



OIL AND NATURAL GAS CORPORATION LIMITED
COMPANY SECRETARIAT

CS/ONGC/SE/2018-19

14.02.2019

National Stock Exchange of India Ltd.
Listing Department
Exchange Plaza
Bandra-Kurla Complex
Bandra (E)
Mumbai – 400 051

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

Symbol-**ONGC**; Series - **EQ**

BSE Security Code No.- **500312**

Sub: *Un-audited Financial Results for the third Quarter ended 31.12.2018 and declaration of interim dividend.*

Sir/ Madam,

Pursuant to regulation 33 read with regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we are submitting herewith the Un-audited Financial Results, for the third quarter ended 31.12.2018 as approved by the Board of Directors at the meeting held today i.e. 14.02.2019 at New Delhi, along with Limited Review Report issued by the Auditor of the Company.

Further, Pursuant to Regulation 30 and 43 of the Listing Regulations, we hereby inform that the Board of Directors of Company have declared an Interim dividend of ₹5.25/- per equity share of ₹5/- (@105%)

As informed vide letter dt. 04.02.19, **Friday, the 01st March, 2019** is the **record date** for determining eligibility of shareholders for payment of Interim Dividend, as declared by the Board. The said Dividend is proposed to be paid on 06.03.2019.

The Board Meeting commenced at 11:30 hrs and concluded at 17:00 hrs.

Thanking you,

Yours faithfully,
For Oil and Natural Gas Corporation Ltd.

(M E V Selvam)
Compliance Officer &
Company Secretary

Encl: as above (7 pages.)

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2018
(₹ in Crore unless otherwise stated)

Sl. No.	Particulars	Financial results for					
		Quarter ended 31.12.2018	Quarter ended 30.09.2018	Quarter ended 31.12.2017	Nine Months ended 31.12.2018	Nine Months ended 31.12.2017	Year ended 31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	27,694.09	27,989.17	22,995.88	82,896.09	61,034.27	85,004.10
II	Other income	2,224.62	2,394.23	1,179.06	5,268.73	4,149.84	7,883.55
III	Total Income (I+II)	29,918.71	30,383.40	24,174.94	88,164.82	65,184.11	92,887.65
IV	EXPENSES						
	Cost of materials consumed*	579.03	604.52	301.32	1,597.02	791.83	1,209.22
	Purchase of stock-in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, stock-in-trade and work in progress	25.13	(158.47)	(4.50)	(196.49)	(50.59)	(63.02)
	Employee benefits expense**	677.50	609.65	639.44	1,923.30	1,755.14	2,503.02
	Statutory levies	5,973.23	6,606.48	5,343.40	19,312.55	14,334.34	20,098.34
	Exploration costs written off						
	a. Survey Costs	285.94	234.37	273.51	904.85	914.38	1,480.07
	b. Exploratory well Costs	2,388.42	1,083.45	1,332.01	4,226.69	3,081.55	5,551.73
	Finance costs	580.73	629.12	309.93	1,958.46	914.30	1,508.47
	Depreciation, depletion, amortisation and impairment	3,477.37	3,530.99	4,255.88	10,895.58	11,224.72	14,470.17
	Other expenses	3,868.37	4,538.25	4,244.00	13,168.08	11,566.43	17,237.18
	Total expenses (IV)	17,855.72	17,678.36	16,694.99	53,790.04	44,532.10	63,995.18
V	Profit before exceptional items and tax (III-IV)	12,062.99	12,705.04	7,479.95	34,374.78	20,652.01	28,892.47
VI	Exceptional items	-	-	-	-	-	-
VII	Profit before tax (V+VI)	12,062.99	12,705.04	7,479.95	34,374.78	20,652.01	28,892.47
VIII	Tax expense:						
	(a) Current tax relating to:						
	- current year	3,231.00	3,742.00	1,880.92	9,923.00	5,041.92	6,354.92
	- earlier years	0.05	-	(225.95)	0.05	(221.80)	(221.80)
	(b) Deferred tax	569.24	698.43	810.31	1,780.54	1,801.75	2,814.09
	Total tax expense (VIII)	3,800.29	4,440.43	2,465.28	11,703.59	6,621.87	8,947.21
IX	Profit for the period (VII-VIII)	8,262.70	8,264.61	5,014.67	22,671.19	14,030.14	19,945.26
X	Other comprehensive Income (OCI)						
	(a) Items that will not be reclassified to profit or loss						
	(i) Re-measurement of the defined benefit obligations	98.11	235.49	(24.81)	310.72	(97.20)	(136.82)
	- Deferred Tax	(34.29)	(82.28)	8.59	(108.58)	33.64	49.50
	(ii) Equity instruments through other comprehensive income	(2,383.31)	67.64	(140.66)	(4,942.91)	1,102.49	(1,764.04)
	- Deferred Tax	169.40	14.28	-	381.25	-	(1,331.35)
	Total other comprehensive Income (X)	(2,150.09)	235.13	(156.88)	(4,359.52)	1,038.93	(3,182.71)
XI	Total comprehensive Income for the period (IX+X)	6,112.61	8,499.74	4,857.79	18,311.67	15,069.07	16,762.55
XII	Paid-up Equity Share Capital (Face value of ₹ 5/- each)	6,416.63	6,416.63	6,416.63	6,416.63	6,416.63	6,416.63
XIII	Other equity						186,968.05
XIV	Earnings Per Share (Face value of ₹ 5/- each) - not annualised						
	(a) Basic (₹)	6.44	6.44	3.91	17.67	10.93	15.54
	(b) Diluted (₹)	6.44	6.44	3.91	17.67	10.93	15.54

