



OIL AND NATURAL GAS CORPORATION LIMITED

COMPANY SECRETARIAT

CS/ONGC/SE/2018

02.08.2018

National Stock Exchange of India Ltd. Listing Department Exchange Plaza Bandra-Kurla Complex Bandra (E) Mumbai – 400 051 Symbol-ONGC; Series - EQ	BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400 001 BSE Security Code No.- 500312
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Sub: Financial Results for the First Quarter ended 30th June, 2018


Sir/ Madam,

Pursuant to regulation 33 read with regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Un-audited Financial Results (along with Limited Review Report issued by the Auditor) of the Company for the first quarter ended 30th June, 2018, as approved by the Board of Directors at the meeting held today i.e. 2nd August 2018 at New Delhi.

The Board Meeting commenced at 11:30 hrs and concluded at 16:45 hrs.

Thanking you,

Yours faithfully,
For Oil and Natural Gas Corporation Ltd.


(M E V Selvam)
Company Secretary

Encl: as above (7 Pages)

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018

(₹ In Crore unless otherwise stated)

Sl. No.	Particulars	Financial results for			
		Quarter ended 30.06.2018	Quarter ended 31.03.2018	Quarter ended 30.06.2017	Year ended 31.03.2018
		Unaudited	Audited	Unaudited	Audited
I	Revenue from operations	27,212.83	23,969.83	19,073.54	85,004.10
II	Other income	649.88	3,733.71	903.74	7,883.55
III	Total income (I+II)	27,862.71	27,703.54	19,977.28	92,887.65
IV	EXPENSES				
	Cost of materials consumed*	413.47	417.39	224.87	1,209.22
	Purchase of stock-in-trade	-	-	-	-
	Changes in inventories of finished goods, stock-in-trade and work in progress	(63.15)	(12.43)	59.20	(63.02)
	Employee benefits expense**	636.15	747.88	595.53	2,503.02
	Statutory levies	6,732.84	5,764.00	4,490.78	20,098.34
	Exploration costs written off				
	a. Survey Costs	384.54	565.69	415.35	1,480.07
	b. Exploratory well Costs	754.82	2,470.18	641.95	5,551.73
	Finance costs	748.61	594.17	276.93	1,508.47
	Depreciation, depletion, amortisation and impairment	3,887.22	3,245.45	3,463.06	14,470.17
	Other expenses	4,761.46	5,670.75	3,871.84	17,237.18
	Total expenses (IV)	18,255.96	19,463.08	14,039.51	63,995.18
V	Profit before exceptional items and tax (III-IV)	9,606.75	8,240.46	5,937.77	28,892.47
VI	Exceptional items	-	-	-	-
VII	Profit before tax (V+VI)	9,606.75	8,240.46	5,937.77	28,892.47
VIII	Tax expense:				
	(a) Current tax relating to:				
	- current year	2,950.00	1,313.00	1,920.00	6,354.92
	- earlier years	-	-	4.15	(221.80)
	(b) Deferred tax	512.87	1,012.34	128.89	2,814.09
	Total tax expense (VIII)	3,462.87	2,325.34	2,053.04	8,947.21
IX	Profit for the period (VII-VIII)	6,143.88	5,915.12	3,884.73	19,945.26
X	Other comprehensive Income (OCI)				
	(a) Items that will not be reclassified to profit or loss				
	(i) Re-measurement of the defined benefit obligations	(22.88)	(39.62)	(106.46)	(136.82)
	- Deferred Tax	7.99	15.86	36.84	49.50
	(ii) Equity instruments through other comprehensive income	(2,627.24)	(2,866.53)	(250.30)	(1,764.04)
	- Deferred Tax	197.57	(1,331.35)	-	(1,331.35)
	Total other comprehensive income (X)	(2,444.56)	(4,221.64)	(319.92)	(3,182.71)
XI	Total comprehensive Income for the period (IX+X)	3,699.32	1,693.48	3,564.81	16,762.55
XII	Paid-up Equity Share Capital (Face value of ₹ 5/- each)	6,416.63	6,416.63	6,416.63	6,416.63
XIII	Other equity				186,968.05
XIV	Earnings Per Share (Face value of ₹ 5/- each) - not annualised				
	(a) Basic (₹)	4.79	4.61	3.03	15.54
	(b) Diluted (₹)	4.79	4.61	3.03	15.54

* Represents consumption of raw materials and stores & spares. ** Employee benefits expense shown above is net of allocation to different activities.

