



Annual Results

2007-08

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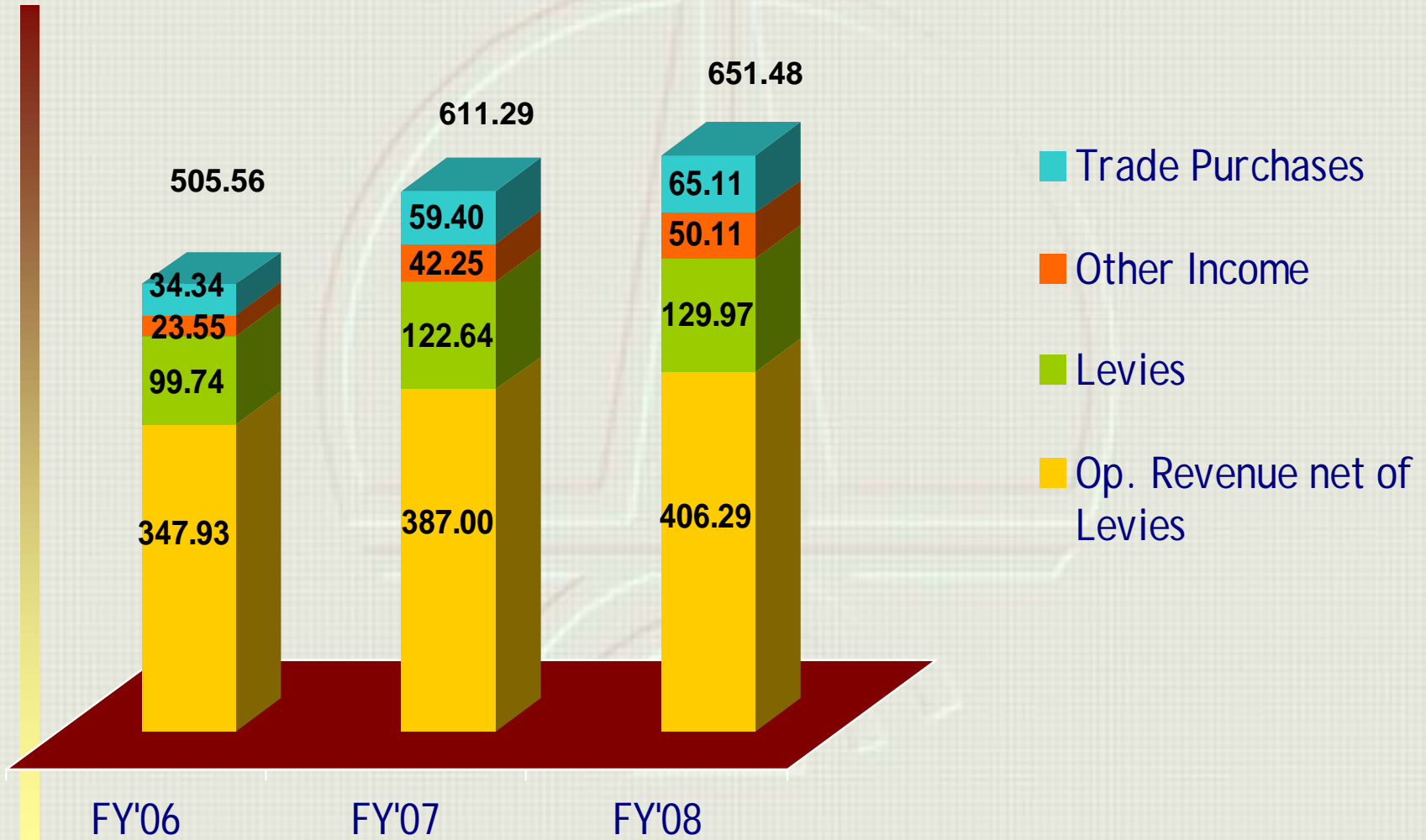


