

## स्वतंत्रता दिवस - 15 अगस्त 2012

### भाषण

ओएनजीसी के माननीय अनुभवी अग्रज जनों,  
ओएनजीसी परिवार के प्रिय सदस्यों,  
परेड में उपस्थित अधिकारियों, जवानों और बच्चों,  
सम्मानित अतिथिगण,  
मीडिया से आए परम मित्रों,  
देवियों और सज्जनों/

वन्दे मातरम् !

हमारी परमप्रिय मातृभूमि भारत के 66वें स्वतंत्रता दिवस के सुअवसर पर उपस्थित आप सभी को मैं हार्दिक शुभकामनाएँ देता हूँ।

15<sup>th</sup> August 1947 is the most significant day in the history of sovereign India. The day symbolizes the glorious account of India's rebirth as an independent and confident nation.

The pain and the struggle, the sacrifices and the glories are now the lore of one of the greatest mass movements in world history.

स्वतंत्रता संग्राम की सबसे बड़ी शक्ति भारत के लोग थे। उनकी असीम क्षमता थी। त्याग इसका दूसरा आयाम था।

महात्मा गाँधी, पंडित जवाहरलाल नेहरू और बहुत से महान नेताओं के नेतृत्व में इस देश के आम लोगों ने उत्साह से ऐसे अभूतपूर्व काम किए जिससे ब्रिटिश साम्राज्य को भारत छोड़ना पड़ा।

इन स्वतंत्रता सैनानियों पर हमें गर्व है और मेरा यह विश्वास है कि उनकी क्षमता और बलिदान आने वाली हर पीढ़ी के लिए प्रेरणा का स्रोत रहेगी।

मुझे तो ऐसा लगता है कि हमारे महान नेताओं को हर भारतवासी की नब्ज का अहसास था। आजादी से काफी साल पहले 1934 में महात्मा गाँधी जी ने के.एफ. नारीमन जी को कहा था कि (a Congress leader from Mumbai):

***“The nation has got energy of which you have no conception but I have”.***

The saga of modern India is peopled with extraordinary characters. It was an astonishing accomplishment when India won its freedom with unparalleled fortitude and unique means.

Another, uniqueness has been the humility of our great leaders.

Pandit Nehru once said:

***“We are little men serving great causes, but because the cause is great, something of that greatness falls upon us also.”***

Here is a lesson for all of us in ONGC. Through this great institution while we are striving for the energy security of the country, the greatness of cause will hopefully also fall upon us.

Nehruvian era witnessed the laying of strong foundation for economic prosperity of the nation.

In this journey of nation building a crucial role was assigned to the Public Sectors. ONGC was entrusted with the responsibility to provide energy security for the nation.

We have delivered consistently and have lived up to the expectations of the nation. For that deliverance of excellence, our veterans deserve our salute.

मेरे विचार से ONGC आज हमारे दिग्गजों के Commitment, Grit और Conviction का एक जीता जागता उदाहरण है। अगर मुझे इस organization को दो शब्दों में बयाँ करना हो तो मैं कहूँगा saga of – **“Unrelenting Commitment”**.

देहरादून की वादियों से इसी मंत्र को लेकर आज हम विश्वभर में मौजूद हैं और विश्व हमें सच्चे energy Soldier के रूप में पहचानता है।

In fact, ONGC is the only **Indian energy major in Fortune's Most Admired List 2012 under 'Mining, Crude Oil Production'** category – this is the level of our global recognition.

ये एक बड़ी उपलब्धि है, जो आज के ओएनजीसी का पूरा बयाँ है। परंतु आज मैं इस मंच से हमारी उपलब्धियों या फिर नम्बरों की बात नहीं करना चाहता।

Instead, I would like to reiterate some of your last year's achievements that underline our quest for energy through continual excellence.

- Our Reserve accretion of 84.23 mtoe was highest in last two decades.
- Despite global decline rate of similar mature oil fields by 6-8%, our production was maintained.
- Our Net Worth exceeded 1 trillion Rupees for the first time, precisely it stood at Rs 1,11,784 crore
- Despite highest ever subsidy support of Rs 44,466 crore, we registered highest ever profit of Rs 25,123 crore and have paid Highest ever Dividend of Rs. 8,342 crore.

- Without the Subsidy burden our Net Profit would have been Rs. 50,658 crore
  - OVL, our overseas growth vehicle, faced the consequence of geo-political turmoil. Its production was less because of unrest in Syria and Sudan. Nevertheless, it registered highest ever Revenue of Rs. 22,637 crore
  - MRPL recorded highest crude processing in its history and registered its highest ever Revenue of Rs. 57,207 crore.
- It also completed its expansion project to become a 15 mmtpa refinery
- For our all round performance in FY'12, we are going to achieve Excellent MoU rating, after a gap of 4 years. Our score of 1.234 is the highest since the introduction of MoU system by Gol.

