



OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

Regd. Office : Jeevan Bharti Building, Tower-II, 124, Indira Chowk, New Delhi-110001

CIN No. L74899DL1993GOI054155

Website : www.ongcindia.com Email : secretariat@ongc.co.in

ONGC/CS/SE/2016

11th February, 2016

The Bombay Stock Exchange Limited, Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI – 400 001 BSE Security Code No. 500312	National Stock Exchange of India Ltd. Listing Department Exchange Plaza Bandra-Kurla Complex Bandra (E) MUMBAI – 400 051 Symbol-ONGC; Series - EQ
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Sub: Un-audited Financial Results for the Quarter and nine months ended 31st December, 2015.

Dear Sir(s),

Further to our letter of even number dated 29th January, 2016 on the captioned subject, enclosed please find a copy of the Un-audited Financial Results (after Limited Review) of the Company for the **Quarter and nine months ended 31st December, 2015**, approved by the Board of Directors in its meeting held today i.e.11th February, 2016, in terms of Regulation 33 read with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, as required under Regulation 47, abridged version of the financial results is being published in the newspapers.

Kindly take note of the same.

Thanking you,

Yours faithfully,
For Oil and Natural Gas Corporation Ltd.


(V.N. Murthy)
Company Secretary

Enc: As above

OIL AND NATURAL GAS CORPORATION LIMITED

CIN No. L74899DL1993GOI054155

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

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2015

PART I		(₹ in Crore)					
Particulars	3 months ended 31.12.2015	Preceding 3 months ended 30.09.2015	Corresponding 3 months ended 31.12.2014 in the previous year	Nine Months ended 31.12.2015	Corresponding Nine Months ended 31.12.2014 in the previous year	Year ended 31.03.2015	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Income from operations						
(a)	18,446.47	20,614.87	18,770.49	61,800.36	61,009.34	82,348.79	
Less: Excise Duty recovered	49.57	51.68	55.79	144.43	186.50	222.51	
(b) Net Sales/Income from Operations(Net of excise duty)	18,396.90	20,563.19	18,714.70	61,655.93	60,822.84	82,126.28	
(c) Other Operating Income	101.05	116.37	209.75	346.83	400.63	744.68	
Total income from operations (net) (b+c)	18,497.95	20,679.56	18,924.45	62,002.76	61,223.47	82,870.96	
2	Expenses						
(a) Cost of materials consumed*	473.87	326.60	188.44	946.73	451.00	678.32	
(b) Purchase of stock-in-trade	1.82	1.61	1.27	5.23	3.06	4.41	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade [(Increase)/Decrease]	(38.78)	102.30	65.08	(64.98)	90.02	(167.43)	
(d) Employees benefits expenses**	473.24	452.95	400.05	1,401.86	1,262.67	1,695.35	
(e) Depreciation and amortisation expenses***	3,254.93	2,874.37	3,339.54	9,164.26	8,355.60	11,451.14	
(f) Statutory levies	4,798.98	5,276.91	5,312.59	15,738.51	16,589.43	22,874.55	
(g) Exploration Cost written off	698.25	1,733.05	2,476.43	3,976.99	8,215.43	10,867.11	
(h) Other expenses	4,047.59	4,011.45	3,351.93	12,597.95	9,589.30	14,276.71	
Total Expenses	13,709.88	14,779.24	15,134.33	43,766.57	44,556.51	61,680.16	
3	Profit/(Loss) from Operations before other Income, finance costs and exceptional Items (1-2)						
	4,788.07	5,900.32	3,790.12	18,236.19	16,666.96	21,190.80	
4	Other income						
	861.62	1,137.70	1,377.57	2,895.53	3,633.64	5,367.22	
5	Profit/(Loss) from ordinary activities before finance cost and exceptional Items (3+4)						
	5,649.69	7,038.02	5,167.69	21,041.72	20,300.60	26,558.02	
6	Finance costs						
	0.98	0.01	1.25	4.07	1.52	2.79	
7	Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)						
	5,648.71	7,038.01	5,166.44	21,037.65	20,299.08	26,555.23	
8	Exceptional items (Refer Note No 8)						
	3,994.41	-	-	3,994.41	-	-	
9	Profit/(Loss) from ordinary activities before tax (7+8)						
	1,654.30	7,038.01	5,166.44	17,043.24	20,299.08	26,555.23	
10	Tax expense						
a) For current tax	1,450.00	1,860.00	1,850.00	6,010.00	6,500.00	8,200.00	
b) For earlier years	(124.83)	-	(600.00)	(124.83)	(600.00)	(584.83)	
c) Deferred tax liability/(asset)	(956.49)	335.99	345.24	(429.47)	601.20	1,207.11	
Total tax expense	368.68	2,195.99	1,595.24	5,455.70	6,501.20	8,822.28	
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)						
	1,285.62	4,842.02	3,571.20	11,587.54	13,797.88	17,732.95	
12	Extraordinary items (net of tax)						
	-	-	-	-	-	-	
13	Net Profit/(Loss) for the period (11+12)						
	1,285.62	4,842.02	3,571.20	11,587.54	13,797.88	17,732.95	
14	Paid-up equity share capital of face value of share ₹ 5 each						
	4,277.76	4,277.76	4,277.76	4,277.76	4,277.76	4,277.76	
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						
						139,345.09	
16	Earnings Per Share (before extraordinary items) (of ₹ 5 each)-not annualised						
(a) Basic	1.50	5.66	4.17	13.54	16.13	20.73	
(b) Diluted	1.50	5.66	4.17	13.54	16.13	20.73	
17	Earnings Per Share (after extraordinary items) (of ₹ 5 each)-not annualised						
(a) Basic	1.50	5.66	4.17	13.54	16.13	20.73	
(b) Diluted	1.50	5.66	4.17	13.54	16.13	20.73	

