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/2015 **6th November, 2015**

The Bombay Stock Exchange Limited, Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort **MUMBAI – 400 001**	**National Stock Exchange of India Ltd.** Exchange Plaza Bandra-Kurla Complex Bandra (E) **MUMBAI – 400 051**

Sub: Un-audited Financial Results for Second Quarter and Half year ended 30th September, 2015.

Dear Sir(s),

Further to our letter of even number dated **28th October, 2015** on the captioned subject, enclosed please find a copy of the Un-audited Financial Results (after Limited Review) of the Company for **Second Quarter and Half year ended 30th September, 2015,** approved by the Board of Directors in its meeting held today i.e. 6th November, 2015, in terms of Clause-41 of Listing Agreement.

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

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2015

PART I (₹ in Crore)

	Particulars	3 months ended 30.09.2015	Preceding 3 months ended 30.06.2015	Corresponding 3 months ended 30.09.2014 in the previous year	Half Year ended 30.09.2015	Corresponding Half Year ended 30.09.2014 in the previous year	Year ended 31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income from operations**						
	(a) Gross Sales/Income from Operations	20,614.87	22,739.02	20,425.77	43,353.89	42,238.85	82,348.79
	Less: Excise Duty recovered	51.68	43.18	64.63	94.86	130.71	222.51
	(b) Net Sales/Income from Operations(Net of excise duty)	20,563.19	22,695.84	20,361.14	43,259.03	42,108.14	82,126.28
	(c) Other Operating Income	116.37	129.41	86.61	245.78	190.88	744.68
	Total Income from operations (net) (b+c)	20,679.56	22,825.25	20,447.75	43,504.81	42,299.02	82,870.96
2	**Expenses**						
	(a) Cost of materials consumed*	326.60	146.26	132.33	472.86	262.56	678.32
	(b) Purchase of stock-in-trade	1.61	1.80	0.98	3.41	1.79	4.41
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade [(Increase)/Decrease]	102.30	(128.48)	227.99	(26.18)	24.94	(167.43)
	(d) Employees benefits expenses**	452.95	475.67	455.89	928.62	862.62	1,695.35
	(e) Depreciation and amortisation expenses***	2,874.37	3,034.96	2,453.75	5,909.33	5,016.06	11,451.14
	(f) Statutory levies	5,276.91	5,662.64	5,449.75	10,939.55	11,276.84	22,874.55
	(g) Exploration Cost written off	1,733.05	1,545.69	1,912.49	3,278.74	5,740.00	10,867.11
	(h) Other expenses	4,011.45	4,538.91	3,239.69	8,550.36	6,237.37	14,276.71
	Total Expenses	14,779.24	15,277.45	13,872.87	30,056.69	29,422.18	61,680.16
3	**Profit/(Loss) from Operations before other income, finance costs and exceptional items (1-2)**	5,900.32	7,547.80	6,574.88	13,448.12	12,876.84	21,190.80
4	Other income	1,137.70	806.21	1,360.69	1,943.91	2,256.07	5,367.22
5	**Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)**	7,038.02	8,354.01	7,935.77	15,392.03	15,132.91	26,558.02
6	Finance costs	0.01	3.08	0.14	3.09	0.27	2.79
7	**Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)**	7,038.01	8,350.93	7,935.63	15,388.94	15,132.64	26,555.23
8	Exceptional items	-	-	-	-	-	-
9	**Profit/(Loss) from ordinary activities before tax (7+8)**	7,038.01	8,350.93	7,935.63	15,388.94	15,132.64	26,555.23
10	**Tax expense**						
	a) For current tax	1,860.00	2,700.00	2,080.00	4,560.00	4,650.00	8,200.00
	b) For earlier years	-	-	-	-	-	(584.83)
	c) Deferred tax liability/(asset)	335.99	191.03	410.74	527.02	255.96	1,207.11
	Total tax expense	2,195.99	2,891.03	2,490.74	5,087.02	4,905.96	8,822.28
11	**Net Profit/ (Loss) from Ordinary Activities after tax (9-10)**	4,842.02	5,459.90	5,444.89	10,301.92	10,226.68	17,732.95
12	Extraordinary items (net of tax)	-	-	-	-	-	-
13	**Net Profit/ (Loss) for the period (11+12)**	4,842.02	5,459.90	5,444.89	10,301.92	10,226.68	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						1,39,345.09
16	Earnings Per Share (EPS) (in ₹)						
	(a) Basic and diluted EPS before extraordinary items	5.66	6.38	6.36	12.04	11.95	20.73
	(b) Basic and diluted EPS after extraordinary items	5.66	6.38	6.36	12.04	11.95	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