ONGC



ONGC: Gross Income

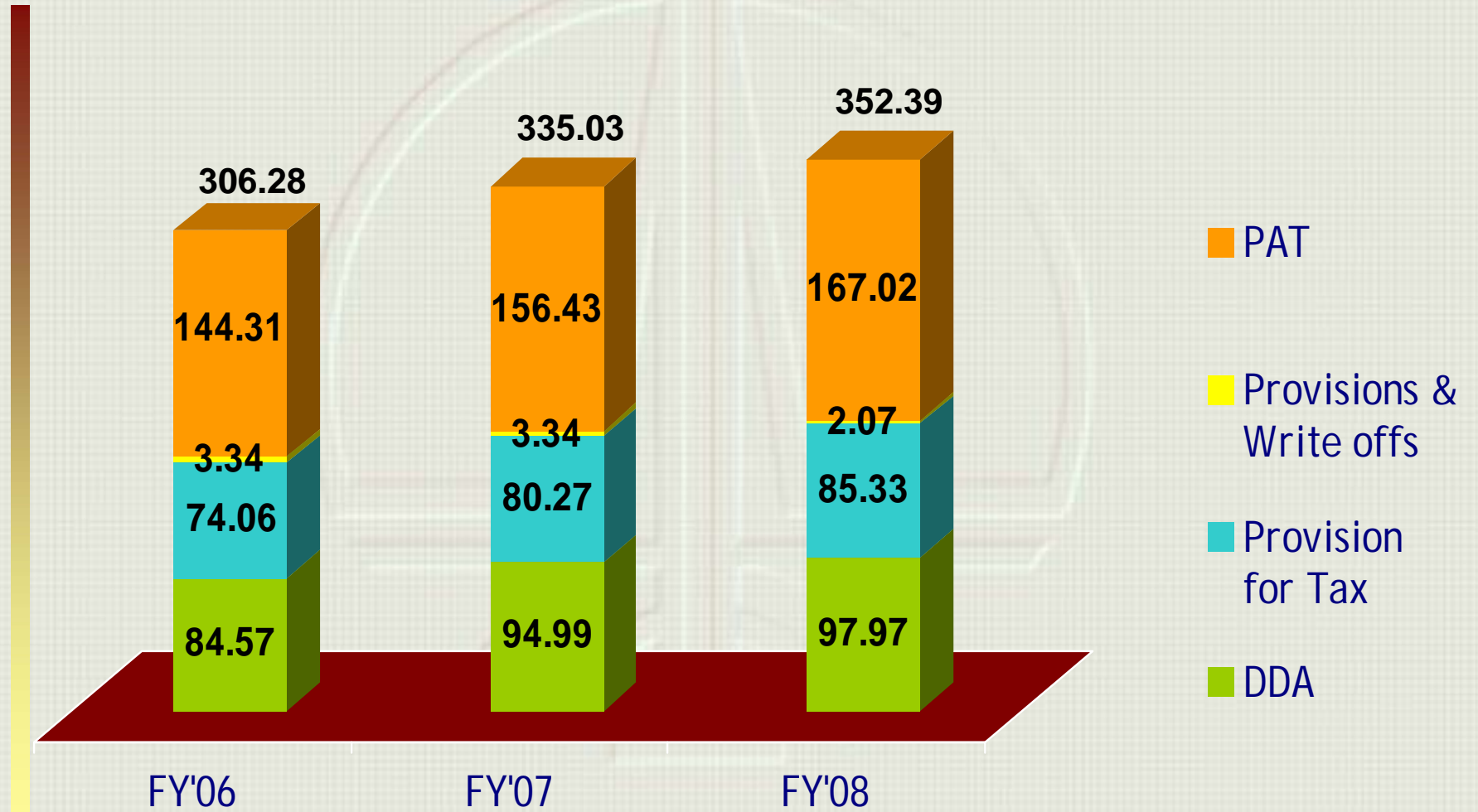
Rs. in Billion





ONGC: Cash Profit

Rs. in Billion



ONGC: Production Performance

Product	Unit	FY'06	FY' 07	FY'08
Crude Oil	MMT	26.11	27.94	27.93
Gas	BCM	25.00	24.91	25.12
LPG	'000 MT	1,094	1,023	1,034
Naphtha	'000 MT	1,557	1,450	1,469
C2-C3	'000 MT	535	549	520
SKO	'000 MT	178	155	167

ONGC: Production Performance

Particulars	FY'06	FY'07	FY'08
- Crude - MMT			
- Offshore	16.32	18.03	18.05
- Onshore	8.08	8.02	7.90
- Joint Venture	1.71	1.89	1.98
Total - Crude (MMT)	26.11	27.94	27.93
- Gas – MMTOE			
- Offshore	16.96	16.59	16.48
- Onshore	5.61	5.85	5.85
- Joint Venture	2.43	2.47	2.79
Total - Gas (MMTOE)	25.00	24.91	25.12
Total - Production - O+OEG	51.11	52.85	53.05

ONGC: Financial Performance

Rs. in Billion

	FY'06	FY'07	FY'08
Sales Turnover	482.01	569.04	601.37
Less: Trade Purchase	34.34	59.40	65.11
Less: Statutory Levies	99.74	122.64	129.97
Op. Revenue net of Levies	347.93	387.00	406.29
Add: Other Income	23.55	42.25	50.11
Less: Operating Expenses (Incl provisions & Write off)	76.59	101.89	106.63
Variation in Stock	2.12	(0.20)	1.14
PBDIT	297.01	327.16	350.91

ONGC: Financial Performance

Rs. in Billion

	FY'06	FY'07	FY'08
PBDIT	297.01	327.16	350.91
DD&A	84.57	94.99	97.97
Interest	0.47	0.22	0.59
Add: Excess of Insurance Claim over book value	6.40	4.75	-
Profit Before Tax	218.37	236.70	252.35
Provision for Tax	73.52	79.74	84.73
Fringe Benefit Tax	0.54	0.53	0.60
Profit After Tax	144.31	156.43	167.02

ONGC: Sales Revenue

Rs. in Billion

	FY' 06	FY' 07	FY' 08	Variation - FY'08 over FY'07		
				Qty.	Price	Total
Crude Oil	328.92	384.59	401.16	(4.96)	21.53	16.57
Natural Gas	68.19	73.04	73.39	1.75	(1.40)	0.35
LPG	16.28	14.87	20.17	0.06	5.24	5.30
Naphtha	35.68	37.91	43.85	(0.01)	5.95	5.94
C2-C3	7.40	9.09	9.29	(0.47)	0.67	0.20
SKO	3.19	2.83	3.37	0.23	0.31	0.54
Profit Petroleum	(12.60)	(13.34)	(15.97)			(2.63)
Others	0.85	0.66	0.94			0.28
MRPL Products	34.39	59.47	65.17			5.70
Price Revision Arrears	0.15	0.01	-			(0.01)
Prior Period	(0.44)	(0.09)	-			0.09
Grand Total	482.01	569.04	601.37	(3.40)	32.30	32.33

ONGC: Interest, Dividend and other Income

Rs. in Billion

Particulars	FY'06	FY'07	FY'08
Bank Deposits	4.67	9.76	16.97
Oil Bonds	0.95	1.21	1.21
Site Restoration Fund Deposit	2.35	3.77	4.93
Loans to Subsidiaries	0.90	1.20	8.43
Employee Loans	0.34	0.34	0.31
Dividend Income	3.93	3.26	2.88
Others	10.41	22.71	15.38
Total	23.55	42.25	50.11