* Represents consumption of raw materials and stores & spares. ** Employee benefits expense shown above is net of allocation to different activities.



Sd/-

OIL AND NATURAL GAS CORPORATION LIMITED

CIN No. L74899DL1993GOI054155

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SEGMENT WISE REVENUE, RESULTS, ASSETS & LIABILITIES

(₹ in Crore)

Sl. No.	Particulars	Quarter ended 31.12.2018	Quarter ended 30.09.2018	Quarter ended 31.12.2017	Nine Months ended 31.12.2018	Nine Months ended 31.12.2017	Year ended 31.03.2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	Revenue from Operations						
	a) Offshore	18,955.86	19,015.14	15,920.99	56,036.95	42,101.38	58,179.17
	b) Onshore	8,738.23	8,974.03	7,074.89	26,859.14	18,932.89	26,824.93
	Total	27,694.09	27,989.17	22,995.88	82,896.09	61,034.27	85,004.10
	Less: Inter Segment Operating Revenue	-	-	-	-	-	-
	Revenue from operations	27,694.09	27,989.17	22,995.88	82,896.09	61,034.27	85,004.10
2	Segment Result Profit(+)/Loss(-) before tax and interest from each segment						
	a) Offshore	8,089.32	10,009.22	6,630.78	26,548.05	17,353.68	22,165.27
	b) Onshore	3,258.42	2,404.77	766.69	8,031.86	2,414.64	3,959.12
	Total	11,347.74	12,413.99	7,397.47	34,579.91	19,768.32	26,124.39
	Less:						
	i. Finance Cost	580.73	629.12	309.93	1,958.46	914.30	1,508.47
	ii. Other unallocable expenditure net of unallocable income.	(1,295.98)	(920.17)	(392.41)	(1,753.33)	(1,797.99)	(4,276.55)
	Profit before Tax	12,062.99	12,705.04	7,479.95	34,374.78	20,652.01	28,892.47
3	Segment Assets						
	a) Offshore	125,051.18	126,976.95	120,701.18	125,051.18	120,701.18	121,420.98
	b) Onshore	60,173.13	60,155.27	52,139.50	60,173.13	52,139.50	55,346.50
	c) Other Unallocated	108,093.88	108,292.18	91,027.25	108,093.88	91,027.25	114,460.70
	Total	293,318.19	295,424.40	263,867.93	293,318.19	263,867.93	291,228.18
4	Segment Liabilities						
	a) Offshore	30,054.25	31,340.40	28,554.07	30,054.25	28,554.07	30,017.14
	b) Onshore	11,343.34	11,917.71	9,930.26	11,343.34	9,930.26	10,923.98
	c) Other Unallocated	42,132.98	48,491.29	30,447.57	42,132.98	30,447.57	56,902.38
	Total	83,530.57	91,749.40	68,931.90	83,530.57	68,931.90	97,843.50

Note:- Above segment information has been classified based on Geographical Segment.