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OIL AND NATURAL GAS CORPORATION LIMITED

CIN No. L74899DL1993GOI054155

Regd. Office : Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110 070

Tel: 011-26754002, Fax: 011-26129091, E-mail: secretariat@ongc.co.in

SEGMENT WISE REVENUE, RESULTS, ASSETS & LIABILITIES

(₹ in Crore)

Sl. No.	Particulars	Quarter ended 30.06.2018	Quarter ended 31.03.2018	Quarter ended 30.06.2017	Year ended 31.03.2018
		Unaudited	Audited	Unaudited	Audited
1	Segment Revenue				
	Revenue from Operations				
	a) Offshore	18,065.95	16,077.79	13,067.57	58,179.17
	b) Onshore	9,146.88	7,892.04	6,005.97	26,824.93
	Total	27,212.83	23,969.83	19,073.54	85,004.10
	Less: Inter Segment Operating Revenue	-	-	-	-
	Revenue from operations	27,212.83	23,969.83	19,073.54	85,004.10
2	Segment Result Profit(+)/Loss(-) before tax and interest from each segment				
	a) Offshore	8,449.51	4,811.59	5,287.02	22,165.27
	b) Onshore	2,368.67	1,544.48	812.18	3,959.12
	Total	10,818.18	6,356.07	6,099.20	26,124.39
	Less:				
	i. Finance Cost	748.61	594.17	276.93	1,508.47
	ii. Other unallocable expenditure net of unallocable income.	462.82	(2,478.56)	(115.50)	(4,276.55)
	Profit before Tax	9,606.75	8,240.46	5,937.77	28,892.47
3	Segment Assets				
	a) Offshore	125,655.93	121,420.98	109,384.85	121,420.98
	b) Onshore	58,223.23	55,346.50	49,934.62	55,346.50
	c) Other Unallocated	109,543.50	114,460.70	92,545.17	114,460.70
	Total	293,422.66	291,228.18	251,864.64	291,228.18
4	Segment Liabilities				
	a) Offshore	31,776.34	30,017.14	25,341.99	30,017.14
	b) Onshore	11,636.80	10,923.98	9,835.65	10,923.98
	c) Other Unallocated	52,925.50	56,902.38	27,583.85	56,902.38
	Total	96,338.64	97,843.50	62,761.49	97,843.50

Note:- Above segment information has been classified based on Geographical Segment.

Notes:

1. The above financial results have been reviewed and recommended by the Audit & Ethics Committee and approved by the Board of Directors in its meeting held on 2nd August, 2018.
2. The financial results for the quarter ended 30th June, 2018 have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The figures for the quarter ended 31st March, 2018 are the balancing figures between audited figures in respect of the full financial year 2017-18 and the year-to-date figures upto the third quarter of 2017-18.
4. The Company, with 40% Participating Interest (PI), is a Joint Operator in Panna-Mukta and Mid and South Tapti Fields along with Reliance Industries Limited (RIL) and BG Exploration and Production India Limited (BGEPIIL), each having 30% PI. The Production Sharing Contracts (PSCs) with respect to Panna-Mukta and Mid and South Tapti contract areas were signed between the Contractors and Government of India on December 22, 1994 for a period of 25 years. In December 2010, RIL & BGEPIIL invoked an arbitration proceeding against the Union of India in respect of certain disputes, differences and claims arising out of or in connection with both the PSCs in respect to Panna-Mukta and Mid and South Tapti contract areas pursuant to the provisions of Article 33 of the PSCs and UNCITRAL Rules, 1976. Ministry of Petroleum and Natural Gas (MoP&NG), vide letter dated July 4, 2011, had advised the Company not to participate in the arbitration initiated by RIL and BGEPIIL under Panna-Mukta & Tapti PSCs. However, in case of an arbitral award, the same will be applicable to the Company also as a constituent of the contractor for both the PSCs. On October 12, 2016, a Final Partial Award (FPA) was pronounced by the Tribunal in the arbitration matter between RIL, BGEPIIL and Union of India. However, details of proceedings in this regard are not known to the Company since the Company is not a party to this arbitration. Directorate General of Hydrocarbons (DGH), vide letter dated May 25, 2017 marked to all Joint Venture Partners (RIL, BGEPIIL & the Company) had asked for payment of differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractor pursuant to Governments interpretation of the FPA (40% share of the Company amounting to US\$ 1,574.76 million equivalent to ₹ 10,815 Crore including interest upto November 30, 2016). However, in response to letter dated May 25, 2017 of DGH, RIL and BGEPIIL the JV partners (with a copy marked to all Joint Venture Partners) had stated that demand of DGH is premature as the FPA did not made any money award in favour of GOI as quantification of liabilities were to be determined during the final proceedings of the arbitration and the same had been challenged before the English Commercial Court.

