



OIL AND NATURAL GAS CORPORATION LIMITED

SECRETARIAT

Regd. Office : Jeevan Bharati, Tower-II, 124, Indira Chowk, New Delhi-110001

CIN:L74899DL1993GOI054155 Website: www.ongcindia.com email: secretariat@ongc.co.in

ONGC/CS/SE/2014

29th May, 2014

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: Annual Audited Financial Results for the Financial Year ended 31st March, 2014 and recommendation of Final Dividend.

Dear Sirs,

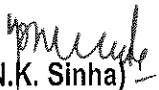
Further to our letter of even number dated 9th May, 2014, on the captioned subject, we are to inform that the Board of Directors of the Company have approved the Annual Audited Financial Results for the Financial Year ended 31st March, 2014 in its meeting held today i.e 29th May, 2014 at New Delhi, a copy of which is enclosed herewith.

Further, in terms of Clause 20 and 20A of the Listing Agreement, it is hereby informed that the Board of Directors of ONGC have recommended a Final Dividend @ ₹0.25 (paise twenty five only) per equity share of ₹5/- each, for the Financial Year 2013-14, subject to approval of the shareholders at the ensuing Annual General Meeting.

Kindly take note of the same.

Thanking you,

Yours faithfully,
For Oil And Natural Gas Corporation Ltd.


(N.K. Sinha) –
Company Secretary

Encl: as above

OIL AND NATURAL GAS CORPORATION LIMITED
Regd. Office : 'Jeevan Bharti', Tower II, 8th Floor, 124-Indira Chowk, New Delhi 110 001
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ In Crore)

PART I	Particulars	Stand Alone				Consolidated	
		3 months ended 31.03.2014	Preceding 3 months ended 31.12.2013	Corresponding 3 months ended 31.03.2013 in the previous year	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from operations						
	(a) Net Sales/Income from Operations (Net of excise duty)	20,880.93	20,744.66	21,388.72	83,165.88	82,248.41	173,234.49
	(b) Other Operating Income	432.16	107.58	441.14	733.05	737.53	1,232.07
	Total Income from operations (net)	21,313.09	20,852.24	21,829.86	83,898.93	82,985.94	174,466.56
2	Expenses						
	(a) Cost of materials consumed*	233.04	190.67	187.48	664.08	609.79	68,276.72
	(b) Purchase of stock-in-trade	0.67	0.74	0.78	3.18	3.10	0.03
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade [(Increase)/Decrease]	205.09	(56.65)	(51.54)	104.28	(23.02)	(719.26)
	(d) Employees benefits expenses**	454.46	448.85	735.96	1,935.69	1,957.35	2,530.88
	(e) Depreciation and amortisation expenses***	3,580.35	2,588.36	2,387.16	10,927.71	8,374.48	16,588.78
	(f) Statutory levies	5,616.43	5,740.20	5,487.44	22,652.78	22,051.43	26,189.33
	(g) Exploration Cost written off	2,393.82	1,810.57	4,739.21	7,843.30	10,088.68	8,495.76
	(h) Other expenditure	3,323.71	2,210.06	4,735.91	14,038.85	14,817.13	19,974.40
	Total Expenses	15,707.57	12,932.80	18,222.40	58,169.87	57,876.84	141,336.64
3	Profit/(Loss) from Operations before other Income, finance costs and exceptional items (1-2)	5,605.52	7,919.44	3,607.46	25,719.06	25,107.00	33,129.92
4	Other income	1,371.83	2,662.33	1,245.45	6,713.23	5,466.21	6,942.20
5	Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)	6,977.35	10,581.77	4,852.91	32,432.29	30,573.21	40,072.12
6	Finance costs	0.04	0.02	0.05	0.36	28.88	658.71
7	Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)	6,977.31	10,581.75	4,852.86	32,431.93	30,544.33	39,413.41
8	Exceptional items	-	-	-	-	-	-
9	Profit/(Loss) from ordinary activities before tax (7+8)	6,977.31	10,581.75	4,852.86	32,431.93	30,544.33	39,413.41
10	Tax expense						
	a) For current tax	470.00	1,730.00	1,780.00	6,550.00	8,630.00	9,044.91
	b) MAT Credit Entitlement	(280.00)	-	-	(280.00)	-	(287.20)
	c) For earlier years	0.23	214.36	(580.35)	214.59	(701.48)	244.99
	d) Deferred tax liability/(asset)	1,898.08	1,511.42	254.50	3,852.53	1,690.11	3,757.69
	Total tax expense	2,088.31	3,455.78	1,464.15	10,337.12	9,618.63	12,760.39
11	Net Profit/(Loss) from Ordinary Activities after tax (9-10)	4,889.00	7,125.97	3,388.71	22,094.81	20,925.70	26,653.02
12	Extraordinary items (net of tax)	-	-	-	-	-	-
13	Net Profit/(Loss) for the period (11+12)	4,889.00	7,125.97	3,388.71	22,094.81	20,925.70	26,653.02
14	Share of profit/(loss) in associates					11.81	3.79
15	Minority interest					158.30	(225.59)
16	Net Profit/(Loss) after taxes, minority interest and share of profit/(loss) of associates (13+14-15)	4,889.00	7,125.97	3,388.71	22,094.81	20,925.70	26,506.53
17	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
18	Reserves excluding revaluation reserves				131,353.37	118,689.60	166,777.23
19	Earnings Per Share (EPS) (in ₹)						
	(a) Basic and diluted EPS before extraordinary items	5.71	8.33	3.96	25.83	24.46	30.98
	(b) Basic and diluted EPS after extraordinary items	5.71	8.33	3.96	25.83	24.46	30.98