*Represents consumption of raw materials, stores & spares. ** Employees cost shown above is net of allocation to different activities. *** Includes depletion and impairment loss.

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2015

(₹ in Crore)

		3 months ended 31.12.2015	Preceding 3 months ended 30.09.2015	Corresponding 3 months ended 31.12.2014 in the previous year	Nine Months ended 31.12.2015	Corresponding Nine Months ended 31.12.2014 in the previous year	Year ended 31.03.2015
Sl. No.	Particulars	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
	a) Offshore						
	Gross Revenue	13,602.09	15,135.11	13,721.15	45,109.26	43,870.78	59,673.05
	Less: Excise Duty	43.47	47.96	52.46	129.95	171.77	203.19
	Revenue Net of Excise Duty	13,558.62	15,087.15	13,668.69	44,979.31	43,699.01	59,469.86
	b) Onshore						
	Gross Revenue	4,945.43	5,596.13	5,259.09	17,037.93	17,539.19	23,420.42
	Less: Excise Duty	6.10	3.72	3.33	14.48	14.73	19.32
	Revenue Net of Excise Duty	4,939.33	5,592.41	5,255.76	17,023.45	17,524.46	23,401.10
	Total	18,497.95	20,679.56	18,924.45	62,002.76	61,223.47	82,870.96
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Net sales/income from operations	18,497.95	20,679.56	18,924.45	62,002.76	61,223.47	82,870.96
2	Segment Result Profit(+)/Loss(-) before tax and interest from each segment						
	a) Offshore	5,278.21	5,956.89	4,286.68	18,080.69	16,258.11	22,627.22
	b) Onshore (Refer Note No. 8)	(3898.04)	547.42	533.21	(1,998.76)	2,475.74	1,994.60
	Total	1,380.17	6,504.31	4,819.89	16,081.93	18,733.85	24,621.82
	Less:						
	i. Interest Payment	0.98	0.01	1.25	4.07	1.52	2.79
	ii. Other unallocable expenditure net of unallocable income.	(275.11)	(533.71)	(347.80)	(965.38)	(1,566.75)	(1,936.20)
	Profit before Tax and Extraordinary Items	1,654.30	7,038.01	5,166.44	17,043.24	20,299.08	26,555.23
	Extraordinary Items	-	-	-	-	-	-
	Profit before Tax	1,654.30	7,038.01	5,166.44	17,043.24	20,299.08	26,555.23
3	Capital Employed (Segment Assets - Segment Liabilities)						
	a) Offshore	69,891.38	68,306.87	65,887.71	69,891.38	65,887.71	71,509.87
	b) Onshore (Refer Note No. 8)	39,069.38	42,410.37	41,054.23	39,069.38	41,054.23	43,357.04
	Total	108,960.76	110,717.24	106,941.94	108,960.76	106,941.94	114,866.91
	Unallocated Corporate Assets less Liabilities	42,594.65	39,551.86	38,344.94	42,594.65	38,344.94	29,734.06
	Grand Total	151,555.41	150,269.10	145,286.88	151,555.41	145,286.88	144,600.97

Note:- Above Segment information has been classified based on Geographical Segments as Primary Segment.

