



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

7th September, 2016

BSE 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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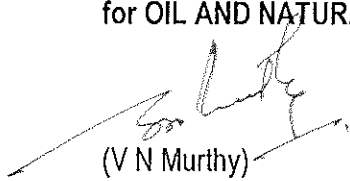
Sub: Limited Review Report of the Un-audited Financial Results for the Quarter ended 30th June, 2016

Dear Sir(s),

Pursuant to Regulation 33 (1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith a copy of Limited Review Report of the Un-audited Financial Results of the Company for the Quarter ended 30th June, 2016 duly signed by the Statutory Auditors of the Company, for your information and record.

Thanking you,

Yours faithfully,
for OIL AND NATURAL GAS CORPORATION LTD.


(V N Murthy)
Company Secretary

Encl: As above

G D Apte & Co.
Chartered Accountants
Office No. 83 – 87, 8th Floor,
Mittal Tower, 'B' Wing,
Nariman Point,
Mumbai – 400 021

Lodha & Co.
Chartered Accountants
14, Government Place East,
Kolkata – 700069

P K F Sridhar & Santhanam LLP
Chartered Accountants
7th Floor, KRD Gee Gee Crystal,
91 92, Dr. Radhakrishnan Salai,
Mylapore, Chennai – 600 004

Khandelwal Jain & Co.
Chartered Accountants
12-B, Baldota Bhawan, 5th Floor
117, M K Road, churchgate,
Mumbai 400 020

Dass Gupta & Associates
Chartered Accountants
B4, Gulmohar Park,
New Delhi – 110 049

K C Mehta & Co.
Chartered Accountants
2nd Floor, Meghdhanush Race Course Circle,
Vadodara – 390 007

**INDEPENDENT AUDITOR'S 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, 2016 (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 as modified by the circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016.

This statement containing the Results, which is the responsibility of the Company's Management has been approved by the Board of Directors. Our responsibility is to issue a report on these financial Results based on our review.

We conducted our review 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 as modified by the circular no. CIR/CFD/FAC/62/2016 dated 5th July 2016 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 7 to the Statement with regard to the dispute between the Company and the Government of Gujarat and Assam in respect of payment of Royalty on pre-discounted prices on the crude oil produced in these States and Order of Government of India dated 15th July, 2016 to pay royalty on pre-discounted prices in other states as well subject to judgement of Honourable Supreme Court of India. The amount of Rs. 15,584 crores has been disclosed as contingent liability as it is being contested by the Company.

Our conclusion is not modified in respect of this matter.

Other Matters

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 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 is not modified in respect of the above matter.

For G. D. Apte & Co.
Chartered Accountants
Firm Reg. No: 100515W


(C.M. Dixit)
Partner (M.No. 017532)

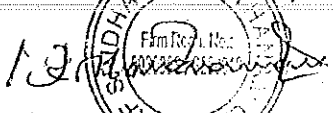
For Khandelwal Jain & Co.
Chartered Accountants
Firm Reg. No: 105049W


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

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


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

For P K F Sridhar & Santhanam LLP
Chartered Accountants
Firm Reg. No. 003990S/S200018


(V. Kothandaraman)
Partner (M. No 025973)

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


(Naresh Kumar)
Partner (M. No. 082069)

For K C Mehta & Co.
Chartered Accountants
Firm Reg. No. 105237W


(Vishal P. Doshi)
Partner (M.No. 101533)