Further, subsequent to London High Court Orders dated April 16, 2018 and May 2, 2018, DGH vide letter dated May 4, 2018 and May 15, 2018 had asked for re-casting of accounts of the JV and for remitting the respective PI share of balance dues including interest till the date of remittance. Details of proceedings thereof and the London High Court orders are not known to the company since the company is not a party to the arbitration. In response to the letter of DGH, RIL & BGEPIIL have responded (with a copy marked to all Joint Venture Partners) that FPA of October 2016 did not make any money award in favour of the Government. Further it had also been stated by RIL & BGEPIIL that the English Court had upheld challenge 4 of the claimants (RIL & BGEPIIL) in relation to "Agreement Case" and held that there had been a



serious irregularity in the Award of the Tribunal. Further in the court order of May 2, 2018, the English Court has directed the Tribunal to re-consider the "Agreement Case" and issue a fresh award within three months of that date. The "Agreement Case" is closely linked with the Cost recovery limit (CRL) increase application filed by the contractor with the Management Committee and Tribunals re-consideration of this issue necessarily impacts the re-computation of accounts. Re-computation of accounts and consequential determination of any amount due and payable by the contractor (Constituents of the JV including the company) are to be determined during the final stage of the arbitration proceedings after determination of all substantive issues by the Tribunal (including any application for an increase in the Tapti and Panna Mukta CRL and an award on the Agreement Case). The Company had also responded to DGH that as of now, neither the Arbitral Tribunal nor the Court had passed any order or quantified any amount due and payable by the Company. In the circumstances, the demand of DGH from the Company for any sum or interest thereon is premature and not justified. The company has requested DGH to keep the issue in abeyance till finality in the award is achieved.

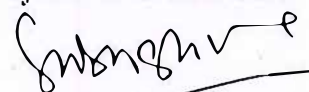
Pending the final quantification of liabilities by the Arbitration Tribunal, no provision for the same has been considered necessary. However, the same has been considered as contingent liability.

5. In the year 2017-18, the Company had received show-cause notices at various work centers on account of service tax along with interest and penalty, on royalty on Crude oil and Natural gas levied under Oil Field (Regulation & Development) Act, 1948. The Company had worked out service tax for the period from 1st April, 2016 to 30th June, 2017 along with interest upto 30th June, 2018 of ₹ 2,294 Crore (₹ 1,983 Crore as at 31st March 2018). Further, GST along with interest thereon has been worked out of ₹ 1,608 Crore (₹ 1,432 Crore as at 31st March 2018) for the period from 1st July, 2017 to 30th June, 2018. Based on legal opinion obtained by the Company, Service Tax / GST on royalty is not applicable. The Company is contesting the same at appropriate authorities and accordingly the same is considered as contingent liability. However, as an abundant caution, the company has deposited Service tax, GST and interest under protest amounting to ₹ 2,695 Crore.
6. Previous period's figures have been regrouped by the Company, wherever necessary, to conform to current quarter's classification.

Place: New Delhi

Date : 2nd August, 2018

By order of the Board



(Subhash Kumar)

Director (Finance)

OIL AND NATURAL GAS CORPORATION LIMITED

CIN No. L74899DL1993GOI054155

Regd. Office : Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110 070

Tel: 011-26754002, Fax: 011-26129091, E-mail: secretariat@ongc.co.in

EXTRACT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018
(₹ in Crore unless otherwise stated)

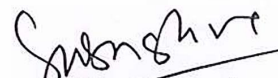
Sl. No.	Particulars	Quarter ended 30.06.2018	Year ended 31.03.2018	Quarter ended 30.06.2017
		Unaudited	Audited	Unaudited
1	Total Income from Operations	27,212.83	85,004.10	19,073.54
2	Net Profit / (Loss) for the period (before Tax, Exceptional items)	9,606.75	28,892.47	5,937.77
3	Net Profit / (Loss) for the period before Tax (after Exceptional items)	9,606.75	28,892.47	5,937.77
4	Net Profit / (Loss) for the period after Tax (after Exceptional items)	6,143.88	19,945.26	3,884.73
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	3,699.32	16,762.55	3,564.81
6	Equity Share Capital (Face value of ₹ 5/- each)	6,416.63	6,416.63	6,416.63
7	Other Equity		186,968.05	
8	Earnings Per Share (Face value of ₹ 5/- each)- not annualised			
	(a) Basic (₹)	4.79	15.54	3.03
	(b) Diluted (₹)	4.79	15.54	3.03

