OIL AND NATURAL GAS CORPORATION LIMITED

COMPANY SECRETARIAT

Regd. Office : 'Deendayal Urja Bhawan', 5, Nelson Mandela Marg, Vasant Kunj, New Delhi-110070
CIN: L74899DL1993GOI054155 Website: www.ongcindia.com Email: secretariat@ongc.co.in

ONGC/CS/SE/2018 **20th January 2018**

National Stock Exchange of India Ltd. **Exchange Plaza** **Bandra-Kurla Complex** **Bandra (E)** **MUMBAI – 400 051** **Symbol-ONGC; Series - EQ**	**BSE Ltd.** **Corporate Relationship Department** **Phiroze Jeejeebhoy Towers** **Dalal Street, Fort** **MUMBAI – 400 001** **BSE Security Code No. 500312**

Sub: Disclosure pursuant to Regulation 30 of the Listing Regulations.

Dear Sirs,

Pursuant to Regulation 30 of the Listing Regulations, please find enclosed necessary disclosure with reference to acquisition of 778845375 equity shares of HPCL (representing 51.11% of the share capital of HPCL) from Government of India.

This is for your kind information and record please.

Thanking you,
Yours faithfully,
for OIL AND NATURAL GAS CORPORATION LTD.

20/01/18

(MEV Selvamm)
Company Secretary
Enclosed: as above

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Disclosure made by Oil and Natural Gas Corporation Limited (ONGC) in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI vide Circular No. CIR/CFD/CMD/4/2015 dated 09.09.2015

Disclosure on Agreement to acquire 51.11% of equity shares in the capital of HPCL from Government of India

a) *Name of the target entity, details in brief such as size, turnover etc.;*

Hindustan Petroleum Corporation Limited (HPCL).

Standard Refining Company of India Limited was incorporated in 1952, and its name was changed to ESSO Standard Refining Company of India Limited (ESSO) in 1962. HPCL was formed in 1974 pursuant to the acquisition of shares in ESSO by Government of India and subsequent merger of ESSO and Lube India Limited. Thereafter, Government of India acquired shares of Caltex Oil Refining (India) Limited in 1976 and merged it with HPCL in 1978. Kosana's Company was merged with HPCL in 1979. HPCL is currently a Central Public Sector Enterprise (CPSE) with majority shareholding (51.11%) by President of India The equity shares of HPCL are listed on the Bombay Stock Exchange and the National Stock Exchange.

With a turnover of Rs 2,13,489 Crore and profit after tax of Rs 6502 Crore during 2016-17 HPCL ranks at 384th in Fortune Global 500 and 48th in Platts 250 Global Energy Companies, HPCL, a CPSE, with Navratna Status has business portfolio spanning across the hydrocarbon value chain and has a strong presence in Refining and Marketing of petroleum products in the country. HPCL markets around 35.2 MMT of petroleum products with a market share of about 21% and is number one lube marketer in the country. HPCL has its refineries at Mumbai and Visakhapatnam and a joint venture refinery at Bhatinda. HPCL owns the biggest Lube refinery in India and the second largest cross country product pipeline network of about 3500 km. HPCL has a vast marketing network spread across the length and breadth of the country with terminals, depots, LPG bottling plants, Lube blending plants, aviation fuel stations and around 15000 retail outlets. HPCL owns and operates LPG cavern at Visakhapatnam in joint venture with Total and have 16.96% equity stake in Mangalore Refining and Petrochemicals Ltd. HPCL also have other joint ventures in the areas of City Gas distribution, cross country pipelines, production and marketing

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of bitumen emulsions and bio fuels. HPCL is also setting up a state of the art greenfield Refinery cum Petrochemical Complex of 9MMTPA capacity in Rajasthan and is expanding its existing refinery.

b) *Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same if done at "arm's length"*

