93	11.93	-	-	-	(7.12)	-	(7.12)	-	-	538.40	-	-	-	-	(337.80)	-	(337.80)	-
11	Rus Imperial Corporation plc.	0.59	-	0.59	-	-	-	-	-	-	-	26.63	-	26.63	-	-	-	-	-	-	-
12	Imperial Energy Finance (Jersey) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Biancus Holdings Limited	-	18.37	1,173.02	1,154.65	-	-	1.07	0.16	0.91	-	-	829.04	52,938.39	52,109.35	-	-	50.76	7.59	43.17	-
14	Rus Imperial Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Imperial Energy Tomsk Limited	-	(4.64)	11.16	15.80	-	-	(0.61)	-	(0.61)	-	-	(209.40)	503.65	713.05	-	-	(28.94)	-	(28.94)	-
16	Imperial Energy (Cyprus) Limited	0.03	23.25	185.04	161.76	-	-	(6.60)	-	(6.60)	-	1.35	1,049.27	8,350.86	7,300.23	-	-	(313.13)	-	(313.13)	-
17	Imperial Energy Nord Limited	0.03	104.53	313.01	208.45	-	-	(7.09)	-	(7.09)	-	1.35	4,717.44	14,126.14	9,407.35	-	-	(336.37)	-	(336.37)	-
18	Imperial Energy Gas Limited	-	(0.17)	-	0.17	-	-	(0.03)	-	(0.03)	-	-	(7.67)	-	7.67	-	-	(1.42)	-	(1.42)	-
19	Nefsilus Holdings Limited	-	(0.11)	1.01	1.12	-	-	(0.04)	-	(0.04)	-	-	(4.96)	45.58	50.55	-	-	(1.90)	-	(1.90)	-
20	RK Imperial Energy Kostanai Limited	-	(0.09)	-	0.09	-	-	(0.02)	-	(0.02)	-	-	(4.06)	-	4.06	-	-	(0.95)	-	(0.95)	-
21	Imperial Frac Services (Cyprus) Limited	-	(0.14)	-	0.14	-	-	(0.03)	-	(0.03)	-	-	(6.32)	-	6.32	-	-	(1.42)	-	(1.42)	-
22	Freshspring Investments Limited	-	(0.11)	-	0.11	-	-	(0.02)	-	(0.02)	-	-	(4.96)	-	4.96	-	-	(0.95)	-	(0.95)	-
23	Redcliffe Holdings Limited	-	(2.40)	37.33	39.73	-	-	(1.09)	-	(1.09)	-	-	(108.31)	1,684.70	1,793.01	-	-	(51.71)	-	(51.71)	-
24	San Agio Investments Limited	-	(5.87)	29.91	35.78	-	-	(7.71)	0.32	(8.03)	-	-	(264.91)	1,349.84	1,614.75	-	-	(365.79)	15.18	(380.97)	-
25	Imperial Energy Kostanai Limited	-	11.35	11.35	-	-	-	(0.04)	-	(0.04)	-	-	512.23	512.23	-	-	-	(1.90)	-	(1.90)	-
26	OOO Sibinternft	-	(12.55)	11.09	23.64	-	-	(4.81)	-	(4.81)	-	-	(566.38)	500.49	1,066.87	-	-	(228.20)	-	(228.20)	-
27	OOO Allianceneftgaz	-	9.67	348.58	338.91	-	141.07	(35.58)	-	(35.58)	-	-	436.41	15,731.42	15,295.01	-	6,692.83	(1,688.03)	-	(1,688.03)	-
28	OOO Nord Imperial	-	(26.42)	703.86	730.28	-	31.60	(108.32)	-	(108.32)	-	-	(1,192.33)	31,765.20	32,957.54	-	1,499.21	(5,139.06)	-	(5,139.06)	-
29	OOO Imperial Energy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	OOO Imperial Energy Tomsk Gas	-	(0.23)	0.04	0.27	-	-	(0.05)	-	(0.05)	-	-	(10.38)	1.81	12.19	-	-	(2.37)	-	(2.37)	-
31	OOO Stratum	-	(0.01)	-	0.01	-	-	-	-	-	-	-	(0.45)	-	0.45	-	-	-	-	-	-
32	OOO Imperial Trans Service	-	0.77	2.99	2.22	-	-	0.01	-	0.01	-	-	34.75	134.94	100.19	-	-	0.47	-	0.47	-
33	OOO Rus Imperial Group	-	10.07	77.88	67.81	-	-	7.08	-	7.08	-	-	454.46	3,514.72	3,060.27	-	-	335.90	-	335.90	-
34	TOO Sevkaizra	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	AB Startkapitalet nr 5636* (Name changed to Carabobo One AB)	0.01	(0.01)	0.03	0.03	-	-	(0.01)	-	(0.01)	-	0.45	(0.45)	1.35	1.35	-	-	(0.36)	-	(0.36)	-

*Including figures in respect of Subsidiaries & JV Companies.

Exchange Rate

As on 31.03.2010 1 US\$ = Rs. 45.1300

Average Rate for 2009-10 1 US\$ = Rs. 47.4433

Note:-

In view of exemption granted by the Central Government under Section 212(B) of the Companies Act, 1956, copies of the Balance Sheet, Profit and Loss Account, Report of Directors and Auditors of the Subsidiary are not attached to the Balance Sheet of the Company. The annual accounts of the subsidiary and the related detailed information will be made available to the holding company and subsidiary investors, seeking such information at any point of time. The same are also available for inspection by any investor at the Registered Office of the Company as well as at the Registered Office of the Subsidiary. The details of the accounts of individual subsidiary are available at www.ongcvdesh.com.