हमारे प्रयास जारी रहेंगे, किन्तु मैं यह जरूर कहना चाहूँगा कि हमारे बुजुर्गों ने जिस परम्परा की नींव रखी है, उसके तहत ही हम एक नई ऊँचाई पाना चाहते हैं। एक ऐसी ऊँचाई जो हमारे देश को और भी समृद्धशाली होने में मदद करे।

26 जनवरी, 2012 को गणतंत्र दिवस के उपलक्ष्य पर अपने भाषण में मैंने कहा था।

*“For redefining our growth model we have engaged M/s McKinsey for preparing ‘**Perspective Plan 2030**’. I do have urgency ....”*

### **Dear fellow ONGCians and seniors,**

It is my privilege to inform you that within a period of three months we could draw a comprehensive ‘**Perspective Plan 2030**’.

I would like to mention that this is the first structured business plan of ONGC which focuses on identifying future growth drivers and seeks to build up best possible sustainable business model.

The exercise PP2030 has been both extensive and inclusive. A core team, comprising of young as well as experienced ONGCians and aided by M/s McKinsey, overseen by EC had extensive horizontal as well as vertical interactions along the cross sections of ONGCians.

We also discussed **PP2030** blueprint extensively in our 11<sup>th</sup> Key Executives Meet and special EC Meetings during May this year. Thereafter, it was presented to ONGC Board which approved PP2030 on 29<sup>th</sup> May'2012. The five aspirations mapped under PP2030 are:

- 2 fold increase in O+OEG production by 2030
- 3 fold revenue growth and EBITDA
- 4 fold increase in Market-cap

- 5 shaping moves which will align our existing & new business with the changing paradigm.
- 6 times international growth

As I have mentioned in my latest missive – these steps will help us not only to maintain our *Numero Uno* position on domestic front, but will also help us to prosper in global market.

However, to fulfill the dream 2030, the first aspiration has to be – “**Belief & Commitment**”. Only this can drive us to achieve mapped aspirations.

The relentless commitment, which this organization has pursued since its inception, needs to be extended with enhanced vigor.

I do have confidence in you. And together we can & we will achieve the milestones.

I would like to elaborate the five shaping moves of PP2030 which will be the driving force in realizing our aspirations.

We have decided to invest and explore opportunities in 4-5 international hubs where OVL can attain growth of sufficient scale.

We have expanded our horizon to include - heavy oil, conventional & non-conventional plays, shale oil and shale gas in our global energy portfolio. This is the **first shaping move**.

Our **second shaping move** shall be to bring together necessary expertise in new resource types like - shale gas, CBM, deeper plays and HP/HT.

Under this initiative, we are in the process of establishing four Centers of Deliveries (CoDs) - for CBM at New Delhi, for Basement exploration at Mumbai, for Shale gas at Vadodara and for HP/HT at Chennai.

The **third shaping move** is - Accelerated development of discovered domestic assets. We have identified a number of fields.

To ensure on-budget and on-time delivery, we have constituted a high power committee to institutionalize internationally accepted a practiced rigorous Stage Gate Process for project evaluation and monitoring; even for the ongoing projects.

At present we are implementing **fourteen** development projects; one in the East Coast i.e., G-1 & GS-15 and rest thirteen in the West Coast with an investment of more than Rs. 31,000 Crore. Thirty Nine fields are being monetized under these projects.

In the East Coast, GS-15 field is already producing since August'11 and we anticipate G-1 field to be on production by early next year.

Besides that development of two more projects - North Tapti and B-193 (having 8 fields) - will be completed this year. We will also be completing additional development of D-1 field this year. Balance fields e.g. B-46, B-127, Cluster-7, WOB -15,16 etc. will be on stream in a year or two. We expect substantial upside in our production in Financial Year 2014.

While talking about D-1 field, it is my privilege again to make a significant announcement. We have made a substantial discovery during development drilling under additional development of D-1 field. It is rare. The brown field development has become green field development.

We have established about 58 MMT of initial oil in-place through this discovery. Combined together with the earlier established reserves, the D-1 field now has potential of more than 140 MMT of initial oil in-place.

This makes D-1 field as the third largest discovery after Mumbai High and Heera in Western offshore. Even Neelam and Gandhar fields have Initial Oil In Place (IOIP) of the order of only 100 plus MMT.

I would like to compliment the Bassein & Satellite Asset team for innovative aggressiveness which resulted in a huge discovery. What makes it even more sweet is that we may not need any further capex for monetizing this reserves except drilling of additional wells as all other infrastructure (Platform & processing/storing facility) are available which is capable of handling additional production of 1.25 MMT envisaged from the scheme.