Place: New Delhi

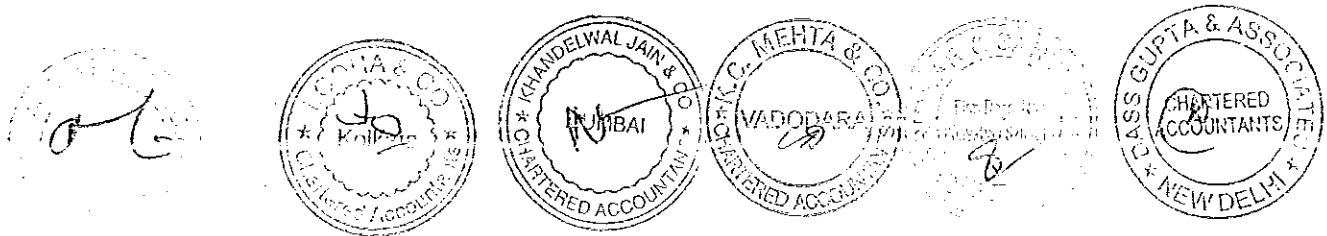
Date: Sept 7, 2016

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2016

Sl. No	Particulars	(₹ in Crore unless otherwise stated)			
		Unaudited financial results for			
		3 months ended 30.06.2016	Preceding 3 months ended 31.03.2016	Corresponding 3 months ended 30.06.2015 in the previous year	Year ended 31.03.2016
1	Income from operations				
	(a) Sales/Income from Operations	17,670.37	16,022.54	22,498.75	77,165.21
	(b) Other Operating Income	114.38	214.63	129.42	576.54
	Total income from operations (a+b)	17,784.75	16,237.17	22,628.17	77,741.75
2	Expenses				
	(a) Cost of materials consumed*	281.46	380.71	146.26	1,327.44
	(b) Purchase of stock-in-trade	2.41	1.92	1.80	7.15
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade [(Increase)/Decrease]	(4.26)	83.33	(110.48)	35.37
	(d) Employee benefits expense**	467.73	421.15	475.67	1,821.46
	(e) Depreciation and amortisation expense***	2,739.66	2,090.20	2,970.26	11,172.40
	(f) Statutory levies	4,106.55	4,304.83	5,465.69	19,530.62
	(g) Exploration Cost written off	960.07	1,717.35	1,548.87	5,665.51
	(h) Other expenses	3,540.35	4,773.38	4,465.79	17,159.74
	Total Expenses	12,093.97	13,772.87	14,963.86	56,719.69
3	Profit/(Loss) from Operations before other Income, finance costs and exceptional items (1-2)	5,690.78	2,464.30	7,664.31	21,022.06
4	Other income	952.43	4,062.37	862.92	7,011.06
5	Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)	6,643.21	6,526.67	8,527.23	28,033.12
6	Finance costs	292.03	367.43	316.54	1,324.13
7	Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)	6,351.18	6,159.24	8,210.69	26,708.99
8	Exceptional items	-	462.30	-	(3,154.11)
9	Profit/(Loss) from ordinary activities before tax (7+8)	6,351.18	6,621.54	8,210.69	23,554.88
10	Tax expense				
	a) Current tax	1,710.00	(290.00)	2,700.00	5,720.00
	b) For earlier years	-	(10.92)	-	(135.75)
	c) Deferred tax liability/(asset)	408.64	2,326.91	142.33	1,859.45
	Total tax expense	2,118.64	2,025.99	2,842.33	7,443.70
11	Net Profit/ (Loss) from ordinary activities after tax (9-10)	4,232.54	4,595.55	5,368.36	16,111.18
12	Other Comprehensive Income (net of tax)	1,724.17	(1,282.95)	586.91	641.73
13	Total Comprehensive Income for the period/year (11+12)	5,956.71	3,312.60	5,955.27	16,752.91
14	Paid-up Equity Share Capital (Face value of ₹ 5/- each)	4,277.76	4,277.76	4,277.76	4,277.76
15	Reserves excluding Revaluation Reserves as per restated balance sheet of previous accounting year	-	-	-	161,497.91
16	Earnings Per Share (Face value of ₹ 5/- each) - not annualised				
	(a) Basic (₹)	4.95	5.37	6.27	18.83
	(b) Diluted (₹)	4.95	5.37	6.27	18.83

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

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Sl. No.	Particulars	3 months ended 30.06.2016	Preceding 3 months ended 31.03.2016	Corresponding 3 months ended 30.06.2015 in the previous year	Year ended 31.03.2016
1	Segment Revenue				
	Revenue from Operation				
	a) Offshore	12,542.65	11,595.82	16,135.36	56,058.17
	b) Onshore	5,242.10	4,641.35	6,492.81	21,683.58
	c) Others Unallocated	-	-	-	-
	Total	17,784.75	16,237.17	22,628.17	77,741.75
	Less: Inter Segment Operating Revenue	-	-	-	-
	Revenue from operations	17,784.75	16,237.17	22,628.17	77,741.75
2	Segment Result Profit/(+)/Loss(-) before tax and interest from each segment				
	a) Offshore	5,531.46	6,370.74	6,962.98	24,736.29
	b) Onshore	775.00	(85.98)	1,350.07	(1,682.55)
	Total	6,306.46	6,284.76	8,313.05	23,053.74
	Less:				
	i. Interest Payment	292.03	367.44	316.55	1,324.14
	ii. Other unallocable expenditure net of unallocable income.	(336.75)	(704.22)	(214.19)	(1,825.28)
	Profit before Tax and Extraordinary Items	6,351.18	6,621.54	8,210.69	23,554.83
	Extraordinary Items	-	-	-	-
	Profit before Tax	6,351.18	6,621.54	8,210.69	23,554.83
3	Segment Assets				
	a) Offshore	100,842.73	98,141.91	93,744.15	98,141.91
	b) Onshore	48,863.02	47,573.92	50,087.48	47,573.92
	c) Other Unallocated	78,067.31	76,162.54	75,353.93	76,162.54
	Total	227,773.06	221,878.37	219,185.56	221,878.37
4	Segment Liabilities				
	a) Offshore	23,467.95	23,774.84	26,257.10	23,774.84
	b) Onshore	8,312.94	8,161.37	9,042.75	8,161.37
	c) Other Unallocated	24,259.86	24,166.49	22,987.78	24,166.49
	Total	56,040.75	56,102.70	58,287.63	56,102.70