ONGC: Statutory Levies

Rs. in Billion

Particulars	FY'06	FY'07	FY'08
Royalty	46.20	53.35	60.69
Cess	40.79	59.26	58.21
NCC Duty	1.05	1.15	1.13
Excise Duty	2.69	2.77	2.89
Education Cess	0.87	1.30	1.86
Sales Tax	5.74	1.38	0.77
Service Tax	--	0.12	0.20
Octroi & BPT	2.45	3.23	4.20
Prior Period Levies	(0.05)	0.08	0.02
Total	99.74	122.64	129.97

ONGC: Statutory Levies

Rs. in Billion

Particulars	FY'06	FY'07	FY'08
Royalty			
- Crude			
- Offshore	16.47	20.62	23.26
- Onshore	21.82	23.96	28.61
- Joint Venture	1.30	1.62	1.81
Total - Crude	39.59	46.20	53.68
- Gas			
- Offshore	3.96	4.13	3.88
- Onshore	1.30	1.49	1.47
- Joint Venture	1.35	1.53	1.66
Total - Gas	6.61	7.15	7.01
Total - Royalty	46.20	53.35	60.69

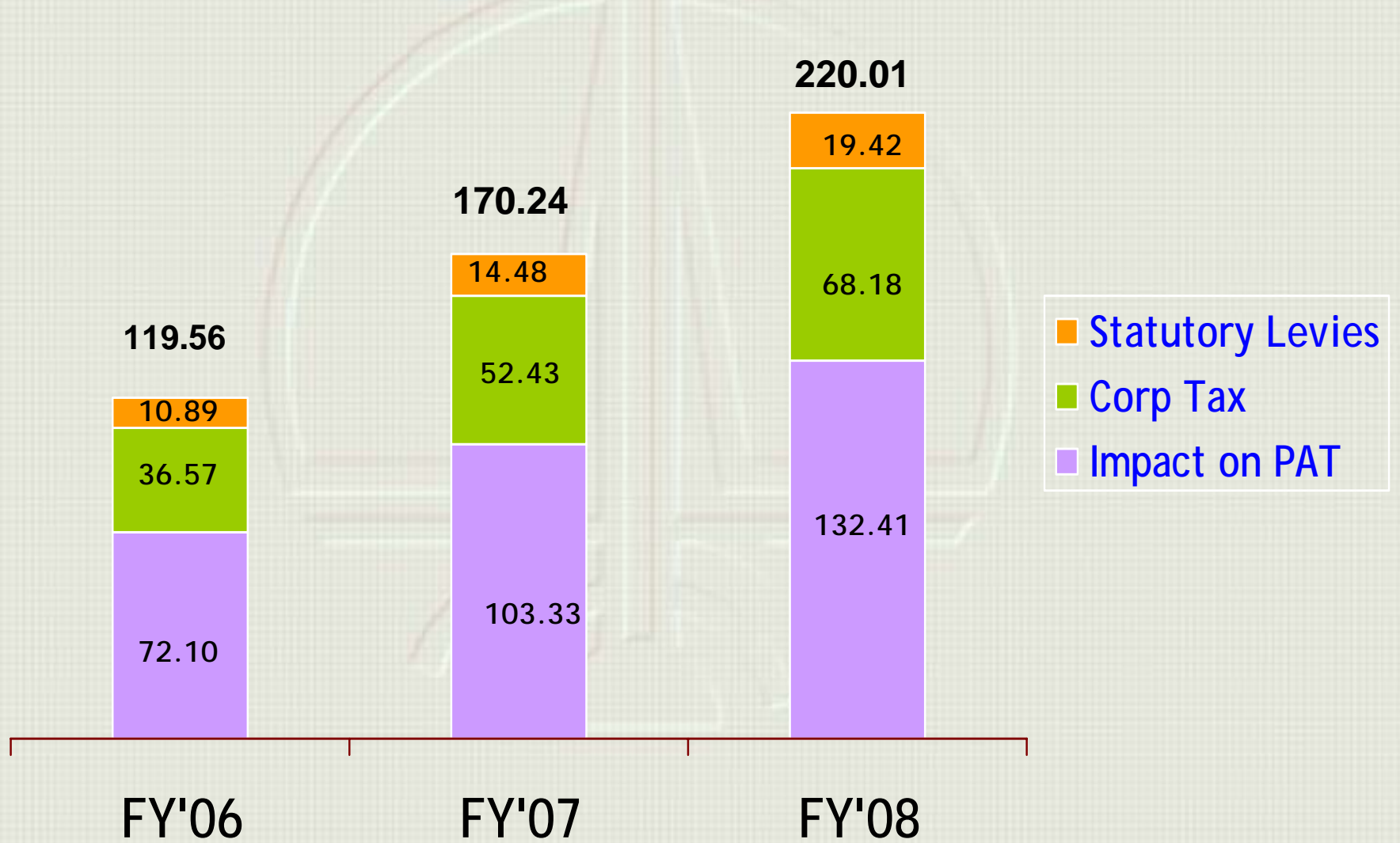
ONGC: DD&A Cost

Rs. in Billion

Particulars	FY'06	FY'07	FY'08
Depletion	29.68	33.87	36.78
Depreciation	22.23	16.09	13.98
Dry Wells	15.58	21.93	22.11
Survey	15.86	21.12	25.76
Impairment Loss	(0.33)	1.65	(0.44)
Prior Period	1.55	0.33	(0.22)
Total	84.57	94.99	97.97

