

ONGC's Second Quarter Results For Financial Year 2003-04

(Rs. in Lakh)

Unaudited Financial Results (Provisional) for the Quarter ended 30.09.2003						
SI. No.	Particulars	Unaudited		Unaudited		Audited results for the Year ended 31.03.2003
		For the Quarter ended		For the Half Year ended		
		30.09.2003	30.09.2002	30.09.2003	30.09.2002	
1	Gross Sales/Income from Operations	878454	754810	1671238	1460432	3473850
	Less: Excise Duty Recovered	12296	10203	18386	22532	46121
	Net Sales/Income from Operations	866158	744607	1652852	1437900	3427729
2	Other Income	44636	63001	71423	118553	195925
3	Total Expenditure	377645	360631	715543	690167	1587179
	a) (Increase)/Decrease in stock-in-trade	239	1622	2046	1118	(2113)
	b) Consumption of raw materials*	4109	5244	7477	10001	18465
	c) Staff expenditure	27874	49984	50051	76691	98762
	d) Statutory levies	213240	204969	420257	401664	877213
	e) Other expenditure	132183	98812	235712	200693	594852
4	Interest	1013	720	1423	9203	11319
5	Depreciation**	114870	98048	226910	193194	412772
6	Profit before Tax (1+ 2 - 3 - 4 -5)	417266	348209	780399	663889	1612384
7	Provision for taxation					
	a) Current Year	148600	146070	288000	264000	588500
	b) Earlier Years	0		0		(17827)
	c) Deferred Tax Liability (Asset)	(13834)	(25520)	(3555)	(25850)	(11221)
	Sub Total (a + b + c)	134766	120550	284445	238150	559452
8	Net Profit (6 - 7)	282500	227659	495954	425739	1052932
9	Paid-up equity share capital (Face value of share Rs. 10)	142593	142593	142593	142593	142593
10	Reserves excluding revaluation reserves***					3393227
11	Earning per share - Basic & Diluted (Rs.)	19.81	15.97	34.78	29.86	73.84
12	Aggregate of non-promoter shareholding					
	- Number of shares	226594405	226594405	226594405	226594405	226594405
	- Percentage of shareholding	15.89	15.89	15.89	15.89	15.89

(Rs. in Lakh)

Segment wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement						
Sl. No.	Particulars	Unaudited		Unaudited		Audited results for the Year ended 31.03.2003
		For the Quarter ended		For the Half Year ended		
		30.09.2003	30.09.2002	30.09.2003	30.09.2002	
1	Segment Revenue					
	A. Offshore	657765	570787	1243776	1118246	2618958
	B. Onshore	225876	195095	442198	383076	919971
	Total	883641	765882	1685974	1501322	3538929
	Less: Inter Segment Revenue					
	Net Sales/Income from operations	883641	765882	1685974	1501322	3538929
2.	Segment Result Profit (+)/Loss(-)before tax and interest from each segment					
	A. Offshore	341408	285060	644731	555281	1265047
	B. Onshore	55594	32377	107658	70332	273525
	Total	397002	317437	752389	625613	1538572
	Less:					
	i. Interest payment	1013	720	1423	9203	11319
	ii. Other unallocable expenditure net of unallocable income	(21277)	(31492)	(29433)	(47479)	(85131)
	Total Profit Before Tax	417266	348209	780399	663889	1612384
3.	Capital Employed (Segment Assets - Segment Liabilities)					
	A. Offshore	1360183	1484187	1360183	1484187	1383621
	B. Onshore	1129404	1082652	1129404	1082652	1159745
	Total	2489587	2566839	2489587	2566839	2543366
	Unallocated Corporate Assets less Liabilities	1580299	831119	1580299	831119	1030530
	Grand Total	4069886	3397958	4069886	3397958	3573896

* Represents consumption of stores & spares

** Also includes depletion and amortisation

*** Reserves net of intangibles

NOTES:

1. Crude oil supplies during the current half year are at the prices settled with refineries which workout at an average of Rs. 9953/MT. The corresponding sales revenue during the period of the last half year was accounted for at the provisional average price of Rs. 8134/MT since the prices had not been finally settled with the refineries at that time. The adjustment of settled price (average Rs. 9868/MT for the half year) was made subsequently in the last quarter of the financial year 2002-03.

2. Gross sales for the quarter includes Rs. 13106 lakh on account of revision of crude oil price from Rs. 2094/MT to Rs. 2119.73/MT for the period 1996-98.

3. Staff expenditure in the half year 2002-03 included a provision for VRS Rs. 23500 lakh, which actually did not materialize and thus was reversed later in the same year.

4. The statutory auditors in their report on the accounts for the year 2002-03 had commented as under:-

(i) Non-consideration of depreciation as a charge to Profit and Loss account being allocated to assets to be depleted and for the purpose of quantifying the depreciation under Section 205 of the Company's Act, 1956.

(ii) Incorporation of the unaudited figures of joint venture projects and NELP blocks respectively in the books of the corporation.

(iii) Over due amount aggregating Rs. 21094 lakh. On the basis of the available information they were unable to form any opinion on the recoverability on these dues.

(iv) Accounts pending reconciliation- the adjustments/provisions, if any required to be made.

(v) Segregation of outstandings of Small Scale industry (SSI) from the creditors balances, for which they had placed reliance on the certificate issued by the Management.

Management Clarifications:-

In respect of comment No. (i), the company, being an E&P company, is following successful Successful Efforts Method of Accounting. As per this method, depreciation of exploration and development is capitalized and amortised/depleted as per the accounting policy.

Further, the company has already obtained exemption from the Department of Company Affairs in this regard.

In respect of comment No. (ii), joint ventures get their accounts audited by September as per the provisions of the respective agreements. Hence the audited accounts of joint ventures are not available at the time of finalization of Corporation's accounts.

In respect of comment No. (iii), Management is of the opinion that the overdue amounts are good and realizable.

In respect of comment No. (iv), effective steps are being taken for reconciliation of these accounts and Management does not envisage any significant impact on the above financial results.

Comment No. (v) is only a disclosure requirement having no impact on accounts.

5) The number of investor complaints pending at the beginning of the quarter were 14. During the quarter, 46 complaints were received and 56 complaints were cleared. 4 complaints were pending as on 30. 09.2003.

6) The above quarterly results are subject to limited review by the Auditors of the Corporation.

7) The above results were reviewed by the Audit committee and taken on record by the Board of Directors at the meeting held on 28th October, 2003.

8) Previous period's figures have been regrouped/reclassified wherever necessary.

By order of the Board

(R S Sharma)

Director (Finance)

Place : New Delhi

Date : October 28, 2003