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

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PART II								
SELECT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2014								
	Particulars	Stand Alone				Consolidated		
		3 months ended 31.03.2014	Preceding 3 months ended 31.12.2013	Corresponding 3 months ended 31.03.2013 in the previous year	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
A	PARTICULARS OF SHAREHOLDING							
1	Public shareholding							
	- Number of shares	2,657,729,787	2,632,943,698	2,632,943,698	2,657,729,787	2,632,943,698	2,657,729,787	2,632,943,698
	- Percentage of shareholding	31.06	30.77	30.77	31.06	30.77	31.06	30.77
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	6,897,760,333	6,922,646,622	6,922,646,622	6,897,760,333	6,922,646,622	6,897,760,333	6,922,646,622
	- 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	100.00
	- Percentage of shares (as a % of the total share capital of the company)	68.94	69.23	69.23	68.94	69.23	68.94	69.23

Particulars		3 months ended 31.03.2014
B	INVESTORS COMPLAINTS	
	Pending at the beginning of the quarter	0
	Received during the quarter	735
	Disposed of during the quarter	735
	Remaining unresolved at the end of the quarter	0

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

(₹ In Crore)

Sl. No.	Particulars	Stand Alone					Consolidated	
		3 months ended 31.03.2014	Preceding 3 months ended 31.12.2013	Corresponding 3 months ended 31.03.2013 in the previous year	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Segment Revenue							
	A. In India							
	(i) E&P							
	a) Offshore	15,252.41	15,349.60	15,285.22	59,940.28	57,664.32	59,940.28	57,664.32
	b) Onshore	6,148.41	5,590.83	6,617.99	24,261.16	25,625.24	23,978.85	25,470.91
	(ii) Refining						76,250.33	68,835.98
	B. Outside India						21,777.15	17,557.83
	C. Others						4,688.62	3,994.36
	Total	21,400.82	20,940.43	21,903.21	84,201.44	83,289.56	185,635.23	173,623.40
	Less: Inter Segment Revenue						7,440.54	7,694.60
	Net sales/income from operations	21,400.82	20,940.43	21,903.21	84,201.44	83,289.56	178,194.69	165,928.80
2	Segment Result Profit(+) / Loss(-) before tax and interest from each segment							
	A. In India							
	(i) E&P							
	a) Offshore	5,914.52	8,505.89	4,496.79	26,686.21	24,319.69	26,686.21	24,319.69
	b) Onshore	600.63	1,509.94	114.26	3,584.72	4,095.28	3,395.74	4,021.73
	(ii) Refining						660.31	(160.00)
	B. Outside India						7,299.17	6,813.62
	Total	6,515.15	10,015.83	4,611.05	30,270.93	28,414.97	38,041.43	34,995.04
	Less:							
	i. Interest Payment	0.04	0.02	0.05	0.36	28.88	658.72	485.04
	ii. Other unallocable expenditure net of unallocable income.	(462.20)	(565.94)	(241.86)	(2,161.36)	(2,158.24)	(2,030.70)	(2,232.17)
	Profit before Tax and Extraordinary Items	6,977.31	10,581.75	4,952.86	32,431.93	30,544.33	39,413.41	36,742.17
	Extraordinary Items							
	Profit before Tax	6,977.31	10,581.75	4,952.86	32,431.93	30,544.33	39,413.41	36,742.17
3	Capital Employed (Segment Assets - Segment Liabilities)							
	A. In India							
	(i) E&P							
	a) Offshore	61,535.64	62,682.63	55,187.34	61,535.64	55,187.34	61,535.64	55,187.34
	b) Onshore	36,778.34	35,259.78	31,003.93	36,778.34	31,003.93	36,778.10	30,988.49
	(ii) Refining						7,818.24	7,001.83
	B. Outside India						46,881.58	41,158.54
	Total	98,313.98	97,942.46	86,191.27	98,313.98	86,191.27	153,013.56	134,336.20
	Unallocated Corporate Assets less Liabilities	38,411.03	38,397.64	38,251.95	38,411.03	38,261.95	19,137.42	18,191.80
	Grand Total	136,725.01	136,340.10	124,453.22	136,725.01	124,453.22	172,150.98	152,528.00