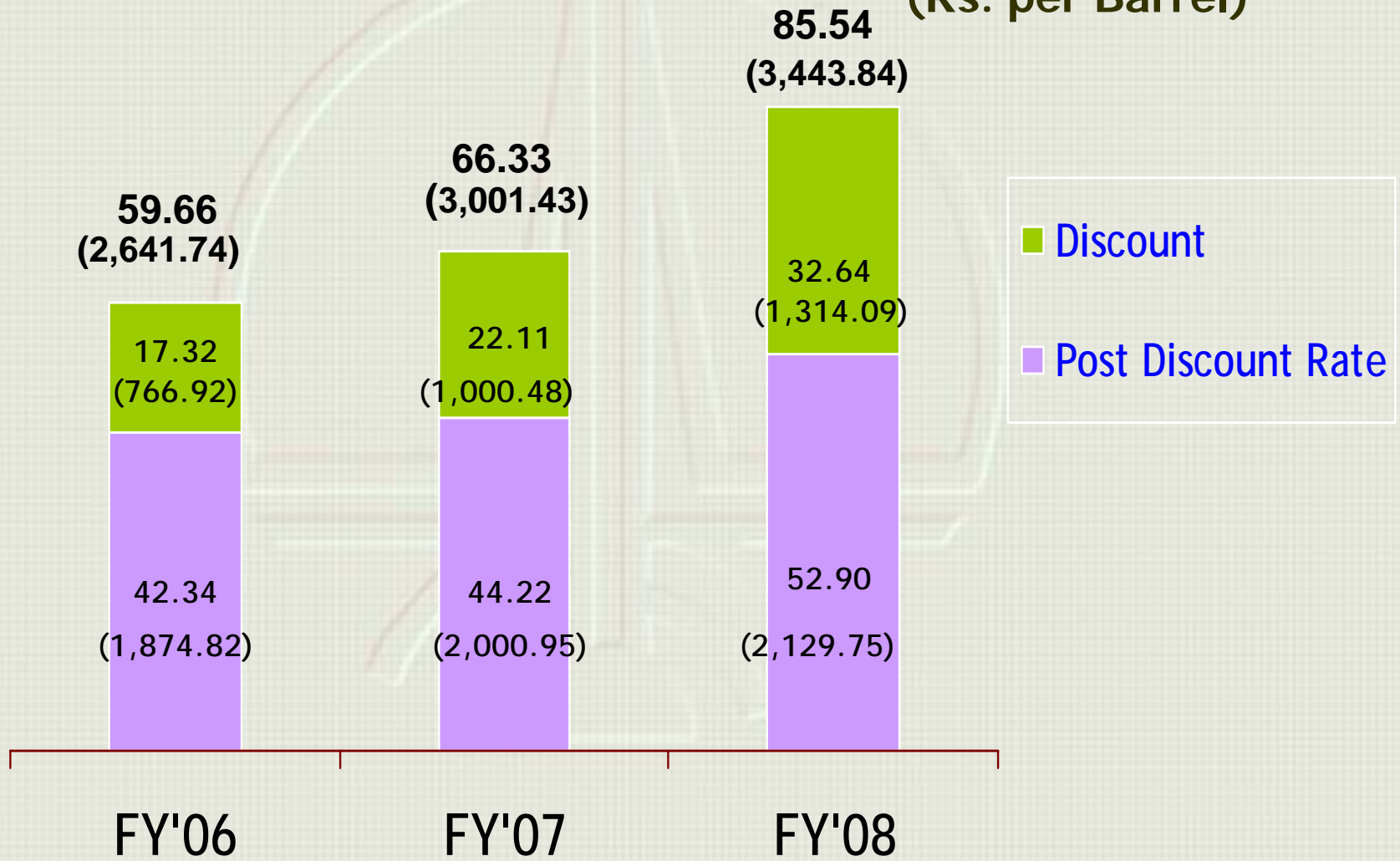
ONGC: Subsidy Discount to OMCs

Rs. in Billion



ONGC: Crude Oil Prices

US\$ per Barrel
(Rs. per Barrel)



1. Allocation of Employee Benefits

- Till 2006-07, ONGC had been charging certain employee benefits (CPF, Gratuity, Leave Encashment, Annual Incentive, Additional Annual Incentive and Post Retirement Death in Service Benefit Scheme expenses and Post Retirement Medical Benefits) and general administrative expenses at Assets, Basins, Services, Regions and Headquarters to 'Production, Transportation, Selling & Distribution Expenditure'.
- ONGC has reviewed and rationalized its allocation policy during the year w.e.f. 01.04.2007.
- Accordingly, the above employee benefits and directly identifiable general administrative expenses at Assets, Basins and Services have been allocated to Exploration, Development and Production activities etc.
- As a result of this change, Profit before tax is higher by Rs. 6.31 Billion approximately.

2. Abandonment Cost Estimates

- Estimated liability towards costs of dismantling, abandoning and restoring Offshore Well Sites/facilities reviewed and revised based on the advice of the outside consultant.
- Consultant has suggested cost effective rigless methodology for plugging and abandonment in respect of wells.
- Accordingly, there is a reduction in liability for abandonment cost by Rs. 33.17 Billion with corresponding decrease in producing properties.
- This has resulted in decrease in depletion for the year with corresponding increase in profit before tax by Rs. 3.83 Billion.

3. KG DWN 98/2

- ONGC acquired 90% P.I. in Exploration Block KG DWN 98/2 from Cairn Energy, in 2004-05 for Rs.3.71 Billion. This was capitalized under Exploratory wells in Progress as per ONGC's Accounting Policy.
- Subsequently drilling of three wells completed till March 2006 at a cost of Rs. 2.39 Billion. This was also shown in Exploratory wells in Progress.
- There are Initial-in-Place Reserves in this block and also conceptual development plan is under way. Block being located in deep waters, completion of appraisal programme requires more time.
- ONGC, as an abundant prudence, has made a provision of Rs. 6.10 Billion, in respect of above costs.

