



OIL AND NATURAL GAS CORPORATION LIMITED

COMPANY SECRETARIAT

CS/ONGC/SE/2018

03.11.2018

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: *Un-audited Financial Results for the second Quarter/ Half Year ended 30.09.2018*

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, for the Second quarter/ Half year ended 30.09.2018 as approved by the Board of Directors at the meeting held today i.e. 03.11.2018 at New Delhi, along with Limited Review Report issued by the Auditor of the Company.

Further, we hereby inform that the 'Record Date' (16.11.2018), intimated vide letter dated 30.10.2018, stands withdrawn since no dividend has been declared by the Board at the aforesaid meeting.

The Board Meeting commenced at 12:00 hrs. and concluded at 17:15 hrs.

Thanking you,

Yours faithfully,
For Oil and Natural Gas Corporation Ltd.


03/11/18

(M E V Selvam)
Compliance Officer &
Company Secretary

Encl: as above (8 Pgs.)

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2018
(₹ In Crore unless otherwise stated)

Sl. No.	Particulars	Financial results for					
		Quarter ended 30.09.2018	Quarter ended 30.06.2018	Quarter ended 30.09.2017	Half Year ended 30.09.2018	Half Year ended 30.09.2017	Year ended 31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	27,989.17	27,212.83	18,964.85	55,202.00	38,038.39	85,004.10
II	Other income	2,394.23	649.88	2,067.04	3,044.11	2,970.78	7,883.55
III	Total Income (I+II)	30,383.40	27,862.71	21,031.89	58,246.11	41,009.17	92,887.65
IV	EXPENSES						
	Cost of materials consumed*	604.52	413.47	265.64	1,017.99	490.51	1,209.22
	Purchase of stock-in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, stock-in-trade and work in progress	(158.47)	(63.15)	(105.29)	(221.62)	(46.09)	(63.02)
	Employee benefits expense**	609.65	636.15	520.17	1,245.80	1,115.70	2,503.02
	Statutory levies	6,606.48	6,732.84	4,500.16	13,339.32	8,990.94	20,098.34
	Exploration costs written off						
	a. Survey Costs	234.37	384.54	225.52	618.91	640.87	1,480.07
	b. Exploratory well Costs	1,083.45	754.82	1,107.59	1,838.27	1,749.54	5,551.73
	Finance costs	629.12	748.61	327.44	1,377.73	604.37	1,508.47
	Depreciation, depletion, amortisation and impairment	3,530.99	3,887.22	3,505.78	7,418.21	6,968.84	14,470.17
	Other expenses	4,538.25	4,761.46	3,450.59	9,299.71	7,322.43	17,237.18
	Total expenses (IV)	17,678.36	18,255.96	13,797.60	35,934.32	27,837.11	63,995.18
V	Profit before exceptional items and tax (III-IV)	12,705.04	9,606.75	7,234.29	22,311.79	13,172.06	28,892.47
VI	Exceptional items	-	-	-	-	-	-
VII	Profit before tax (V+VI)	12,705.04	9,606.75	7,234.29	22,311.79	13,172.06	28,892.47
VIII	Tax expense:						
	(a) Current tax relating to:						
	- current year	3,742.00	2,950.00	1,241.00	6,692.00	3,161.00	6,354.92
	- earlier years	-	-	-	-	4.15	(221.80)
	(b) Deferred tax	698.43	512.87	862.55	1,211.30	991.44	2,814.09
	Total tax expense (VIII)	4,440.43	3,462.87	2,103.55	7,903.30	4,156.59	8,947.21
IX	Profit for the period (VII-VIII)	8,264.61	6,143.88	5,130.74	14,408.49	9,015.47	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	235.49	(22.88)	34.07	212.61	(72.39)	(136.82)
	- Deferred Tax	(82.28)	7.99	(11.79)	(74.29)	25.05	49.50
	(ii) Equity instruments through other comprehensive income	67.64	(2,627.24)	1,493.45	(2,559.60)	1,243.15	(1,764.04)
	- Deferred Tax	14.28	197.57	-	211.85	-	(1,331.35)
	Total other comprehensive Income (X)	235.13	(2,444.56)	1,515.73	(2,209.43)	1,195.81	(3,182.71)
XI	Total comprehensive Income for the period (IX+X)	8,499.74	3,699.32	6,646.47	12,199.06	10,211.28	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	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 (₹)	6.44	4.79	4.00	11.23	7.03	15.54
	(b) Diluted (₹)	6.44	4.79	4.00	11.23	7.03	15.54

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



STATEMENT OF STANDALONE UNAUDITED ASSETS & LIABILITIES AS AT 30TH SEPTEMBER, 2018
(₹ in Crore)