Notes:

1) The above results are in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

2) The above is an extract of the detailed format of unaudited Financial Results for Quarter ended 30.06.2018 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of unaudited Financial Results for the Quarter ended 30.06.2018 are available on the Stock Exchanges website of BSE (www.bseindia.com), NSE (www.nseindia.com) and Company's website at www.ongcindia.com.

By order of the Board


 (Subhash Kumar)
 Director (Finance)

Place : New Delhi

Dated : 2nd August, 2018

Lodha & Co
Chartered Accountants
14, Government Place East,
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MKPS & Associates
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Chartered Accountants
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New Delhi - 110 049

**INDEPENDENT AUDITORS' LIMITED REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
OIL AND NATURAL GAS CORPORATION LIMITED**

We have reviewed the accompanying statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2018 (herein after referred to as “the Statement” and initialed for the purpose of identification) of **Oil and Natural Gas Corporation Limited** (“the Company”) being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Statement is the responsibility of the Company’s Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results read with notes thereon, prepared in accordance with applicable Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant Rules and other recognized accounting practices and policies thereon has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

We draw attention to Note 4 of the Statement, wherein it is stated that Directorate General of Hydrocarbons (DGH) had raised a demand on all the JV partners under the Production Sharing Contract with respect to Panna-Mukta and Mid and South Tapti contract areas (PMT JV), being BG Exploration and Production India Limited (BGEPIIL) and Reliance Industries Limited (RIL) (together “the Claimants”) and the Company towards differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractor pursuant to Government’s interpretation of the Final Partial Award (40% share of the Company amounting to US\$ 1,574.76 millions equivalent to ₹ 10,815 crores including interest upto November 30, 2016). Subsequent to London High Court Orders dated April 16, 2018 and May 2, 2018, DGH vide letter dated May 4, 2018 and May 15, 2018 had asked for re-casting of accounts of the PMT JV and for remitting the respective PI share of balance dues including interest till the date of remittance. As the Company is not a party to the arbitration, the details of the proceedings of arbitration and copy of order of London High Court are not available with the



Company. The Company has responded that as of now, neither the Arbitral Tribunal nor the London High Court has passed any order or quantified any amount due and payable by the Company and in the circumstances, the demand of DGH from the Company for any sum or interest thereon is premature and not justified. In the Company's view, pending final quantification of liabilities by the Arbitration Tribunal, it is not liable to implement the Final Partial Award (FPA) being pre-mature and therefore no provision for the same has been considered necessary and the same has been considered as contingent liability.

Our conclusion on the Statement and our report is not modified in respect of the above matter.

Other Matter



We have placed reliance on technical/commercial evaluation by the management in respect of categorization by the Company of wells as exploratory, development, producing and dry wells, allocation of costs incurred on them, proved (developed and undeveloped) hydrocarbon reserves and depletion thereof on Oil and Gas Assets, impairment, liability for abandonment costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme.

Our conclusion on the Statement and our report is not modified in respect of the above matter.

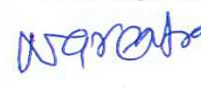

For Lodha & Co
Chartered Accountants
Firm Reg. No: 301051E


(H. K. Verma)
Partner (M.No.055104)

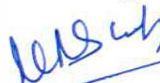


For MKPS & Associates
Chartered Accountants
Firm Reg. No: 302014E


(Nikhil K. Agrawalla)
Partner (M. No. 157955)




For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No: 105049W


(Narendra Jain)
Partner (M. No. 048725)


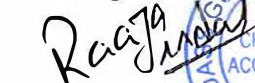

For K. C. Mehta & Co.
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(Neela Shah)
Partner (M. No. 045027)


For PKF Sridhar & Santhanam LLP
Chartered Accountants
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(V. Kothandaraman)
Partner (M. No 025973)


For Dass Gupta & Associates
Chartered Accountants
Firm Reg. No. 000112N


(Raaja Jindal)
Partner (M. No.504111)


Place: New Delhi

Date: 2nd August, 2018