The Government of India (GOI) through President of India, being the common promoter of both ONGC (holding 67.72%) and HPCL (holding 51.11%) is the seller. The transaction is a related party transaction between the Government and a government company within the meaning of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (LODR) and the Companies Act 2013 (Act). The SEBI has granted necessary exemption from the application of Regulation 23 of the LODR to ONGC for this transaction vide its letter dated 30.11.2017. The acquisition has been made on an arm's length basis.

c) *Industry to which the entity being acquired belongs*

Oil and Gas Industry

d) *Objects and effects of acquisition*

The acquisition has been undertaken in furtherance of the Government's objective to combine the various central public sector enterprises to give them capacity to bear higher risks, avail economies of scale, take higher investment decisions and create more value for the stakeholders and create an 'oil major' which will be able to match the performance of international and domestic private sector oil and gas companies. ONGC expects that as an integrated oil conglomerate, its performance will be less affected by the volatility of crude prices due to diversification of its cash flows to midstream and downstream presence through HPCL, lower earnings volatility, diversified cash flows and lower business risk resulting in better valuation and higher shareholder value. HPCL and ONGC have a complimentary asset portfolio and through this acquisition, ONGC is gaining a midstream and downstream presence and access to a marketing network. ONGC will also gain access to marketing network of HPCL which could be synergistically utilised for projects such as MRPL, OPaL.

e) *Brief details of any governmental or regulatory approvals required for the acquisition*

SEBI has granted necessary exemption from the application of Regulation 23 of the LODR to ONGC for this transaction vide its letter dated 30.11.2017. Requisite approval from the shareholders of ONGC for the related party transaction will be sought by ONGC after the execution of the share purchase agreement as required under the provisions of Section 188(3) of the Companies Act, 2013. The acquisition has been done on an arm's length basis. The transaction is exempt from the requirement to make an open offer under the provisions of Regulation 10(1)(a)(iii) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011. The Ministry of Corporate Affairs has notified an exemption for CPSEs in the oil and gas sector from the applicability of provisions of Sections 5 and 6 of the Competition Act 2002 on 22.11.2017, which exemption is applicable to this transaction. The CCEA has provided its in-principle approval for the transaction on 19.07.2017 and the alternate mechanism set up for the finalizing the price, terms and conditions of the transaction has accorded its final approval on 20.01.2018. No other regulatory approval is required for the transaction.

f) Indicative time period for completion of the acquisition

End of January 2018

g) *Nature of consideration:-*

Shares will be acquired against cash.

h) Cost of acquisition of the price at which the shares are acquired

The cost of acquisition per share is Rs.473.97. The total acquisition cost of the entire 51.11% shareholding (778,845,375 equity shares) shall be Rs.36,915 Crore.

i) **Percentage of shareholding / control acquired and / or number of shares acquired**

778,845,375 Equity Shares of Rs.10 each accounting 51.11% of the total paid up capital of HPCL.

j) Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);

Name	Hindustan Petroleum Corporation Limited (HPCL)
CIN	L23201MH1952GOI008858
Whether listed	Yes, listed on NSE & BSE [HINDPETRO/500104]
Date of incorporation	05.07.1952
Main products	1. Motor Spirit (MS) 2. High Speed Diesel (HSD) 3. Liquefied Petroleum Gas (LPG) 4. Lube Oil

Turnover during last three years (Rs. in Cr):- (Standalone)

FY-14-15	*FY- 15-16*	*FY- 16-17*
2,17,061	1,97,438	2,13,489

20/01/18

ई.वी. सेल्वम/M.E.V. SELVAMM
कम्पनी सचिव/Company Secretary
ऑयल एण्ड नेचुरल गैस कॉरपोरेशन लिमिटेड
Oil and Natural Gas Corporation Ltd.
पण्डित दीनदयाल उपाध्याय ऊर्जा भवन, वसंत कुन्ज, नई दिल्ली-70
Pandit Deendayal Upadhyaya Urja Bhawan, Vasant Kunj, New Delhi-70