OIL AND NATURAL GAS CORPORATION LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2014

(₹ in Crore)

Particulars	Stand Alone		Consolidated	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	4,277.76	4,277.76	4,277.76	4,277.76
(b) Reserves and surplus	132,447.24	120,175.46	167,873.22	148,249.81
(c) Money received against share warrants	-	-	-	-
Sub-total -Shareholders' fund	136,725.00	124,453.22	172,150.98	152,527.57
2 Share application money pending allotment				
3 Minority interest			2,912.54	1,946.65
2 Non-current liabilities				
(a) Long-term borrowings	-	-	31,680.86	8,842.75
(a) Deferred tax liabilities (Net)	16,578.68	12,887.98	18,552.11	14,849.01
(b) Other Long term liabilities	1,185.02	1,124.17	1,852.53	1,716.31
(c) Long-term provisions	25,719.96	22,187.44	30,409.81	25,296.28
Sub-total -Non-current Liabilities	43,483.66	36,199.59	82,495.31	50,704.35
3 Current liabilities				
(a) Short-term borrowings	-	-	13,907.27	11,527.09
(b) Trade payables	6,372.48	5,341.01	30,678.31	18,614.78
(c) Other current liabilities	11,926.17	11,222.66	21,819.39	17,086.91
(d) Short-term provisions	781.12	910.19	946.99	1,053.29
Sub-total -Current Liabilities	19,079.77	17,473.86	67,351.96	48,282.07
TOTAL-EQUITY AND LIABILITIES	159,288.43	178,126.67	324,910.79	253,460.64
B ASSETS				
1 Non-current assets				
(a) Fixed assets				
(i) Tangible assets	30,229.19	27,403.68	46,225.35	40,674.46
(ii) Producing Properties	65,783.26	52,440.71	91,268.15	70,539.54
(iii) Intangible assets	50.06	79.80	75.44	104.13
(iv) Capital work-in-progress	11,645.03	14,415.37	53,826.98	39,744.92
(v) Exploratory/Development Wells in Progress	13,912.76	10,475.88	18,206.70	13,610.09
(b) Goodwill on consolidation	-	-	18,354.49	8,325.49
(b) Non-current investments	17,204.31	9,173.05	4,720.46	2,045.28
(d) Deferred tax Asset	-	-	688.60	623.89
(c) Long-term loans and advances	18,178.36	22,172.85	10,220.84	8,922.90
(d) Deposit with Schedule Banks under Site Restoration Fund Scheme	11,310.16	10,133.12	12,082.96	10,634.92
(e) Other non-current assets	1,132.00	1,405.35	6,085.91	2,968.53
Sub-total -Non-current assets	169,445.13	147,699.81	261,755.88	198,224.15
2 Current assets				
(a) Current investments	-	-	25.44	82.90
(b) Inventories	5,582.51	5,704.39	14,801.46	12,772.59
(c) Trade receivables	8,163.67	6,863.72	16,028.36	15,395.61
(d) Cash and Cash Equivalents	10,798.88	13,218.59	24,430.12	19,619.05
(e) Short-term loans and advances	4,366.96	3,702.12	6,819.94	5,976.61
(f) Other current assets	629.25	938.04	999.59	1,389.73
Sub-total -Current assets	29,943.30	30,425.86	63,154.91	55,236.49
TOTAL	199,288.43	178,126.67	324,910.79	253,460.64

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Notes:

1. The above results have been reviewed and recommended by the Audit & Ethics Committee and approved by the Board of Directors in its meeting held on 29.05.2014.
2. The audited accounts are subject to review by the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956.
3. The Board of Directors has recommended a final dividend of ₹ 0.25 per share which works out to ₹ 215 Crore over and above the interim dividend of ₹ 9.25 per share in two phases (₹ 5.00 and ₹ 4.25 per share) amounting to ₹ 7,913 Crore paid during the year under consideration. The total dividend for the year 2013-14 works out to ₹ 8,128 Crore as against ₹ 8,128 Crore during 2012-13.
4. In terms of the decision of the Government of India (GoI), the Company has shared under-recoveries of Oil Marketing Companies for the year 2013-14 by allowing discount in the prices of Crude Oil, PDS Kerosene and Domestic LPG based on the rates of discount communicated by Petroleum Planning and Analysis Cell (PPAC). The impact of discount on profitability is as under:-

