

**OIL AND NATURAL GAS CORPORATION LIMITED**  
Regd. Office : 'Jeevan Bharti', Tower II, 8th Floor, 124-Indira Chowk, New Delhi 110 001

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2013**

PART I							(₹ in Crore)
Particulars	3 months ended 31.12.2013	Preceding 3 months ended 30.09.2013	Corresponding 3 months ended 31.12.2012 in the previous year	Nine Months ended 31.12.2013	Corresponding Nine Months ended 31.12.2012 in the previous year	Year ended 31.03.2013	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
<b>1 Income from operations</b>							
Gross Sales/Income from Operations	20,832.85#	22,384.31	21,088.48	62,499.73 #	61,089.96	82,552.03	
Less: Excise Duty recovered	88.19	72.33	101.30	224.78	230.27	303.62	
(a) Net Sales/Income from Operations (Net of excise duty)	20,744.66	22,311.98	20,987.18	62,274.95	60,859.69	82,248.41	
(b) Other Operating Income	107.58	102.69	106.03	300.89	296.39	737.53	
<b>Total income from operations (net)</b>	<b>20,852.24</b>	<b>22,414.67</b>	<b>21,093.21</b>	<b>62,575.84</b>	<b>61,156.08</b>	<b>82,985.94</b>	
<b>2 Expenses</b>							
(a) Cost of materials consumed*	190.67	126.24	155.99	431.04	422.31	609.79	
(b) Purchase of stock-in-trade	0.74	0.75	0.73	2.51	2.32	3.10	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade [(Increase)/Decrease]	(56.65)	(7.45)	22.03	(100.81)	28.52	(23.02)	
(d) Employees benefits expenses**	448.85	442.65	346.07	1,481.23	1,221.39	1,957.35	
(e) Depreciation and amortisation expenses***	2,588.36	2,426.50	2,341.65	7,347.36	5,987.32	8,374.48	
(f) Statutory levies	5,740.20	5,824.16	5,710.78	17,136.35	16,663.99	22,051.43	
(g) Exploration Cost written off	1,810.57	2,070.72	2,069.65	5,449.48	5,349.47	10,088.68	
(h) Other expenditure	2,210.06	3,924.76	3,515.74	10,715.14	10,076.47	14,817.13	
<b>Total Expenses</b>	<b>12,932.80</b>	<b>14,808.32</b>	<b>14,162.64</b>	<b>42,462.30</b>	<b>39,651.79</b>	<b>57,878.94</b>	
<b>3 Profit/(Loss) from Operations before other Income, finance costs and exceptional items (1-2)</b>	<b>7,919.44</b>	<b>7,605.35</b>	<b>6,930.57</b>	<b>20,113.54</b>	<b>21,504.29</b>	<b>25,107.00</b>	
<b>4 Other income</b>	<b>2,662.33</b>	<b>1,482.97</b>	<b>1,281.17</b>	<b>5,341.40</b>	<b>4,220.76</b>	<b>5,465.21</b>	
<b>5 Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)</b>	<b>10,581.77</b>	<b>9,088.32</b>	<b>8,211.74</b>	<b>25,454.94</b>	<b>25,725.05</b>	<b>30,573.21</b>	
<b>6 Finance costs</b>	<b>0.02</b>	<b>0.09</b>	<b>1.21</b>	<b>0.32</b>	<b>33.58</b>	<b>28.88</b>	
<b>7 Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)</b>	<b>10,581.75</b>	<b>9,088.23</b>	<b>8,210.53</b>	<b>25,454.62</b>	<b>25,691.47</b>	<b>30,544.33</b>	
<b>8 Exceptional items</b>	-	-	-	-	-	-	
<b>9 Profit/(Loss) from ordinary activities before tax(7+8)</b>	<b>10,581.75</b>	<b>9,088.23</b>	<b>8,210.53</b>	<b>25,454.62</b>	<b>25,691.47</b>	<b>30,544.33</b>	
<b>10 Tax expense</b>							
a) For current tax	1,730.00	2,490.00	2,230.00	6,080.00	6,840.00	8,630.00	
b) For earlier years	214.36	-	-	214.36	(121.13)	(701.48)	
c) Deferred tax liability (asset)	1,511.42	535.37	417.81	1,954.45	1,435.61	1,690.11	
d) Fringe benefit tax	-	-	-	-	-	-	
<b>Total tax expense</b>	<b>3,455.78</b>	<b>3,025.37</b>	<b>2,647.81</b>	<b>8,248.81</b>	<b>8,154.48</b>	<b>9,618.63</b>	
<b>11 Net Profit/ (Loss) from Ordinary Activities after tax (9-10)</b>	<b>7,125.97</b>	<b>6,063.86</b>	<b>5,562.72</b>	<b>17,205.81</b>	<b>17,536.99</b>	<b>20,925.70</b>	
<b>12 Extraordinary items (net of tax)</b>	-	-	-	-	-	-	
<b>13 Net Profit/ (Loss) for the period (11+12)</b>	<b>7,125.97</b>	<b>6,063.86</b>	<b>5,562.72</b>	<b>17,205.81</b>	<b>17,536.99</b>	<b>20,925.70</b>	
<b>14 Paid-up equity share capital of face value of share ₹ 5 each</b>	<b>4,277.76</b>	<b>4,277.76</b>	<b>4,277.76</b>	<b>4,277.76</b>	<b>4,277.76</b>	<b>4,277.76</b>	
<b>15 Reserves excluding revaluation reserves</b>						<b>118,689.60</b>	
<b>16 Earnings Per Share (EPS) (in ₹)</b>							
(a) Basic and diluted EPS before extraordinary items	8.33	7.09	6.50	20.11	20.50	24.46	
(b) Basic and diluted EPS after extraordinary items	8.33	7.09	6.50	20.11	20.50	24.46	

