

Last Year, ONGC Group Turnover touched USD 10 Billion, doubled in two years!

Tomorrow, targeting a Turnover of USD 50 Billion...

Audited Financial Results for the Financial Year 2003-04

(Rs. in lakh)

No.	Particulars	Unaudited			Audited			
		For Nine Months Ended	For Quarter Ended		For Year Ended		Consolidated For Year Ended	
			31.12.03	31.03.04	31.03.03	31.03.04	31.03.03	31.03.04
1	Gross Sales/Income from Operations	2406617	844575	1252919	3251192	3473850	4530227	3499273
	Less: Excise Duty	30991	13808	10968	44799	46121	166957	46744
	Net Sales/Income from Operations	2375626	830767	1241951	3206393	3427729	4363270	3452529
2	Other Income	106704	48004	40559	154708	200310	225854	205297
3	Total Expenditure	1032304	406032	586644	1438336	1591564	2407314	1628721
	a) (Increase)/Decrease in stock-in-trade	1969	(854)	(2380)	1115	(2113)	(13835)	11153
	b) Consumption of raw materials*	10801	2706	4730	13507	18465	15968	18468
	c) Staff expenditure	64879	30646	6504	95525	98762	99142	98769
	d) Statutory levies	629320	217440	273600	846760	877213	1025181	885025
	e) Other expenditure	325335	156094	304190	481429	599237	1280858	615306
4	Interest	1753	2922	1546	4675	11319	37853	11829
5	Depreciation**	390250	166936	128603	557186	412772	656350	415195
6	Profit before Tax (1+2-3-4-5)	1058023	302881	565717	1360904	1612384	1487607	1602081
7	Provision for taxation							
	a) Current Year	379620	55540	200000	435160	588500	462425	589830
	b) Earlier Years	0	(1416)	0	(1416)	(17827)	(1416)	(17910)
	c) Deferred Tax Liability (Asset)	10596	50121	(2129)	60717	(11221)	77788	(14072)
	Sub Total(a+b+c)	390216	104245	197871	494461	559452	538797	557848
8	Add: Share of Profit/(Loss) in Associates						1561	(77)
9	Less: Minority Interest						12345	(2590)
10	Net profit (6-7+8-9)	667807	198636	367846	866443	1052932	938026	1046746
11	Paid-up equity share capital (Face value of share Rs. 10)	142593	142593	142593	142593	142593	142593	142593
12	Reserves excluding revaluation reserves***				3832649	3393227	3906382	3396291
13	Earning per share - Basic & Diluted (Rs.)	46.83	13.93	25.80	60.76	73.84	65.78	73.41
14	Aggregate of non-promoter shareholding							
	-Number of shares	226594405	368560245	226594405	368560245	226594405	368560245	226594405
	-Percentage of shareholding	15.89	25.85	15.89	25.85	15.89	25.85	15.89

* Represents consumption of stores & spares ** Also includes depletion, amortisation *** Reserves excluding intangibles


Notes:

- The audited accounts are subject to review by the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956.
- The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on 22nd June, 2004.
- The Board of Directors have recommended final dividend @ 100% which works out to Rs. 142593 lakh, over and above the interim dividend of 140% amounting to Rs. 199631 lakh paid in February, 2004. The total dividend @ 240% for the year amounts to Rs. 342224 lakh.
- In terms of the decision of The Government of India, ONGC shared the under-recoveries of Oil Marketing Companies on PDS kerosene and domestic LPG for the year 2003-04. The sharing of under-recovery as per the above decision is in the form of discount by ONGC to IOC, BPCL and HPCL on sale of Crude oil, PDS Kerosene and domestic LPG which have been accounted for during the current year. Accordingly, Gross Sales are lower by Rs. 269039 lakh for the year 2003-04.
- Difference between the crude oil price provisionally invoiced to the refineries and the price agreed with them for the year ended 31st March, 2003 was accounted for during the quarter ended 31st March, 2003. Hence the figures for the quarter ended 31st March, 2004 are not comparable.
- The Company has adopted the Guidance Note on Accounting for Oil and Gas producing Activities issued by the Institute of Chartered Accountants of India w.e.f. 1.4.2003 and has changed its accounting policies in line with the requirements of the Guidance Note as under.
 - The full estimated abandonment costs has been recognised as an asset (producing property) with a corresponding credit to liability for abandonment cost. As a result of this, the cost of Producing Property on the asset side, as well as the liability for abandonment costs on the liability side has gone up by Rs. 802920 lakh during the year. This has, however, no impact on profits for the year.
 - The time limit of carry over of exploratory wells in progress has been changed to two years from three years for charging the same to Profit and Loss Account. As a result of this change, the dry well expenditure for the year has gone up by Rs. 7689 lakh with corresponding decrease in profit before tax.
 - For purposes of calculation of depletion as per Guidance Note, the Capital work in progress related to facilities and development wells in progress have been excluded from the cost base. As a result of this change depletion for the year is lower by Rs. 8150 lakh with corresponding increase in profit before tax.
- The statutory auditors in their report on the accounts for the year 2003-04 have commented on incorporation of unaudited figures relating to some joint venture projects & NELP blocks and non adjustment of differences between physical verification and books of accounts in some of the cases.