However, similar aggressiveness needs to be replicated at the other work centers as well.

Moving beyond these, a number of projects are in the pipeline. I would like to specifically mention about "**Daman field**", in Western Offshore.

Considering its potential to contribute more than 13 MMSCMD of gas, we revisited the previous development schedule of sequential production from C-Series development project and prioritized to put the subsequent phases on stream three years earlier than scheduled, to have concurrent production from all the three phases.

Prudent reservoir management has been our forte always. The results of IOR/EOR schemes are testimony to that. Take the case of Mumbai High field; the second phase of redevelopment is nearing completion.

In these two phases of redevelopment we targeted incremental oil gain of around 93 MMT of oil by 2030 against which we have already achieved around 43 MMT resulting in increase of recovery factor from 28% to 34%.

We have put in place a policy of rolling redevelopment scheme for major fields.

The third phase of redevelopment of Mumbai High, with an estimated investment of around Rs. 17,000 Crore, is under finalization. We have already launched a part of it, namely "ZC platform" on the redevelopment of Western periphery. We expect to launch the balance by end of this year. This will take the recovery factor of the Mumbai High field to 40% by 2030.

Our efforts are on for early monetization of East Coast discoveries particularly KG-DWN-98/2 and Mahanadi discoveries. We envision to start the appraisal programme by end of this year with a target of commencing production by the terminal year of XII Plan.

### **Ladies and Gentlemen,**

As you are aware, the global energy landscape is changing very fast. The recent E&P successes prove explorer's conviction that resources are abundant but determination is required to locate them.

Massive conventional oil and gas discoveries in the East Coast of Africa, in Gulf of Mexico, CIS countries and in other parts of the world are going to change the dynamics of the global oil and gas business.

Deep & Ultra deep provinces have already proved to be the hot spots.

Shale oil and gas have been a game changer in America. Tar sands of Canada are now the target for oil majors.

There is an unprecedented race to have unconventional oil and gas assets. At the same time, Arctic has generated new interests.

However, Technology, capacity for investment, expertise, skills and above all the guts will be the real drivers in new world oil order.

We have systematically mapped these emerging opportunities and identified that **securing alliances to develop new resource types** – would be the **fourth shaping move, which ONGC needs to take**.

We are moving fast to establish meaningful relationships with the major industry players.

We have signed an MOU with US oil major ConocoPhillips in March'12 for cooperation in the areas of shale gas exploration in India, USA and elsewhere in the world; and also Deepwater in India.

Continuing our efforts in this regard we signed an MOU with Ecopetrol for jointly studying the fan-belt traps of the Cachar Region in India and for cooperation in developing EOR/IOR technologies.

Further, we signed MOU with CNPC in June'12 to have cooperation in hydrocarbon sector including midstream and downstream.

Yesterday, we have signed an MOU with M/s Mitsui of Japan, one of the pioneers in LNG business to make a foray in LNG business value chain in India and world-wide.

Friends, it is my firm belief that a Global Energy Company should have balanced portfolio in the entire value chain.

Confirming the conviction, PP2030 identified - **selective investment in the non-E&P sector**, leveraging integration benefits from its existing portfolio – as the **Fifth shaping move**.

These investments will include expansion and further petrochemical integration at the MRPL refinery. We have firm plans to enhance MRPL's refining capacity from 15 MMTPA to 21 MMTPA.

We are also moving towards commercialization of stranded gas and developing alternate energy sources including solar, wind, nuclear and other avenues of interest.

We also intend to use partnerships extensively across our non-E&P portfolio, to ensure access to the best skills and practices.

This applies even for our innovation in alternate energy ventures. We established collaboration with Talboom of Belgium in February'12 for a Pilot Power Plant using Geothermal Energy in the Cambay basin.

We also signed agreement with Natural Power Concepts (NPC) of USA for the project on Kinetic Hydro Power Generation from Rivers, Water Channels, and Tail Races of Dams.

The success of this project will usher in a new era of hope in hilly areas of Uttarakhand and North-Eastern states of the country.

An aggressive strategy and its flawless implementation can only carry ONGC to the towering heights as a major Global Energy Player.

Sustained growth is our business model and in this endeavour achieving Carbon Neutrality remains our focus area. Our excellence in this area won us the SCOPE Gold Trophy from Hon'ble president of India for Environment Excellence and Sustainable development this year.

It is also my privilege to share with you that on 1<sup>st</sup> August 2012 we submitted our request to the United Nations Framework Convention on Climate Change (UNFCCC) for registration of CDM project on OTPC - a 726 MW natural gas based power plant at Palatana, Tripura- for an annual CER (Certified Emission Reduction) of over 1.6 million. On registration, this will be one of the largest CDM projects globally.