4. Pay Revision Provision

- Pay Revision of Employees is due w.e.f. 1.1.2007.
- Pending finalization, a sum of Rs.10.50 Billion, as estimated by ONGC has been provided in the accounts.
- This has been allocated to activities as per ONGC's Accounting Policy.

5. Employee Benefits as per AS-15 (Rev.)

- The Actuarial Valuation of Employee Benefits as on 31.03.2008 has been carried out after considering:
 - An increase of 50% in Basic Pay + DA w.e.f 01.01.2007
 - Gratuity Ceiling of Rs. 1 Million (as per 6th pay commission recommendation)
 - Total Impact on this account is Rs.16.56 Billion, which has been allocated to the activities.

6. Issue of Oil Bonds for Rs. 1.97 Billion to ONGC

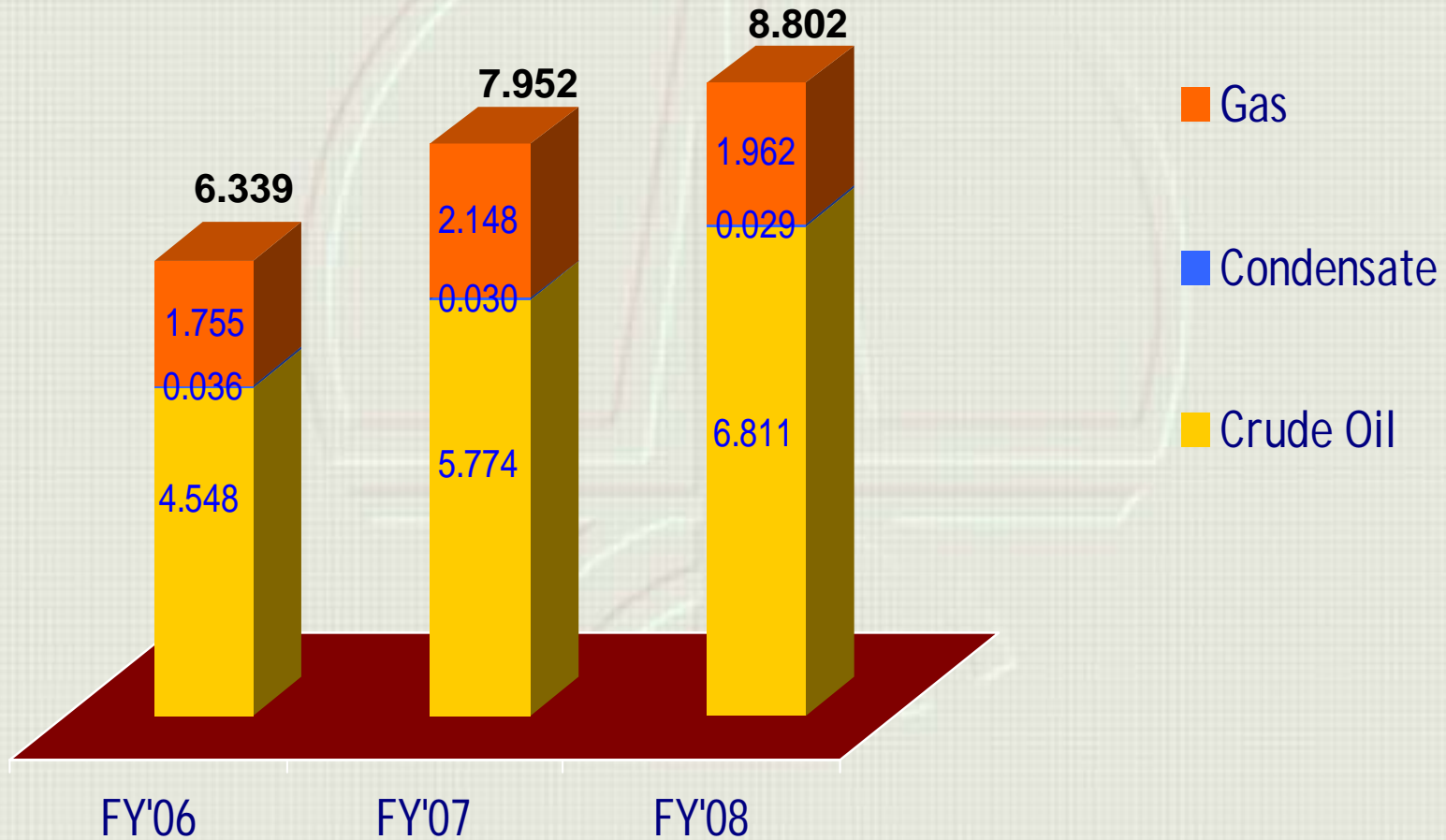
- Claim for compensation towards payment by ONGC to Mumbai Port Trust (MPT) for way leave fees and loss of revenue to MPT due to laying of crude pipelines by ONGC during 1978 to 2002 accepted by MoP&NG.
- Claim of Rs. 1.97 Billion settled by Govt. by way of 8.40% Oil Marketing Companies Government of India Special Bonds, 2025.
- This has been recognized as Other Income during the year.