Management Clarifications :-

Audited Accounts of JVs were not available until finalization of Accounts. Regarding differences between physical verification and books of accounts, effective steps are being taken for reconciliation. Management does not envisage any significant impact of these adjustments on the above financial results.
- During the year 2003-04, the Government of India divested 10% equity in the Company. Accordingly the promoter's shareholding has decreased from 84.11% to 74.15%.
- The number of investor complaints pending at the beginning of the quarter were 9. During the quarter 37 complaints were received and 35 complaints were cleared. 11 complaints were pending as on 31.03.2004.
- The Consolidated Financial Results have been prepared in line with the provisions of Accounting Standard (AS)-21 'Consolidated Financial Statements', AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS-27 'Financial Reporting on Interests in Joint Ventures'. The above results are not comparable with previous year as MRPL became subsidiary of ONGC w.e.f. 30th March, 2003 and ONGC Nile Ganga B.V became the subsidiary of ONGC Videsh Ltd. w.e.f. 12th March, 2003.
- Previous year's figures have been regrouped/reclassified wherever necessary.

By order of the Board


(R.S.Sharma)
Director (Finance)

Place: New Delhi
Date: June 22, 2004

Segment wise Revenue, Results and Capital Employed under clause 41 of the Listing Agreement

(Rs. in lakh)

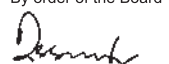
		Unaudited			Audited			
		For Nine Months Ended	For Quarter Ended		For Year Ended		Consolidated For Year Ended	
			31.12.03	31.03.04	31.03.03	31.03.04	31.03.03	31.03.04
1	Segment Revenue							
	A. In India							
	(i) E&P							
	-Offshore	1822877	676735	924720	2499612	2618958	2499612	2618958
	-Onshore	604679	200865	347600	805544	919971	795973	910179
	(ii) Refining						1322299	17202
	B. Outside India						342613	19548
	Total	2427556	877600	1272320	3305156	3538929	4960497	3565887
	Less: Inter Segment Revenue						306656	
	Net sales/income from operations	2427556	877600	1272320	3305156	3538929	4653841	3565887
2	Segment Result Profit(+)/Loss(-)							
	before tax and interest from each segment							
	A. In India							
	(i) E&P							
	-Offshore	906285	279222	409642	1185507	1265047	1185507	1265047
	-Onshore	96366	18352	153754	114718	273525	111098	269270
	(ii) Refining						98411	(3809)
	B. Outside India						69069	3905
	Total	1002651	297574	563396	1300225	1538572	1464085	1534413
	Less:							
	i. Interest Payment	1753	2922	1546	4675	11319	37853	11829
	ii. Other unallocable expenditure net of unallocable income.	(57125)	(8229)	(3867)	(65354)	(85131)	(61375)	(79497)
	Total Profit Before Tax	1058023	302881	565717	1360904	1612384	1487607	1602081
3	Capital Employed (Segment Assets - Segment Liabilities)							
	A. In India							
	(i) E&P							
	-Offshore	1376608	1355656	1383621	1355656	1383621	1355656	1383621
	-Onshore	1123980	1153694	1159745	1153694	1159745	1151583	1157426
	(ii) Refining						91552	34108
	B. Outside India						103762	68812
	Total	2500588	2509350	2543366	2509350	2543366	2702553	2643967
	Unallocated Corporate Assets less Liabilities	1741152	1544959	1030530	1544959	1030530	1431621	942953
	Grand Total	4241740	4054309	3573896	4054309	3573896	4134174	3586920

Notes:

- Segments have been identified and reported taking into account the differing risks and returns, the organization structure and the internal reporting systems. These have been organised into the following main segments:
 - In India-E&P- Offshore & Onshore
 - Refining
 - Outside India-E&P
- Segment wise Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments.
- The consolidated figures include results in respect of the Subsidiaries, ONGC Videsh Limited and Mangalore Refinery and Petrochemicals Limited and Joint Venture Entity - Petronet LNG Ltd.
- Previous year Segments have been Regrouped wherever necessary.

Place: New Delhi
Date: June 22, 2004

By order of the Board


(R. S. Sharma)
Director (Finance)



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tomorrow
brighter**

Oil and Natural Gas Corporation Limited

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