Notes:- Above segment information has been classified based on Geographical Segments as Primary segment

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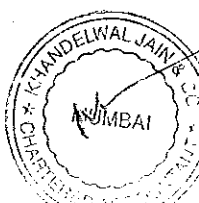
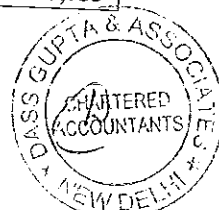


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Notes:

1. The above financial results have been reviewed and recommended by the Audit & Ethics Committee held on 7th September, 2016 and approved by the Board of Directors in its meeting held on the same day.
2. The financial results for the quarter ended 30th June, 2016 have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Figures for the quarter ended 30th June, 2015, quarter ended 31st March 2016 and audited figures for the year ended 31st March 2016 as per IGAAP (Previously reported) have been restated as required in terms of Indian Accounting Standards (Ind AS) for the purpose of these results and have also been reviewed by the Statutory Auditors.
3. The company has adopted Ind AS and accordingly, these financial Results have been prepared in accordance with the recognition and measurement principles of Ind AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder. The date of transition to Ind AS is 1st April, 2015. The impact of transition has been accounted for in the opening reserves and the comparative periods have been restated accordingly.
4. The reconciliation of Net Profit as previously reported (referred to as 'Previous GAAP') and the total comprehensive income as per Ind AS is mentioned in the table below:-

Particulars	Profit Reconciliation (Rs. Crore)		
	Quarter ended 31 st March 2016	Quarter ended 30 th June 2015	Year ended 31 st March 2016
Net Profit as per Previous GAAP	4,416	5,460	16,004
Effect on depletion of Oil and Gas assets due to adjustment of decommissioning liabilities	397	146	846
Effect on change in inventory due to change in depletion	0	(18)	(17)
Effect on finance cost due to unwinding of discount on decommissioning liabilities	(365)	(313)	(1,314)
Effect on finance cost due to unwinding of discount on Financial liabilities	(1)	-	(2)
Effect on other expenditure of measuring financial instruments at fair value	(22)	(20)	(82)
Effect on other income due to effective interest method on financial assets	33	49	162
Effect on other income due to amortization of financial guarantees obligation in respect of guarantees given to Subsidiaries	12	11	45
Effect on Impairment Loss due to adjustment of decommissioning liabilities	(464)	1	(84)
Effect on other income due to re-measurement of decommissioning liabilities	610	-	610
Effect on other expenditure due to foreign exchange difference on re-measurement of decommissioning liabilities	20	1	23
Effect of adjustment of Prior Period items	55	3	(23)
Deferred tax impact on above adjustments	(95)	48	(57)
Net profit as per Ind AS (A)	4,596	5,368	16,111
Change in fair value of equity instruments	(1,283)	587	642
Other Comprehensive income (B)	(1,283)	587	642
Total Comprehensive income (A) + (B)	3,313	5,955	16,753



5. The reconciliation of equity as previously reported (referred to as Previous GAAP) and the equity as per Ind AS is mentioned in the table below:-