Notes:

1. The above results have been reviewed and recommended by the Audit & Ethics Committee held on 11th February, 2016 and approved by the Board of Directors in its meeting held on the same day.
2. The Limited Review of the Unaudited Standalone Financial Results for the Quarter and nine months ended 31st December, 2015 has been carried out by the Statutory Auditors of the Company as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. In terms of the decision of the Government of India (GoI), the Company has shared under- recoveries of Public Sector Oil Marketing Companies (OMCs) for the nine months ended on 31st December, 2015 by allowing discount in the prices of Crude Oil based on the rates of discount communicated by Ministry of Petroleum & Natural Gas, GoI and Petroleum Planning and Analysis Cell. Its impact on revenue and profit is as under:-

(₹ in Crore)

Decrease in	For the Quarter ended			For the Nine Months ended		For the Year ended
	31.12.2015*	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
Gross Revenue	-	596	9,458	1,729	36,300	36,300
Less: Value Added Tax (VAT)	-	17	233	47	1,015	1,003
Net Sales Revenue	-	579	9,225	1,682	35,285	35,297
Less: Statutory levies	-	75	1,066	218	4,339	4,337
Profit before tax (PBT)	-	504	8,159	1,464	30,946	30,960
Profit after tax (PAT)	-	330	5,386	957	20,427	20,437

* The Company has provided 'NIL' discount for the quarter ended 31st December, 2015 as the company has not received any orders from Ministry of Petroleum & Natural Gas, GoI and Petroleum Planning and Analysis Cell towards sharing of under- recoveries of Public Sector Oil Marketing Companies (OMCs) for the quarter ended 31st December, 2015.


4. In terms of the statutory provisions of Oilfields (Regulation and Development) Act, 1948 (ORDA), Petroleum & Natural Gas (PNG) Rules 1959 and Notifications issued thereunder; the Company is liable to pay royalty to Central Government (GoI) and State Governments, on production of Crude Oil and Natural Gas from offshore fields and onshore fields, respectively. Since 2008-09, the Company has been paying royalty on crude oil at realized price which is net of under-recovery of the OMCs shared by the Company as per GoI directives. On an application filed by the State of Gujarat, the Hon'ble High Court of Gujarat in its order dated 30.11.2013 has directed the Company to pay the shortfall of royalty on crude oil produced from the onshore fields in the State of Gujarat on pre-discount prices from 01.04.2008 onwards. Based on the Special Leave Petition filed by the Company against the said order of the Hon'ble High Court of Gujarat, pending further orders, Hon'ble Supreme Court vide order dated 13.02.2014 stayed the operation of the impugned judgment subject to the condition that the company pays royalty to the State of Gujarat on pre-discounted price of crude oil w.e.f. 01.02.2014 onwards. Accordingly, differential amount of ₹ 11,824 Crore on this account for the period from April, 2008 to December, 2015 (₹ 11,724 Crore as on 31.03.2015) has been considered as Contingent Liability. Pending the final outcome of the SLP filed before the Hon'ble Supreme Court, differential royalty (royalty on pre-discount price minus royalty on post-discount price) amounting to ₹ 2,206 Crore deposited w.e.f. February, 2014 (₹ 2107 Crore as on 31.03.2015) in terms of Hon'ble Supreme Court order has been shown as deposit.
5. In terms of guidance note on accounting for Oil & Gas Producing Activities (Revised 2013) and EAC opinion issued by Institute of Chartered Accountants of India (ICAI), during nine months ended 31st December 2015 the Company has classified net producing properties, production & allied facilities as "Oil and Gas Assets" under Tangible Assets. Accordingly, the company has w.e.f. 01.04.2015, made

changes in accounting estimates by changing the useful life of certain production & allied facilities reclassified as Oil and Gas Assets by linking it with the respective Oil & Gas reserves for the purpose of charging depletion on such Oil & Gas Assets. Such change in accounting estimates has been accounted for prospectively as per Accounting Standard (AS)-5. Consequent to such change, the "Depreciation and amortization expenses" for the quarter and nine months ended 31st December 2015 is lower by ₹ 24 Crore and ₹ 54 Crore respectively and the profit before tax for the quarter and nine months ended 31st December 2015 is higher by ₹ 24 Crore and ₹ 54 Crore respectively.