\* Represents consumption of raw materials, stores & spares. \*\* Employees cost shown above is net of allocation to different activities. \*\*\* Also includes depletion and impairment loss. # After revision of sales revenue on account of VAT/Output/CSI on discount of Crude Oil as stated in note no 4 amounting to ₹ 3,618 Crore.



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PART II						
SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2013						
Particulars	Stand Alone					
	3 months ended 31.12.2013	Preceding 3 months ended 30.09.2013	Corresponding 3 months ended 31.12.2012 in the previous year	Nine Months ended 31.12.2013	Corresponding Nine Months ended 31.12.2012 in the previous year	Year ended 31.03.2013
<b>A PARTICULARS OF SHAREHOLDING</b>						
1 Public shareholding						
- Number of shares	2,63,29,43,598	2,63,29,43,598	2,63,29,43,598	2,63,29,43,598	2,63,29,43,598	2,63,29,43,598
- Percentage of shareholding	30.77	30.77	30.77	30.77	30.77	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	5,92,25,46,522	5,92,25,46,522	5,92,25,46,522	5,92,25,46,522	5,92,25,46,522	5,92,25,46,522
-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
-Percentage of shares (as a % of the total share capital of the company)	69.23	69.23	69.23	69.23	69.23	69.23

Particulars	3 months ended 31.12.2013
<b>B INVESTORS COMPLAINTS</b>	
Pending at the beginning of the quarter	
Received during the quarter	0
Disposed of during the quarter	538
Remaining unresolved at the end of the quarter	538
	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					
		3 months ended 31.12.2013	Preceding 3 months ended 30.09.2013	Corresponding 3 months ended 31.12.2012 in the previous year	Nine Months ended 31.12.2013	Corresponding Nine Months ended 31.12.2012 in the previous year	Year ended 31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	<b>Segment Revenue</b>						
	a) Offshore	15,349.60	16,049.67	14,550.02	44,687.87	42,379.10	57,664.32
	b) Onshore	5,590.83	6,437.33	6,644.49	18,112.75	19,007.25	25,625.24
	<b>Total</b>	<b>20,940.43</b>	<b>22,487.00</b>	<b>21,194.51</b>	<b>62,800.62</b>	<b>61,386.35</b>	<b>83,289.56</b>
	Less: Inter Segment Revenue	-	-	-	-	-	-
	<b>Net sales/income from operations</b>	<b>20940.43#</b>	<b>22,487.00</b>	<b>21,194.51</b>	<b>62800.62 #</b>	<b>61,386.35</b>	<b>83,289.56</b>
2	<b>Segment Result Profit(+)/Loss(-) before tax and interest from each segment</b>						
	a) Offshore	8,505.89	7,360.45	6,399.71	20,771.69	19,822.90	24,319.69
	b) Onshore	1,509.94	1,041.32	1,328.71	2,984.09	3,981.02	4,095.28
	<b>Total</b>	<b>10,015.83</b>	<b>8,401.77</b>	<b>7,728.42</b>	<b>23,755.78</b>	<b>23,803.92</b>	<b>28,414.97</b>
	Less:						
	i. Interest Payment	0.02	0.09	1.21	0.32	33.58	28.88
	ii. Other unallocable expenditure net of unallocable income.	(565.94)	(687.55)	(483.32)	(1,699.16)	(1,921.13)	(2,158.24)
	<b>Profit before Tax and Extraordinary Items</b>	<b>10,581.75</b>	<b>9,089.23</b>	<b>8,210.53</b>	<b>25,454.62</b>	<b>25,691.47</b>	<b>30,544.33</b>
	Extraordinary Items	-	-	-	-	-	-
	<b>Profit before Tax</b>	<b>10,581.75</b>	<b>9,089.23</b>	<b>8,210.53</b>	<b>25,454.62</b>	<b>25,691.47</b>	<b>30,544.33</b>
3	<b>Capital Employed (Segment Assets - Segment Liabilities)</b>						
	a) Offshore	63,186.88	60,022.17	53,582.60	63,186.88	53,582.60	55,187.34
	b) Onshore	34,755.58	30,944.13	29,898.30	34,755.58	29,898.30	31,003.93
	<b>Total</b>	<b>97,942.46</b>	<b>90,966.30</b>	<b>83,480.90</b>	<b>97,942.46</b>	<b>83,480.90</b>	<b>86,191.27</b>
	Unallocated Corporate Assets less Liabilities	38,397.64	43,252.33	42,041.00	38,397.64	42,041.00	38,261.95
	<b>Grand Total</b>	<b>1,36,340.10</b>	<b>1,34,218.63</b>	<b>1,25,521.90</b>	<b>1,36,340.10</b>	<b>1,25,521.90</b>	<b>1,24,453.22</b>