ONGC Videsh Limited

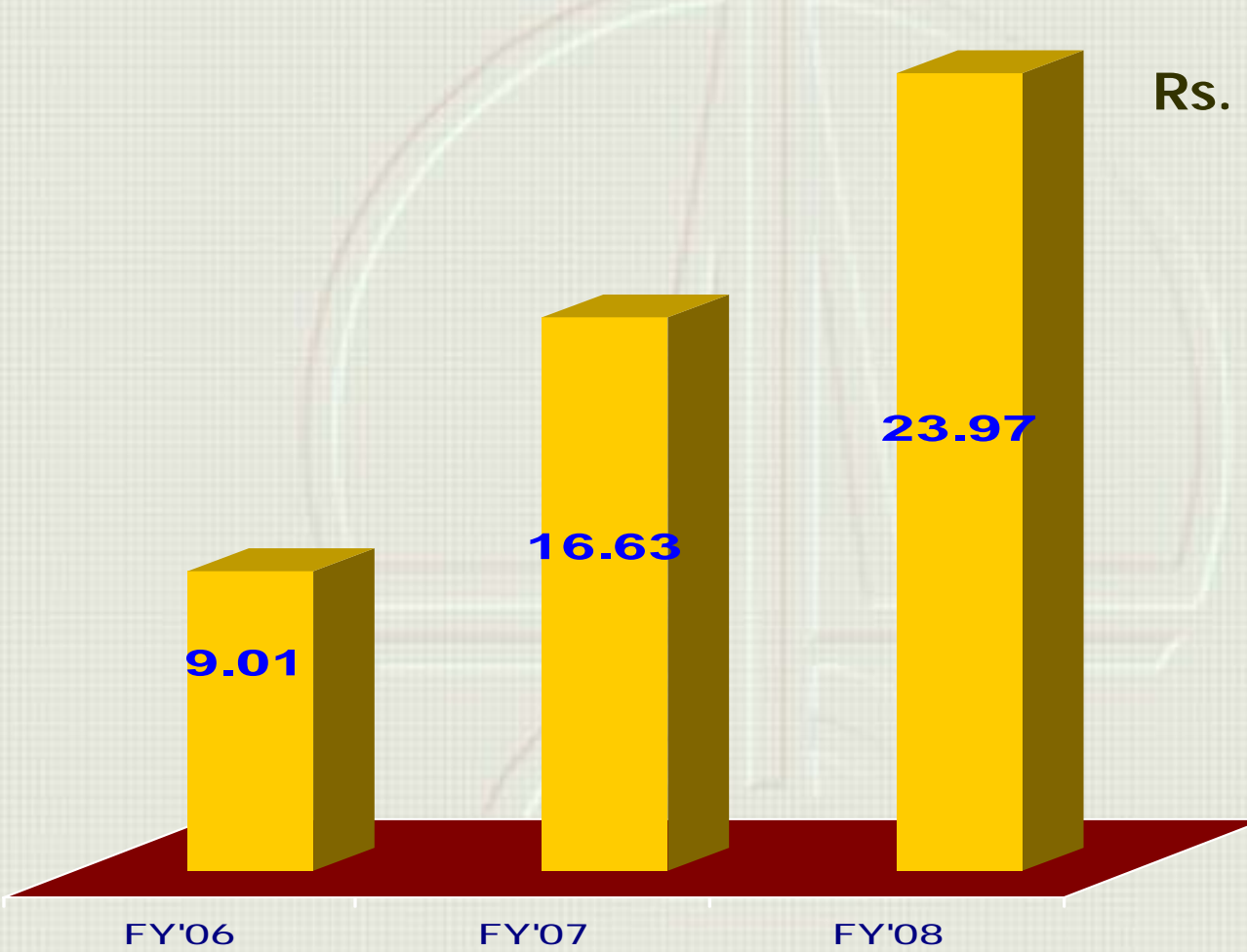
Consolidated

in MMT – O+OEG



OVL: Net Profit

Rs. in Billion



Rs. in Billion

	FY'06	FY'07	FY'08
Sales Turnover	77.92	115.54	167.41
Add: Other Income	3.77	3.07	2.13
Gross Revenue	81.69	118.61	169.54
Less: Operating Expenses (Incl provisions & Write off)	50.04	66.45	80.43
Variation in Stock	0.01	0.40	(0.20)
Less: Financing Costs	(0.97)	(2.21)	10.61
PBDIT	32.63	54.77	78.30
Depreciation, Depletion & Amortisation	11.20	21.34	36.65
Prior period adjustments	4.19	4.17	0.92
Provision for Tax	8.23	12.63	16.76
Profit After Tax	9.01	16.63	23.97

OVL: Revenue - Sales

Rs. in Billion

	FY'06	FY'07	FY'08
Crude Oil	64.42	102.43	155.43
Natural Gas	6.67	8.00	6.78
Condensate	1.46	1.84	2.08
Others (Processing/Transportation/Drilling)	5.37	3.27	3.12
TOTAL	77.92	115.54	167.41

	FY'06	FY'07	FY'08
A. Operating Expenses			
Operating Costs	9.66	12.53	13.77
Statutory Levies	39.99	52.51	61.06
Provisions & Write Offs	0.39	1.41	5.60
TOTAL - (A)	50.04	66.45	80.43
B. DD & A			
Depreciation	1.17	2.68	9.89
Depletion	4.62	12.59	11.78
Survey	1.01	2.62	5.29
Dry Wells	1.64	1.40	6.06
Pre-acquisition expenses	1.14	0.79	1.32
Goodwill amortisation	1.62	1.26	2.31
TOTAL - (B)	11.20	21.34	36.65

