

# Q: 3

# A: ONGC

- Oil & Gas production moving up again, after the BHN accident in July 2005
- Exploration & development of "Shallow gas" began in December 2005
- Contracts worth USD 2 Billion awarded for 12 major projects during April-December 2005

## UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 31ST DECEMBER, 2005

(Rs. in lakh)

Sl. No.	Particulars	Unaudited For the Quarter ended		Unaudited For the Nine Months ended		Audited For the Year ended
		31.12.2005	31.12.2004	31.12.2005	31.12.2004	31.03.2005
1	Gross Sales/Income from Operations	1254773	1219185	3622969	3448172	4671214
	Less: Excise Duty Recovered	7166	8832	20408	26770	34920
	Net Sales/Income from Operations	<b>1247607</b>	<b>1210353</b>	<b>3602561</b>	<b>3421402</b>	<b>4636294</b>
2	Other Income	56194	46160	172402	123673	172979
3	Total Expenditure	<b>511498</b>	<b>581717</b>	<b>1540407</b>	<b>1641620</b>	<b>2218786</b>
	a) (Increase)/Decrease in stock-in-trade	(484)	(2256)	(249)	(4000)	(2986)
	b) Purchases (Trading)	52664	142697	267666	392435	510132
	c) Consumption of raw materials*	4944	5664	13663	12344	18409
	d) Staff expenditure	25401	21206	76995	81027	100292
	e) Statutory levies	270636	258761	786816	745030	997653
	f) Other expenditure	158337	155645	395516	414784	595286
4	Interest	697	1704	1466	2752	3771
5	Depreciation**	201182	128628	529990	444318	620161
6	Profit before Tax (1+2-3-4-5)	<b>590424</b>	<b>544464</b>	<b>1703100</b>	<b>1456385</b>	<b>1966555</b>
7	Provision for taxation					
	a) Current Year	203035	199040	563615	568120	698170
	b) Earlier Years	0	0	9277	0	(262)
	c) Deferred Tax Liability (Asset)	(3593)	(3908)	(8613)	(30274)	(29658)
	d) Fringe Benefit Tax	2206	0	4332	0	0
	Sub Total (a+b+c+d)	<b>201648</b>	<b>195132</b>	<b>568611</b>	<b>537846</b>	<b>668250</b>
8	<b>Net profit (6-7)</b>	<b>388776</b>	<b>349332</b>	<b>1134489</b>	<b>918539</b>	<b>1298305</b>
9	Paid-up equity share capital (Face value of share Rs. 10)	142593	142593	142593	142593	142593
10	Reserves excluding revaluation reserves***					4463832
11	Earning per share - Basic & Diluted (Rs.)	<b>27.26</b>	24.50	<b>79.56</b>	64.42	91.05
12	Aggregate of non-promoter shareholding					
	-Number of shares	368773541	368773541	368773541	368773541	368773541
	-Percentage of shareholding	25.86	25.86	25.86	25.86	25.86

\* Represents consumption of stores & spares.

\*\* Also includes depletion, amortisation and impairment loss \*\*\* Reserves excluding intangibles

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

(Rs. in lakh)

Sl. No.	Particulars	Unaudited For the Quarter ended		Unaudited For the nine months ended		Audited For the Year ended
		31.12.2005	31.12.2004	31.12.2005	31.12.2004	31.03.2005
1	<b>Segment Revenue</b>					
	<b>A) Offshore</b>	949616	844603	2615867	2354662	3168942
	<b>B) Onshore</b>	342028	389836	1074048	1130219	1564270
	<b>Total</b>	<b>1291644</b>	<b>1234439</b>	<b>3689915</b>	<b>3484881</b>	<b>4733212</b>
	Less: Inter Segment Revenue					
	<b>Net sales/income from operations</b>	<b>1291644</b>	<b>1234439</b>	<b>3689915</b>	<b>3484881</b>	<b>4733212</b>
2	<b>Segment Result Profit(+)/Loss(-) before tax and interest from each segment</b>					
	<b>A) Offshore</b>	492314	460804	1409334	1223684	1612422
	<b>B) Onshore</b>	88969	66905	228942	182301	294542
	<b>Total</b>	<b>581283</b>	<b>527709</b>	<b>1638276</b>	<b>1405985</b>	<b>1906964</b>
	<b>Less:</b>					
	i. Interest Payment	697	1704	1466	2752	3771
	ii. Other unallocable expenditure net of unallocable income.	(9838)	(18459)	(66290)	(53152)	(63362)
	<b>Total Profit Before Tax</b>	<b>590424</b>	<b>544464</b>	<b>1703100</b>	<b>1456385</b>	<b>1966555</b>
3	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>					
	<b>A) Offshore</b>	1739500	1514384	1739500	1514384	1715214
	<b>B) Onshore</b>	1246388	1157125	1246388	1157125	1206964
	<b>Total</b>	<b>2985888</b>	<b>2671509</b>	<b>2985888</b>	<b>2671509</b>	<b>2922178</b>
	<b>Unallocated Corporate Assets less Liabilities</b>	2426697	1978480	2426697	1978480	1762364
	<b>Grand Total</b>	<b>5412585</b>	<b>4649989</b>	<b>5412585</b>	<b>4649989</b>	<b>4684542</b>