# After revision of sales revenue on account of VAT/Octroi/CST on discount of Crude Oil as stated in note no 4 amounting to ₹ 3,018 Crore



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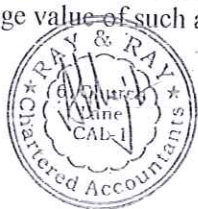
**Notes:**

1. The above financial results have been reviewed and recommended by the Audit & Ethics Committee in its meeting held on 13<sup>th</sup> February, 2014 and approved by the Board of Directors in its meeting held on the same day.
2. The Limited Review of the Unaudited Standalone Financial Results for the Quarter and nine months ended 31<sup>st</sup> December, 2013 has been carried out by the Statutory Auditors of the Company as required under Clause 41 of the Listing Agreement.
3. In terms of the decision of the Government of India, the Company has shared under-recoveries of Public Sector Oil Marketing Companies for the quarter and nine months ended on 31<sup>st</sup> December, 2013 by allowing discount in the prices of Crude Oil, PDS-Kerosene and Domestic LPG based on the rates of discount communicated by the Ministry of Petroleum & Natural Gas (MoP&NG), Government of India and Petroleum Planning and Analysis Cell (PPAC). The impact of this on revenue and profit is as under:-

(₹ in Crore)

Decrease in	For the Quarter ended			For the Nine Months ended		For the Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
Gross Revenue	13,764	13,796	12,433	40,182	37,108	49,421
Less: Value Added Tax (VAT)	462	465	314	1,284	986	1,412
Net Sales Revenue	13,302	13,331	12,119	38,898	36,122	48,009
Less: Statutory levies	1,714	1,786	1,372	4,962	4,278	5,950
Profit before tax (PBT)	11,588	11,545	10,747	33,936	31,844	42,059
Profit after tax (PAT)	7,649	7,621	7,260	22,401	21,512	28,413

4. 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 payments to the company towards Octroi/VAT/CST on discounts allowed by the company to refineries on supplies of crude oil w.e.f. 1<sup>st</sup> April, 2012. The company made representations to MoP&NG to review the decision. Total deduction made by refineries on this account for the period from 1st April, 2012 to 31<sup>st</sup> December, 2013 works out to ₹ 3,018 Crore. Deduction of ₹ 2,503 Crore made upto the period of 30th September, 2013 was provided for in the accounts. In absence of any further communication from MoP&NG, the company has decided to revise the sales revenue and write back the provision made the by aforesaid amounts and corresponding revision have also been made in statutory levies.
5. a) During the 1<sup>st</sup> quarter of 2013-14, 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 accounting policies have been effected and the relevant impact of the change in such policies is enumerated below:
  - 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 assets;
  - 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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As a result of the above changes in accounting policies, the profit before tax for the quarter ended 31<sup>st</sup> December, 2013 is higher by ₹ 289 Crore with corresponding increase/(decrease) in Exploratory Wells in Progress, Development Wells in Progress and Producing Property by ₹ 171 Crore, ₹ (10) Crore and ₹ 128 Crore respectively.

Similarly, due to the above changes in accounting policies, the profit before tax for the nine months ended 31<sup>st</sup> December, 2013 is higher by ₹ 617 Crore with corresponding increase/(decrease) in Exploratory Wells in Progress, Development Wells in Progress and Producing Property by ₹ 174 Crore, ₹ (500) Crore and ₹ 943 Crore respectively.

Further, as a result of providing additional liability towards abandonment costs as stated at vi above, there is an increase of ₹ 2,623 Crore towards abandonment costs, with corresponding increase of ₹ 2,616 Crore, ₹ 6 Crore, ₹ 1 Crore in Producing Property, Exploratory Wells in Progress and Development Wells in Progress respectively.

- (b) The Company has also carried out impairment testing of Exploratory Assets as on 1<sup>st</sup> 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 opening reserves as on 01.04.2013.
6. An amount of ₹ 1,611 Crore has been provided during quarter ended 30<sup>th</sup> June, 2013 (Cumulative ₹ 1,611 Crore till nine months ended 31<sup>st</sup> December, 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.
7. 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. The total amount involved for the period from Apr'08 to Dec'13 works out to ₹ 9,690 Crore. The company has filed a petition with the Hon'ble Supreme Court of India, challenging the aforesaid order. Pending disposal of the petition, no provision for the same has been made in the accounts.
8. Previous period's figures have been regrouped/ reclassified, wherever necessary, to conform to current quarter's classification.

By order of the Board

Place: New Delhi  
Date: 13<sup>th</sup> February, 2014

*A K Banerjee*  
(A K Banerjee) 13/02/14  
Director (Finance)