PART II

SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2015

		3 months ended 30.09.2015	Preceding 3 months ended 30.06.2015	Corresponding 3 months ended 30.09.2014 in the previous year	Half Year ended 30.09.2015	Corresponding Half Year ended 30.09.2014 in the previous year	Year ended 31.03.2015
A	PARTICULARS OF SHAREHOLDING						
1	Public shareholding						
	- Number of shares	26578,13,860	26578,13,860	26577,29,787	26578,13,860	26577,29,787	26577,29,787
	- Percentage of shareholding	31.07	31.07	31.06	31.07	31.06	31.06
2	Promoters and promoter group Shareholding						
	a) Pledged/Encumbered						
	-Number of shares	-	-	-	-	-	-
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	-Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
	b)Non-encumbered						
	-Number of shares	58976,76,260	58976,76,260	58977,60,333	58976,76,260	58977,60,333	58977,60,333
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	-Percentage of shares (as a % of the total share capital of the company)	68.93	68.93	68.94	68.93	68.94	68.94

	Particulars	3 months ended 30.09.2015		
B	INVESTORS COMPLAINTS	RELATED TO OTHER THAN OFFER FOR SALE 2004	*RELATED TO OFFER FOR SALE 2004	TOTAL
	Pending at the beginning of the quarter	8	99	107
	Received during the quarter	343	0	343
	Disposed of during the quarter	340	0	340
	Remaining unresolved at the end of the quarter	11	99	110

*Complaints related to Offer for Sale 2004 have to be resolved by the erstwhile Registrar to the issue (MCS Ltd.) appointed by the Government of India

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED UNDER CLAUSE 41 OF THE LISTING AGREEMENT

(₹ in Crore)

Sl. No.	Particulars	3 months ended 30.09.2015 (Unaudited)	Preceding 3 months ended 30.06.2015 (Unaudited)	Corresponding 3 months ended 30.09.2014 in the previous year (Unaudited)	Half Year ended 30.09.2015 (Unaudited)	Corresponding Half Year ended 30.09.2014 in the previous year (Unaudited)	Year ended 31.03.2015 (Audited)
1	**Segment Revenue**						
	a) Offshore						
	Gross Revenue	15135.11	16372.06	14955.85	31,507.17	30,149.63	59,673.05
	Less: Excise Duty	47.96	38.52	59.24	86.48	119.31	203.19
	Revenue Net of Excise Duty	**15,087.15**	**16,333.54**	**14,896.61**	**31,420.69**	**30,030.32**	**59,469.86**
	b) Onshore						
	Gross Revenue	5596.13	6496.37	5556.53	12,092.50	12,280.10	23,420.42
	Less: Excise Duty	3.72	4.66	5.39	8.38	11.40	19.32
	Revenue Net of Excise Duty	**5,592.41**	**6,491.71**	**5,551.14**	**12,084.12**	**12,268.70**	**23,401.10**
	Total	**20,679.56**	**22,825.25**	**20,447.75**	**43,504.81**	**42,299.02**	**82,870.96**
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Net sales/income from operations	20,679.56	22,825.25	20,447.75	43,504.81	42,299.02	82,870.96
2	**Segment Result Profit(+)/Loss(-) before tax and interest from each segment**						
	a) Offshore	5956.89	6845.59	6777.77	12,802.48	11,971.43	22,627.22
	b) Onshore	547.42	1351.86	306.35	1,899.28	1,942.53	1,994.60
	Total	**6,504.31**	**8,197.45**	**7,084.12**	**14,701.76**	**13,913.96**	**24,621.82**
	Less:						
	i. Interest Payment	0.01	3.08	0.14	3.09	0.27	2.79
	ii. Other unallocable expenditure net of unallocable income.	(533.71)	(156.56)	(851.65)	(690.27)	(1,218.95)	(1,936.20)
	Profit before Tax and Extraordinary Items	**7,038.01**	**8,350.93**	**7,935.63**	**15,388.94**	**15,132.64**	**26,555.23**
	Extraordinary Items	-	-	-	-	-	-
	Profit before Tax	**7,038.01**	**8,350.93**	**7,935.63**	**15,388.94**	**15,132.64**	**26,555.23**
3	**Capital Employed (Segment Assets - Segment Liabilities)**						
	a) Offshore	68,306.87	67,265.27	66,023.91	68,306.87	66,023.91	71,509.87
	b) Onshore	42,410.37	42,266.79	39,357.22	42,410.37	39,357.22	43,357.04
	Total	**1,10,717.24**	**1,09,532.06**	**1,05,381.13**	**1,10,717.24**	**1,05,381.13**	**1,14,866.91**
	Unallocated Corporate Assets less Liabilities	**39,551.86**	**40,528.76**	**41,467.18**	**39,551.86**	**41,467.18**	**29,734.06**
	Grand Total	**1,50,269.10**	**1,50,060.82**	**1,46,848.31**	**1,50,269.10**	**1,46,848.31**	**1,44,600.97**