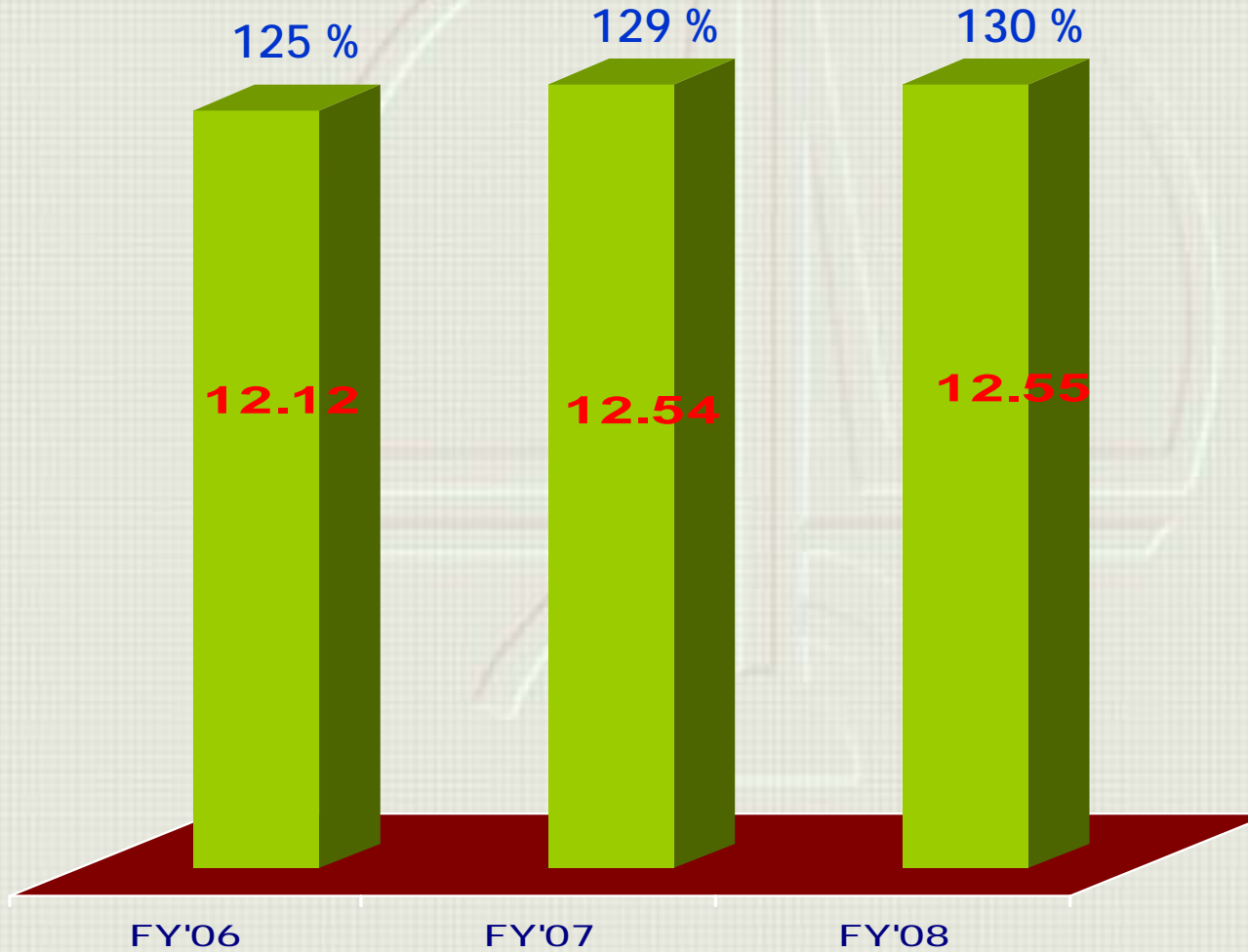
1. Impact of Change in Depreciation rate for Pipelines and onshore Flowlines from 27.82% to 100% Rs. 5.36 Billion
2. Increase in rate of Interest from 0.10% to 6% p.a. on Loan from ONGC wef 1st April 2007 Rs. 7.26 Billion



Mangalore Refinery and Petrochemicals Ltd.