6. During the nine months ended 31.12.2015, the company has reviewed and changed the accounting treatment of charging off the water injector side track wells which are service wells drilled for the purpose of supporting production from the existing offshore fields, in line with Guidance note on accounting for Oil & Gas Producing Activities (Revised 2013) issued by ICAI. Accordingly, an amount of ₹ 168 Crore and ₹ 415 Crore in respect of such wells capitalised in the quarter ended 31st December, 2015 and nine months 31st December, 2015 respectively, has been kept under development wells in progress / Oil & Gas Assets. Consequently, profit before tax for quarter and nine months ended 31st December 2015 is higher by ₹ 156 Crore and ₹ 378 Crore respectively.
7. Ministry of Corporate Affairs (MCA) vide notification dated August 29, 2014 has amended Schedule II to the Companies Act, 2013 requiring mandatory componentization of fixed assets for financial statements in respect of financial years commencing on or after 1st April 2015. During the quarter the company has under taken the componentization of fixed assets w.e.f. 01.04.2015 on the basis of technical evaluation and useful life thereof. Consequent to the same, the "Depreciation and amortization expenses" is higher by ₹ 6 Crore and profit before tax is lower by ₹ 6 Crore for the quarter and nine months ended 31st December 2015.
8. The company has assessed the indications of significant impairment as at 31st December 2015 due to fall in crude oil prices in the international market, and accordingly the company has tested its Cash Generating Units for the impairment. As a result, an amount of ₹ 3,994 Crore has been provided as impairment loss and shown as exceptional items for the quarter and nine months ended 31st December 2015. Consequentially, profit before tax and profit after tax for the quarter and nine months ended 31st December 2015 is lower by ₹ 3,994 Crore and ₹ 2,612 Crore respectively.
9. Previous period's figures have been regrouped/ reclassified by the Company, wherever necessary, to conform to current quarter's classification.

Place: New Delhi
Date: 11th February, 2016

By order of the Board


(A.K. Srinivasan)
Director (Finance)

OIL AND NATURAL GAS CORPORATION LIMITED

CIN No. L74899DL1993GO1054155

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

Tel: 011-23310156, Fax: 011-23316413, E-mail: secretariat@ongc.co.in

EXTRACT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2015

Particulars	₹ in Crore)		
	3 months ended 31.12.2015	Nine Months ended 31.12.2015	Corresponding 3 months ended 31.12.2014 in the previous year
	(Unaudited)	(Unaudited)	(Unaudited)
Total income from operations (net)	18,497.95	62,002.76	18,924.45
Net Profit / (Loss) from ordinary activities after tax	1,285.62	11,587.54	3,571.20
Net Profit / (Loss) for the period after tax (after Extraordinary items)	1,285.62	11,587.54	3,571.20
Equity Share Capital	4,277.76	4,277.76	4,277.76
Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)*			
Earnings Per Share (before extraordinary items) (of ₹ 5 each)-not annualised			
(a) Basic	1.50	13.54	4.17
(b) Diluted	1.50	13.54	4.17
Earnings Per Share (after extraordinary items) (of ₹ 5 each)-not annualised			
(a) Basic	1.50	13.54	4.17
(b) Diluted	1.50	13.54	4.17

*Reserves excluding revaluation reserves as at 31st March, 2015 were ₹ 139,345.09 Crore.

Note: The above is an extract of the detailed format of Standalone Unaudited Financial Results for Quarter and nine months filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of Standalone Unaudited Financial Results for Quarter and nine months are available on the Stock Exchanges website of BSE (www.bseindia.com), NSE (www.nseindia.com) and Company's website at www.ongcindia.com.

Place: New Delhi
Dated: 11th February, 2016

By order of the Board


 K Srinivasan
 Director (Finance)