Note: Segment Revenue in respect of onshore segment for the current quarter and nine months ended 31st December, 2005 includes Rs. 52796 lakh (Previous quarter -Rs. 142697 lakh) and Rs.267998 lakh (Previous nine months-Rs. 392435 lakh) respectively on account of trading of MRPL products- a subsidiary of ONGC.

### Notes :

- The above results have been reviewed by the Audit & Ethics Committee and taken on record by the Board of Directors in its meeting held on 30<sup>th</sup> January, 2006.
- In a major accident on 27.07.2005, BHN platform in Mumbai High Offshore field was totally destroyed. The accident also damaged the adjacent platforms and connecting pipelines. Multi-purpose support vessel Samudra Surakhsha also caught fire and subsequently sank. All these assets were insured at specified values under Energy Insurance Package Policy. The Insurance Company had released an 'on account payment' towards loss to BHN platform amounting to Rs. 76856 lakh after policy deductibles. Pending finality of settlement, the written down value of the platform amounting to Rs. 19020 lakh has been adjusted against 'on account payment' and the balance of Rs. 57836 lakh has been kept under 'other deposit - liability'. Other claims are being pursued in terms of package policy provisions.
- In terms of the decision of the GOI being conveyed by MoP&NG on quarterly basis, ONGC has been sharing the burden of under recoveries of Oil Marketing Companies (OMCs) since April, 2003 by allowing discount in the prices of Crude Oil, PDS Kerosene and domestic LPG. The impact on this account is as under:-

(Rs. in lakh)

	For the Quarter ended		For the Nine Months ended	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Decrease in Sales Revenue	<b>2,84,317</b>	1,33,202	<b>8,54,955</b>	3,11,419
Decrease in Profit before tax	<b>2,59,410</b>	1,24,673	<b>7,81,573</b>	2,91,796

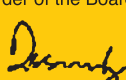
- During the Quarter, Govt. of India has allowed reimbursement of Rs. 12722 lakh from Gas Pool account on account of excess JV purchase differential in respect of Ravva satellite field, earlier recovered from ONGC from September, 2001 to March, 2003. The same has been included under other income. The company has also received Rs. 14369 lakh from Gas Pool account towards reimbursement of capital cost of gas compressor installed by ONGC for augmenting sale of natural gas. The same has been credited to the Capital Cost of Compressors to the extent of Net Book Value of Rs. 9498 lakh. The balance amount of Rs. 4871 lakh has been included in the Other Income.
- The company had changed the rate of depreciation on all trunk pipelines and onshore flow lines (assets below ground) from 27.82% to 100% on prorata basis in second quarter ended 30<sup>th</sup> September, 2005 w.e.f 1.4.2005 based on technical assessment and advice of consultants as assets are eligible for depreciation @ 100% under item II (ii) (D) 7(b) of schedule XIV of the Companies Act 1956. Accordingly, the depreciation on the net block of such assets as on 1.4.2005 amounting to Rs. 15253 lakh had been taken to prior period. Due to this change in rate of Depreciation, Profit before tax is lower for the current quarter and nine months ended 31<sup>st</sup> December, 2005 by Rs. 29674 lakh and Rs. 58779 lakh respectively.
- The statutory auditors in their report on the accounts for the year 2004-05 had commented on non adjustment of differences between physical verification of inventories, fixed assets and capital stores vis-à-vis the books of accounts in few units. Effective steps are in progress for reconciliation of the same. Management does not envisage any significant impact of these adjustments on the above financial results.
- The Board of Directors had declared an interim dividend of Rs. 25 per share (250%) amounting to Rs. 356483 lakh in its meeting held on 23<sup>rd</sup> December, 2005 which has since been paid.
- Information on investor complaints pursuant to clause 41 of Listing Agreement for the quarter ended 31<sup>st</sup> December, 2005

	Opening Balance	Additions	Disposals	Closing Balance
No. of complaints	05	312	305	12

The balance 12 complaints pending at the end of the quarter have since been resolved. This excludes investor complaints regarding the offer for sale upto 10% of equity shares of the company made by the Government of India in March, 2004, which are being attended to by the Registrar to the issue appointed by Govt. of India.

Place: New Delhi  
Date: January 30th, 2006

By order of the Board



(R.S. Sharma)  
Director (Finance)



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