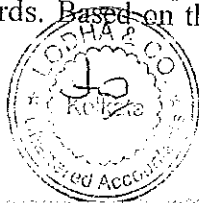
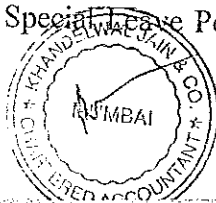
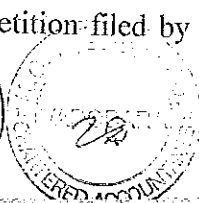
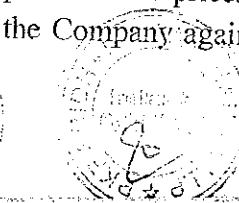
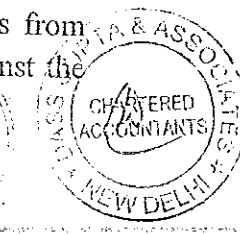
Particulars	Amounts (in Crore)	
	As at April 1, 2015	As at March 31, 2016
Total equity under previous GAAP	1,44,601	1,51,853
Adjustments:		
Dividends and related distribution tax not recognised as liability until declared under Ind AS	515	3,347
Effect of remeasurement of decommissioning liabilities	(501)*	(436)
Effect of de-recognition of lease rentals	(27)	(27)
Effect of fair valuation of Equity instruments	10,412**	11,053
Effect of fair valuation of financial instruments	(374)	(296)
Effect on other income due to amortization of financial guarantees obligation in respect of guarantees given to Subsidiaries	-	45
Deferred government grant reclassified to non-current liability	(1)	(1)
Effect of adjustment of Prior Period items	23	-
Deferred tax on above adjustments	295	238
Total adjustment to equity	10,342	13,923
Total equity under Ind AS	1,54,943	1,65,776

* The Company has availed optional exemption available with respect to decommissioning costs included in the Oil and Gas assets as per para D21 of Ind AS 101. The Company has measured the decommissioning provision in accordance with Ind AS 37 as at transition date. The Company has accordingly discounted decommissioning liability to present value at the transition date, resulting in decrease in decommissioning liability by ₹ 6,125 crore and with corresponding decrease in oil and gas assets by ₹6,626 crore. The net amount of ₹501 Crore has been recognised in opening reserves.

** As at transition date the company has irrevocably elected to present the changes in fair value of equity instruments through Other Comprehensive Income (OCI). The Company has fair valued its investment in equity instruments (quoted) as at transition date resulting in increase in total equity by ₹10,412 Crore.

6. In terms of the decision of the Government of India (GoI), no discount was given by the Company to Oil Marketing Company's during 1st quarter of 2016-17. (Discount for corresponding quarter of previous year was ₹ 1,096 Crore).

7. 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, in terms of GoI directives, the Company has been paying royalty on crude oil at realized price which is net of discount (share of under-recovery of the OMCs 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, w.e.f. Feb'14, the Company has started depositing royalty to State of Gujarat on pre-discount prices in respect of crude oil production from Gujarat. Matter is presently pending with the apex court.

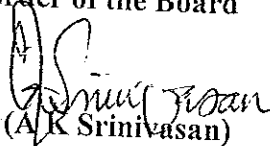
Meanwhile, Government of Assam has also filed a Writ Petition in the Hon'ble High Court of Guwahati for payment of differential royalty on pre discount sale price of crude oil for the period 2008-09 to 2013-14 which is pending adjudication. Government of Assam has also filed an Interlocutory Application seeking payment of royalty on pre-discount sale price of crude oil w.e.f. 01.02.14 in terms of Hon'ble Supreme Court order dated 13.02.14.

Further, vide order dated 15.07.2016 GoI have directed ONGC to pay royalty to all similarly placed crude oil producing states at pre-discount prices effective 1st February, 2014 based on the interim decision of the Supreme Court dated 13.02.2014, pending the outcome of this Special Leave Petition.

Accordingly, differential amount of ₹ 15,584 Crore on this account for the period from April, 2008 to June, 2016 (₹ 14,872 Crore as on 31.03.2016) 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 ₹ 2,169 Crore deposited with Government of Gujarat w.e.f. February, 2014 (₹ 2,169 Crore as on 31.03.2016) has been shown as deposit.

8. Tapti A series assets and facilities which were a part of the assets of PMT Joint Venture were surrendered by the JV to the Government of India as per the terms and conditions of the JV Agreement. During the quarter, these assets and facilities have been transferred by Government of India to the company free of cost as its nominee. The company is in the process of assessing the fair value of the said assets and appropriate accounting would be done thereafter. There is no significant impact of the same on the results for the quarter ended on 30th June 2016.
9. Previous period's figures have been regrouped/ reclassified by the Company, wherever necessary, to conform to current quarter's classification.

By order of the Board


(A.K. Srinivasan)
Director (Finance)

Place: Delhi

Date: 7th September, 2016