Particulars	As at September 30, 2018	As at March 31, 2018
	Unaudited	Audited
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment		
(i) Oil and Gas Assets	112,827.11	110,264.83
(ii) Other Property, Plant and Equipment	9,190.13	9,250.71
(b) Capital work in progress		
(i) Oil and Gas Assets		
1) Development wells in progress	2,885.54	2,245.18
2) Oil and gas facilities in progress	9,878.26	9,136.71
(ii) Others	1,746.51	2,163.18
(c) Intangible assets	184.09	112.86
(d) Intangible assets under development		
(i) Exploratory wells in progress	22,568.85	21,838.53
(e) Financial assets		
(i) Investments	83,326.97	85,730.80
(ii) Loans	1,029.15	2,133.47
(iii) Deposits under site restoration fund	16,498.53	15,991.20
(iv) Others	204.38	164.66
(f) Non-current tax assets (net)	7,609.29	9,946.37
(g) Other non-current assets	709.11	733.13
Total non-current assets	268,657.92	269,711.63
(2) Current assets		
(a) Inventories	7,134.14	6,688.91
(b) Financial assets		
(i) Investments	-	-
(ii) Trade receivables	9,834.57	7,772.64
(iii) Cash and cash equivalents	7.71	29.60
(iv) Other bank balances	159.71	983.10
(v) Loans	707.54	1,402.11
(vi) Others	3,785.35	3,041.81
(c) Other current assets	5,137.46	1,598.38
Total current assets	26,766.48	21,516.55
Total assets	295,424.40	291,228.18
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	6,416.63	6,416.63
(b) Other equity	197,258.37	186,968.05
Total equity	203,675.00	193,384.68
LIABILITIES		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Finance lease obligation	38.29	38.29
(ii) Others	86.91	111.09
(b) Provisions	23,319.28	21,301.84
(c) Deferred tax liabilities (net)	27,332.89	26,259.16
(d) Other non-current liabilities	740.60	771.26
Total non-current liabilities	51,517.97	48,481.64
(2) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	13,994.91	25,592.21
(ii) Trade payables	5,804.44	7,334.55
(iii) Finance lease obligation	3.50	3.50
(iv) Others	13,429.45	12,247.76
(b) Other current liabilities	3,405.45	2,289.32
(c) Provisions	2,957.35	1,258.19
(d) Current tax liabilities (net)	636.33	636.33
Total current liabilities	40,231.43	49,361.86
Total liabilities	91,749.40	97,843.50
Total equity and liabilities	295,424.40	291,228.18



OIL AND NATURAL GAS CORPORATION LIMITED

CIN No. L74899DL1993GOI054155

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SEGMENT WISE REVENUE, RESULTS, ASSETS & LIABILITIES

(₹ in Crore)

Sl. No.	Particulars	Quarter ended 30.09.2018	Quarter ended 30.06.2018	Quarter ended 30.09.2017	Half Year ended 30.09.2018	Half Year ended 30.09.2017	Year ended 31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	Revenue from Operations						
	a) Offshore	19,015.14	18,065.95	13,112.82	37,081.09	26,180.39	58,179.17
	b) Onshore	8,974.03	9,146.88	5,852.03	18,120.91	11,858.00	26,824.93
	Total	27,989.17	27,212.83	18,964.85	55,202.00	38,038.39	85,004.10
	Less: Inter Segment Operating Revenue	-	-	-	-	-	-
	Revenue from operations	27,989.17	27,212.83	18,964.85	55,202.00	38,038.39	85,004.10
2	Segment Result Profit(+)/Loss(-) before tax and interest from each segment						
	a) Offshore	10,009.22	8,449.51	5,435.88	18,458.73	10,722.90	22,165.27
	b) Onshore	2,404.77	2,368.67	835.77	4,773.44	1,647.95	3,959.12
	Total	12,413.99	10,818.18	6,271.65	23,232.17	12,370.85	26,124.39
	Less:						
	i. Finance Cost	629.12	748.61	327.44	1,377.73	604.37	1,508.47
	ii. Other unallocable expenditure net of unallocable income.	(920.17)	462.82	(1,290.08)	(457.35)	(1,405.58)	(4,276.55)
	Profit before Tax	12,705.04	9,606.75	7,234.29	22,311.79	13,172.06	28,892.47
3	Segment Assets						
	a) Offshore	126,976.95	125,655.93	118,448.26	126,976.95	118,448.26	121,420.98
	b) Onshore	60,155.27	58,223.23	50,192.60	60,155.27	50,192.60	55,346.50
	c) Other Unallocated	108,292.18	109,543.50	92,781.70	108,292.18	92,781.70	114,460.70
	Total	295,424.40	293,422.66	261,422.56	295,424.40	261,422.56	291,228.18
4	Segment Liabilities						
	a) Offshore	31,340.40	31,776.34	26,858.84	31,340.40	26,858.84	30,017.14
	b) Onshore	11,917.71	11,636.80	10,481.21	11,917.71	10,481.21	10,923.98
	c) Other Unallocated	48,491.29	52,925.50	29,372.06	48,491.29	29,372.06	56,902.38
	Total	91,749.40	96,338.64	66,712.11	91,749.40	66,712.11	97,843.50

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



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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 3rd November, 2018.
2. The financial results for the quarter and half year ended 30th September, 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 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 (BGEPI), 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 & BGEPI 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 BGEPI 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, BGEPI 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, BGEPI & 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 ₹ 11,430 Crore including interest upto November 30, 2016). However, in response to letter dated May 25, 2017 of DGH, RIL and BGEPI 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 & BGEPI 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 & BGEPI that the English Court had upheld challenge 4 of the claimants (RIL & BGEPI) 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, the same has been considered as contingent liability.