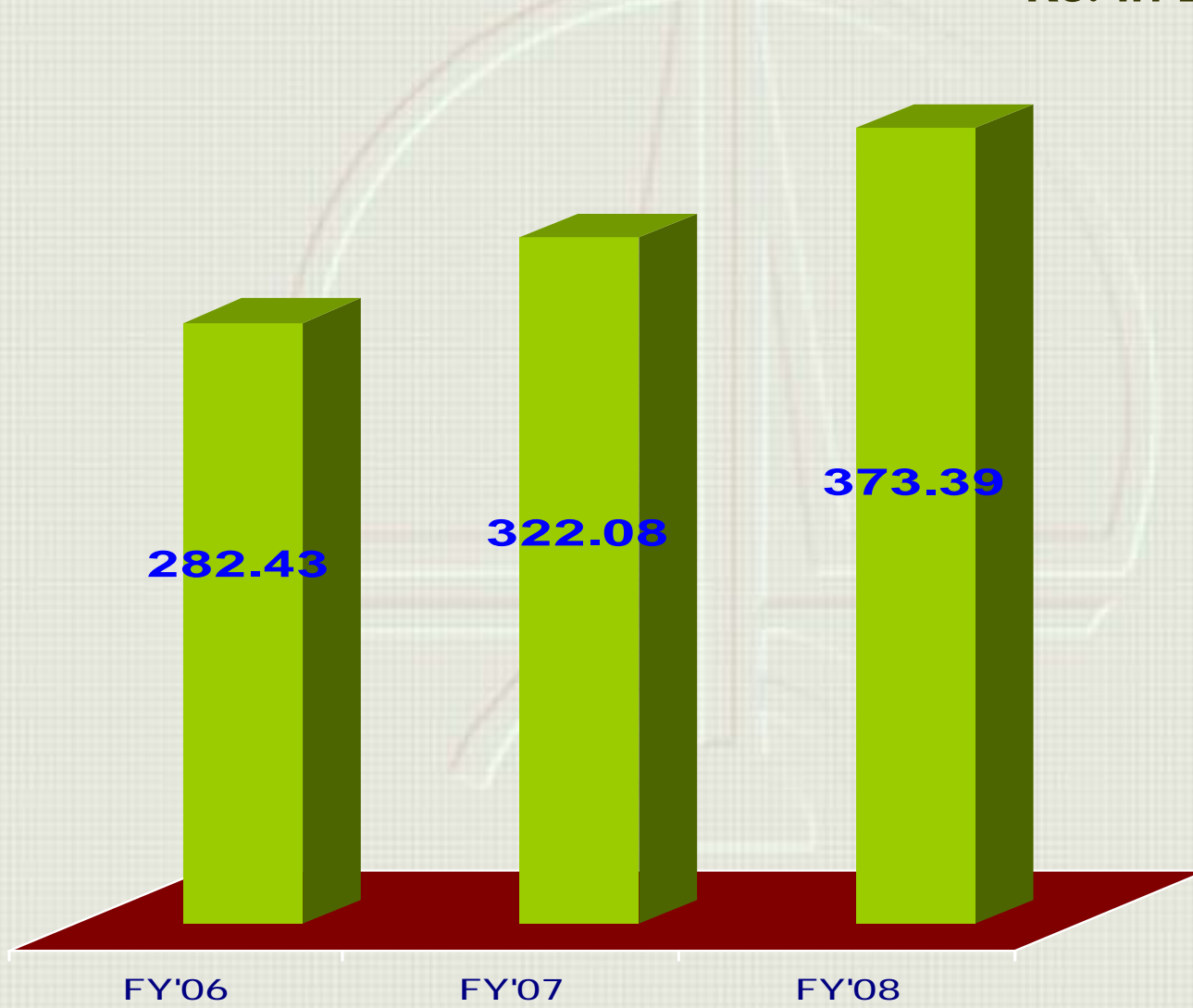
MRPL: Thruput & Capacity Utilisation

MMT



MRPL: Turnover

Rs. in Billion



MRPL: Financial Performance

Rs. in Billion

	FY'06	FY'07	FY'08
Sales Turnover	249.68	286.33	325.75
Add: Other Income	0.77	0.74	2.12
Gross Revenue	250.45	287.07	327.87
Variation in Stock	(2.93)	7.98	0.96
Raw Materials consumed	228.31	271.07	300.80
Operating & Other expenses	7.60	7.40	5.44
Interest & Financing Charges	1.88	2.15	1.48
PBDIT	9.73	14.43	21.11
Depreciation	3.50	3.55	3.78
Provision for Tax	2.51	5.63	4.61
Profit After Tax	3.72	5.25	12.72

MRPL: Financial Performance

Rs. in Billion

	FY'06	FY'07	FY'08
Sales Turnover	282.43	323.77	373.39
Less: Excise Duty	32.75	37.44	47.64
Gross Revenue	249.68	286.33	325.75
Interest Income	0.17	0.21	0.51
Miscellaneous Income	0.15	0.18	0.22
Provision Write Back	0.45	0.02	0.01
Exchange difference	--	0.33	1.38
Other Income - Total	0.77	0.74	2.12

MRPL: Margin & Expenses - \$/bbl

	FY'06	FY'07	FY'08
Gross Margin	3.66	4.79	6.93
Other Income	0.08	0.10	0.20
Exchange Difference	0.01	0.02	0.03
Other Expenditure			
- Operating Expenses	0.47	0.44	0.75
- Irrecoverable Tax	0.23	0.25	0.22
- Exports & Coastal Marketing	0.08	0.11	0.07
- Marketing Expenses	0.08	0.01	0.03
Interest	0.47	0.53	0.40
Depreciation	0.87	0.88	1.02
Net Margin	1.55	2.69	4.67

- **Investments:** Amended to include current investments are valued lower of cost or Fair value.
- **Inventories:** Amended to include other trading goods on - weighted average cost basis.
- **Leases:** Amended to include operating leases - Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit & Loss account on accrual basis.

- **Sales:** To fall in line with the Guidance note on accounting of State-level VAT issued by the Institute of Chartered Accountants of India, the policy is amended - Sale of Products is inclusive of all statutory levies except Value Added Tax (VAT) and is net of discounts.
- **Retirement Benefits:** In line with AS-15, All short term employee benefits are recognised at their undiscounted amount in the accounting period in which they are incurred. Employee Benefits under defined contribution plans comprising provident fund and superannuation fund are recognised on the undiscounted obligations of the Company to contribute to the plan. The same is paid to Provident Fund Trust authorities and to Life Insurance Corporation of India respectively, which are expensed during the year.



ONGC Group

ONGC Group: Financial Highlights

Rs. in Billion

		FY'06	FY'07	FY'08
A.	Sales Turnover as per Audited Accounts			
	a) ONGC	494.90	568.05	601.37
	b) OVL (including its subsidiaries)	74.72	112.27	163.61
	c) MRPL	282.43	323.77	373.39
	d) PLL	4.79	6.81	8.19
	e) PMHBL	-	-	0.16
	Less Inter-Company Transactions	(101.12)	(148.23)	(128.37)
	Total	755.72	862.67	1,018.35

ONGC Group: Financial Highlights

Rs. in Billion

		FY'06	FY'07	FY'08
B.	Net Profit as per Audited Accounts			
	a) ONGC	144.31	156.43	167.02
	b) OVL (including its subsidiaries)	8.70	16.63	23.97
	c) MRPL	3.72	5.26	12.72
	d) PLL	0.24	0.39	0.59
	e) PMHBL	-	-	-
	Total	156.97	178.71	204.30
C.	Add: Share of Profit/ (Loss) in Associates	0.11	0.10	0.02
D	Less: Share of Profit - Minority Interest in MRPL	1.00	1.42	3.51
E.	Less Adjustments	2.10	(0.31)	2.09
F.	Group Profit	153.98	177.70	198.72