In all our endeavours the people remain the most valuable asset. Our pursuits for excellence cannot be achieved without their excellence and continued commitment.

We fully understand the hardship of our elders specially when the long awaited Agrani Apada Seva Scheme is yet to be approved.

I said yesterday and I repeat today, the entire EC of ONGC stands committed to its best efforts for getting the scheme approved.

As a mark of respect to the excellence of the retired employees, who have attained the age of 75 years, we have decided to felicitate them with a gift cheque of Rs.25,000/- from this year onwards.

It is also my privilege to announce “**Long Service Reward Scheme**” for our valued employees.



Instead of a memento, we have now decided to felicitate them with gold coins at the time of superannuation or voluntary retirement for their loyalty for the company.

We have delivered on our promise to approve underground mining allowance w.e.f. 26.11.2008 to all employees which has since been disbursed.

Considering the value of executives' time and logistic difficulties, we have extended air travel facility to E2 level officers for official tours and trainings.

We have also extended many facilities to S-Level employees who are at par with E0 level officers.

The 'S' employees now become eligible for issuance of laptop and benefit of Rs.20 Lakh in cases of death under CSSS at par with E-0 level executives.

Entitlement of our Class IV employees for indoor treatment in hospitals has also been enhanced from multiple sharing rooms to twin sharing room.

This is also my privilege to announce that we have enhanced the ceiling for the House Building Advance (HBA) for our employees.

The total revised admissible HBA for E-5 and above level officers (including for extension and renovation) has been enhanced to Rs. 45 Lakh, with a provision for bunching of the HBA loan giving the employee the option to avail the entire loan for purchase alone at one go.

Executives from S level employees to E-4 level executives will be entitled for total revised HBA of Rs. 40 Lakh. While W and A level employees' ceiling has been revised to Rs. 35 Lakh.

Minimum service required for eligibility for car loan has been reduced from three years to one year in respect of S level and E-0 level executives; and from three years to two years in respect of the E-1 level executives who join as Graduate Trainees or directly at E-1 level.

We have also enhanced the monthly ceilings for mobile phone bills from Rs.700 to Rs.1,000 per month for the "S" level employees; from

Rs.500 to Rs.750 per month for “A” level employees; and from Rs.400 to Rs.750 per month for “W” level employees.

We have also resolved the long standing pay anomaly of 1997 wage revision. This will benefit about 1,200 unionized category of employees who have joined between 1<sup>st</sup> January 1997 and 31<sup>st</sup> December 2006.

At the same time, anomaly related to 2007 pay revision which had arisen due to special pay has also been resolved. This will ensure that senior executives do not draw less pay compared to the junior executives.

To encourage our people to update professional and technical knowledge on continuous basis we have decided to directly pay the membership fees to the professional institutions.

Our care extends even beyond our regular employees. We have established prudent systems and measures to ensure that the contractual workers also get fair respect for their contributions.

We have now introduced a '**Fair Wage Policy**' for contractual workers which will enable them to get about 35% more than the minimum wages.

The benefits will commence with effect from 1<sup>st</sup> April 2012 and will be introduced in currently operating contracts and will be carried forward for the future contracts.

ONGC, as you are aware, has been committed towards inclusive growth of the society. We earmark two percent of our profit towards CSR activities. Through well structured programmes we undertake all such activities with pride.

Promoting sports is yet another passion of ONGC. It is matter of pride for all of us that ONGC was given the honour of being the principal sponsor of the Indian contingent to London Olympics 2012.

I am delighted to inform you that 12 ONGCians represented India in the Olympics 2012.

**Ladies and Gentlemen,**

ONGC has been contributing since last 56 years towards economic prosperity of this great nation.

Our efforts and contributions have always been hailed by our countrymen. But this should not make us complacent.

We will have to strive for still bigger contributions towards growth of the nation. Your continued and dedicated involvement is a must.

In this regard, we are going to introduce '**ESSENCE**' - Employees Suggestion Scheme for Engagement, Commitment and Efficiency - to leverage the creative potential of our employees towards improving performance and effectiveness of ONGC. We will suitably & handsomely reward the employees whose Suggestions are accepted at the various levels in the organization.

I am sure our belief and commitment will make our grand vision for this great organization a sure success and we will create a future for the organization as well as the nation – which is Brighter & Better.

मैं एक बार फिर देश के 66वें स्वतंत्रता दिवस पर आप सब को हार्दिक बधाई देता हूँ।

और अंत में, मैं उत्तराखंड और असम में आयी दैविक आपदा और बाढ़ से ग्रस्त लोगों के प्रति अपनी सहानुभूति और संवेदना व्यक्त करता हूँ।

धन्यवाद,  
जय हिन्द ।