4. In the year 2017-18, the Company had received show-cause notices (SCN) at various work centers for pre-GST regime on account of service tax along with interest and penalty, on royalty levied under Oil Field (Regulation & Development) Act, 1948 on production of Crude oil and Natural gas. Such SCNs have been adjudicated at Commissionerate level and the appeal against such adjudication orders have been filed/being filed. Further, under GST regime, similar SCNs have been received in respect of Rajasthan JV Block (RJ-ON-90/1) for Rs. 428 Crore (alongwith applicable interest) pertaining to other partner’s share as ONGC had already paid GST on its own share under-protest.

The Company has worked out service tax of ₹ 3,803 Crore (₹ 2,294 Crore as at 30th June 2018) for the period from 1st April, 2016 to 30th June, 2017 including penalty & interest upto 30th September, 2018 and GST of ₹ 2,305 Crore (₹ 1,608 Crore as at 30th June 2018) for the period from 1st July, 2017 to 30th September, 2018 (including interest upto 30th September, 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 has been considered as contingent liability. Further, as an abundant caution, the company has deposited Service tax, GST and interest under protest amounting to ₹ 3,183 Crore upto 30th September, 2018 (₹ 2,695 Crore as at 30th June 2018).

5. Previous period’s figures have been regrouped by the Company, wherever necessary, to conform to current quarter’s classification.

By order of the Board

Place: New Delhi

Date: 3rd November, 2018


(Subhash Kumar)
Director (Finance)



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Chartered Accountants,
1/1A, Vansittart Row,
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Independent Auditor's Limited Review Report on Unaudited Standalone Financial Results of OIL AND NATURAL GAS CORPORATION LIMITED for the Quarter and Half year ended on September 30, 2018 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO
THE BOARD OF DIRECTORS OF
OIL AND NATURAL GAS CORPORATION LIMITED

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2018 (herein after referred to as "the Statement" and initialled 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, read with Circular No. CIR/CFD/FAC/ 62/ 2016 dated July 5, 2016.

The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind 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. Our responsibility is to issue a report on the Statement based on our review.

2. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying unaudited standalone financial results read with notes thereon, prepared in accordance with applicable Ind AS 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, read with Circular No. CIR/ CFD/ FAC/ 62/ 2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

4. We draw attention to Note 3 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 (BGEPI) 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 ₹ 11,430 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 the 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 Matters

5. The statement includes the company's share in the total value of assets, liabilities, expenditure and Income of 136 blocks under New exploration licensing policy (NELPs)/ Joint Operations (JOs) accounts for exploration and production out of which 14 NELPs/JOs have been certified by management in respect of NELPs/JOs operated by other operators. In respect of these 14 NELPs/JOs, the statement include proportionate share in assets and liabilities as on 30th Sep'18 amounting to ₹ 9,625.21 Crores and ₹ 6,577.54 Crores respectively and revenue and profit including other comprehensive Income for the half year ended 30th Sept'18 amounting to ₹ 5,720.54 Crores and ₹ 1,517.01 Crores respectively. Our opinion is solely based on management certified accounts

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

6. 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 matters.

7. The financial results of the Company for the quarter ended June 30, 2018 were reviewed by the joint auditors of the Company, two of whom were predecessor audit firms and they had expressed an unmodified conclusion vide their report dated August 2, 2018 on such financial results.

For R Gopal & Associates

Chartered Accountants
Firm Reg. No: 000846C


(Sandeep Kr. Sawaria)
Partner (M.No. 061771)



For MKPS & Associates

Chartered Accountants
Firm Reg. No: 302014E


(Narendra Khanda)
Partner (M.No. 065025)



For G M Kapadia & Co.

Chartered Accountants
Firm Reg. No: 104767W

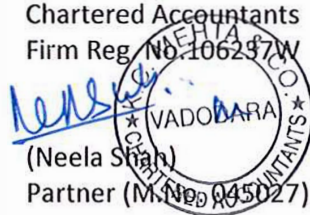

(Atul Shah)
Partner (M.No. 039569)



For K.C. Mehta & Co.

Chartered Accountants
Firm Reg. No: 106237W


(Neela Shah)
Partner (M.No. 045027)



**For PKF 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)



Place: New Delhi

Date: November 03, 2018