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

OIL AND NATURAL GAS CORPORATION LIMITED
STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER, 2015

(₹ in Crore)

	Particulars	As at 30th September, 2015 (Unaudited)	As at 31st March, 2015 (Audited)
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	4,277.76	4,277.76
	(b) Reserves and surplus	1,45,991.34	1,40,323.21
	Sub-total -Shareholders' fund	**1,50,269.10**	**1,44,600.97**
2	**Non-current liabilities**		
	(a) Deferred tax liabilities (Net)	18,260.18	17,733.15
	(b) Other Long term liabilities	95.76	1,128.89
	(c) Long-term provisions	26,683.06	25,443.38
	Sub-total -Non-current Liabilities	**45,039.00**	**44,305.42**
5	**Current liabilities**		
	(a) Short-term borrowings	-	1,393.00
	(b) Trade payables	5,714.10	5,489.10
	(c) Other current liabilities	11,598.97	10,293.81
	(d) Short-term provisions	5,990.14	1,997.58
	Sub-total -Current Liabilities	**23,303.21**	**19,173.49**
	TOTAL-EQUITY AND LIABILTIES	**2,18,611.31**	**2,08,079.88**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets		
	(i) Tangible assets	1,01,502.32	98,132.15
	(ii) Intangible assets	74.03	69.60
	(iii) Capital work-in-progress	12,074.76	12,690.66
	(iv) Exploratory/Development Wells in Progress	18,087.09	15,888.53
	(b) Non-current investments	18,416.79	18,124.28
	(c) Long-term loans and advances	16,716.81	19,470.82
	(d) Deposit with Schedule Banks under Site Restoration Fund Scheme	12,581.70	12,544.38
	(e) Other non-current assets	873.05	996.20
	Sub-total -Non-current assets	**1,80,326.55**	**1,77,916.62**
2	**Current assets**		
	(a) Inventories	5,771.11	5,963.53
	(b) Trade receivables	7,096.84	13,578.27
	(c) Cash and Cash Equivalents	17,211.15	2,760.07
	(d) Short-term loans and advances	6,601.52	6,947.68
	(e) Other current assets	1,604.14	913.71
	Sub-total -Current assets	**38,284.76**	**30,163.26**
	TOTAL-ASSETS	**2,18,611.31**	**2,08,079.88**

Notes:

1. The above results have been reviewed and recommended by the Audit & Ethics Committee held on 6th November, 2015 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 half year ended 30th September, 2015 has been carried out by the Statutory Auditors of the Company as required under Clause 41 of the Listing Agreement.

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 quarter ended on 30th September, 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 Half year ended		For the Year ended
	30.09.2015	30.06.2015	30.09.2014	**30.09.2015**	30.09.2014	31.03.2015
Gross Revenue	**596**	1,133	13,641	**1,729**	26,841	36,300
Less: Value Added Tax (VAT)	**17**	30	402	**47**	782	1,003
Net Sales Revenue	**579**	1,103	13,239	**1,682**	26,059	35,297
Less: Statutory levies	**76**	143	1,658	**219**	3,273	4,337
Profit before tax (PBT)	**503**	960	11,581	**1,463**	22,786	30,960
Profit after tax (PAT)	**329**	628	7,645	**957**	15,041	20,437

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 September, 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 ₹ 2,194 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 quarter and half year ended 30.09.2015 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" is lower by ₹ 31 Crore and profit before tax is higher by ₹ 31 Crore for the quarter and half year ended 30th September 2015.

6. During the quarter ended 30.09.2015, 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 ₹ 247 Crore in respect of such wells drilled in the quarter ended 30th September, 2015 has been kept under development well in progress. Consequently, profit before tax for quarter and half year ended 30.09.2015 is higher by ₹ 247 Crore.

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 assets for financial statements in respect of financial years commencing on or after 1st April 2015. The company is in the process of technical evaluation for componentization of tangible assets and useful life thereof.

8. The Board of Directors in its meeting held on 6th November 2015, has declared an interim dividend of ₹ 4.50 per equity share (90 %) amounting to ₹ 3,850 Crore.

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: 6th November, 2015