Decrease in	For the Quarter ended			For the year ended	For the Year ended
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
Gross Revenue	16,202	13,764	12,312	56,384	49,421
Less: Value Added Tax (VAT)	501	462	425	1,784	1,412
Net Sales Revenue	15,701	13,302	11,887	54,600	48,009
Less: Statutory levies	1,882	1,714	1,673	6,844	5,950
Profit before tax (PBT)	13,819	11,588	10,214	47,756	42,059
Profit after tax (PAT)	9,122	7,649	6,900	31,524	28,413

5. An amount of ₹ 1,611 Crore has been provided during the financial year 2013-14 (quarter ended 30th June, 2013) towards contribution for conversion of Post Retirement Benefit Scheme (PRBS) from Defined Benefit Scheme to Defined Contributory Scheme based on guidelines of Department of Public Enterprise. The said amount has been allocated to different activities as per the policy of the Company.
6. Based on the directives issued by MoP&NG and PPAC vide letters dated 31st May, 2012 and 1st June, 2012 respectively, refineries started making deductions from ONGC payments towards Octroi/ VAT/ CST on discounts allowed by ONGC to refineries on supplies of crude oil. Total deduction made by refineries on this account from 1st April, 2012 to 30th September, 2013 amounting to Rs.2,503 Crore (includes ₹1,585 Crore for 2012-13) was provided for. During the year, the company has decided to revise the sales revenue and corresponding statutory levies w.e.f. 1st April, 2012 onwards considering deductions made by refineries based on MoP&NG directives. Aforesaid provision made by the company till 30th September, 2013 has also been written back
7. The company has implemented Revised Guidance Note on Oil & Gas Producing Activities issued by the Institute of Chartered Accountants of India (ICAI), effective from 01.04.2013. Accordingly, changes in the following accounting policies have been effected:
 - i. accounting for stratigraphic test wells (expendable wells);
 - ii. sidetracking costs of producing wells;
 - iii. change in policy of expensing the cost of exploratory wells which are more than two years old;
 - iv. impairment testing of exploratory phase;
 - v. capitalizing development wells to producing properties which are ready for commercial production; and
 - vi. Accounting for full eventual liability towards costs relating to dismantling, abandoning and restoring of well sites and its allied facilities on a gross basis, which was hitherto been accounted for at costs net of salvage value of such assets.

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Impact of the above changes is as under:

As a result of the above changes in accounting policies, the profit before tax for the quarter ended 31st March, 2014 is higher by ₹ 397 Crore with corresponding increase/(decrease) in Exploratory Wells in Progress, Development Wells in Progress, Producing Property and profit by ₹ 91 Crore, ₹ 11 Crore, ₹ 309 Crore and (₹ 14) Crore respectively.

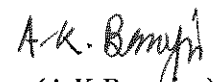
Similarly, due to the above changes in accounting policies, the profit before tax for the year ended 31st March, 2014 is higher by ₹ 1,014 Crore with corresponding increase/(decrease) in Exploratory Wells in Progress, Development Wells in Progress, Producing Property and profit by ₹ 265 Crore, ₹ (489) Crore, ₹ 1252 Crore and (₹ 14) Crore respectively.

Further, as a result of providing additional liability towards abandonment costs as stated at vi above, there is an increase of ₹ 2,697 Crore towards abandonment costs, with corresponding increase of ₹ 2,673 Crore, ₹ 6 Crore, ₹ 4 Crore in Producing Property, Exploratory Wells in Progress, Development Wells in Progress respectively and ₹ 14 Crore charged to Profit & Loss.

The Company has also carried out impairment testing of Exploratory Assets as on 1st April, 2013 as required by the Revised Guidance Note and accordingly, an amount of ₹ 314 Crore (net of deferred tax of ₹ 162 Crore) has been adjusted against general reserves as on 01.04.2013.

8. 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 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, 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 on this account for the period from April 2008 to March 2014 has been disclosed as Contingent Liability for ₹ 11,633 Crore. Differential royalty (royalty on pre-discount price minus royalty on post-discount price) amounting to ₹ 209 Crore (previous year NIL) being deposited w.e.f. Feb' 14 in terms of court order has been shown as deposit.
9. The Consolidated Financial Results have been prepared in line with requirements of Accounting Standard (AS)-21 'Consolidated Financial Statements', Accounting Standard (AS)-23 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard (AS)-27 'Financial Reporting on Interests in Joint Ventures' as notified under Companies (Accounting Standard) Rules, 2006.
10. The figures for the quarter ended 31st March'2014 are the balancing figures between the audited figures in respect of the full financial year ended 31st March'2014 and the published year to date figures upto the 3rd quarter ended 31st December'2013.
11. Previous year's figures have been regrouped/ reclassified, wherever necessary, to confirm to current year's classification.

By order of the Board


(A K Bandjee)
Director (Finance)

Place: New Delhi
Date: 29th May, 2014