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Notes:

1. The above financial results have been reviewed and recommended by the Audit & Ethics Committee and approved by the Board of Directors in its meeting held on 14th February, 2019.
2. The financial results for the quarter and nine months ended 31st December, 2018 have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The Company, with 40% Participating Interest (PI), is a Joint Operator in Panna-Mukta and Mid and South Tapti Fields along with Reliance Industries Limited (RIL) and BG Exploration and Production India Limited (BGEPI), each having 30% PI. The Production Sharing Contracts (PSCs) with respect to Panna-Mukta and Mid and South Tapti contract areas were signed between the Contractors and Government of India on December 22, 1994 for a period of 25 years. In December 2010, RIL & BGEPI invoked an arbitration proceeding against the Union of India in respect of certain disputes, differences and claims arising out of or in connection with both the PSCs in respect to Panna-Mukta and Mid and South Tapti contract areas pursuant to the provisions of Article 33 of the PSCs and UNCITRAL Rules, 1976. Ministry of Petroleum and Natural Gas (MoP&NG), vide letter dated July 4, 2011, had advised the Company not to participate in the arbitration initiated by RIL and BGEPI under Panna-Mukta & Tapti PSCs. However, in case of an arbitral award, the same will be applicable to the Company also as a constituent of the contractor for both the PSCs. On October 12, 2016, a Final Partial Award (FPA) was pronounced by the Tribunal in the arbitration matter between RIL, BGEPI and Union of India. However, details of proceedings in this regard are not known to the Company since the Company is not a party to this arbitration. Directorate General of Hydrocarbons (DGH), vide letter dated May 25, 2017 marked to all Joint Venture Partners (RIL, BGEPI & the Company) has asked for payment of differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractor pursuant to Governments interpretation of the FPA (40% share of the Company amounting to US\$ 1,574.76 million equivalent to ₹ 11,004 Crore including interest upto November 30, 2016). However, in response to letter dated May 25, 2017 of DGH, RIL and BGEPI the JV partners (with a copy marked to all Joint Venture Partners) have stated that demand of DGH is premature as the FPA does not make any money award in favour of GOI as quantification of liabilities are to be determined during the final proceedings of the arbitration and the same has been challenged before the English Commercial Court.

Subsequent to London High Court Orders dated April 16, 2018 and May 2, 2018, DGH vide letter dated May 4, 2018 and May 15, 2018 has asked for re-casting of accounts of the JV and for remitting the respective PI share of balance dues including interest till the date of remittance. Details of proceedings thereof and the London High Court orders are not known to the company since the company is not a party to the arbitration. In response to the letter of DGH, RIL & BGEPI have responded (with a copy marked to all Joint Venture Partners) that FPA of October 2016 does not make any money award in favour of the Government. Further it has also been stated by RIL & BGEPI that the English Court has upheld challenge 4 of the claimants (RIL & BGEPI) in relation to "Agreement Case" and held that there had been a serious irregularity in the Award of the Tribunal. Further in the court order of May 2, 2018, the English Court has directed the Tribunal to re-consider the "Agreement Case" and issue a fresh award within three months of that date. The "Agreement Case" is closely linked with




the Cost recovery limit (CRL) increase application filed by the contractor with the Management Committee and Tribunals re-consideration of this issue necessarily impacts the re-computation of accounts. Re-computation of accounts and consequential determination of any amount due and payable by the contractor are to be determined during the final stage of the arbitration proceedings after determination of all substantive issues by the Tribunal (including any application for an increase in the Tapti and Panna Mukta CRL and an award on the Agreement Case). The Company has also responded to DGH that as of now, neither the Arbitral Tribunal nor the Court has passed any final order or quantified any amount due and payable by the Company.

Further DGH vide letter dated 4th June 2018 has asked for additional payment of differential GOI profit petroleum of USD 123.22 million (40% share of the Company amounting to USD 49.29 million equivalent to ₹344 Crore) pertaining to the year 2016-17 along with interest in reply to which the company has reiterated the stand of RIL and BGEPIL stating that until the Agreement case and the CRL increase application is decided re-computation of Investment Multiple is neither necessary nor possible. In the circumstances, the demand of DGH from the Company for any sum or interest thereon is premature and not justified. The company has requested DGH to keep the issue in abeyance till finality in the award is achieved.

Pending the final quantification of liabilities by the Arbitration Tribunal, no provision for the same has been considered necessary. However, a total amount of USD 1624.05 million equivalent to ₹ 11,349 Crore has been considered as contingent liability.

4. The Company had received demand orders at various work centers on account of service tax / GST on royalty, appeals against such orders have been filed / being filed before the Tribunal. Based on legal opinion obtained by the Company, Service Tax / GST on royalty is not applicable. The total estimated amount (including penalty and interest upto 31st December, 2018) worked out towards service tax is ₹ 3,846 Crore and GST is ₹ 3,049 Crore. The Company is contesting the same and accordingly it has been considered as contingent liability. Further, as an abundant caution, the company has deposited Service tax and GST under-protest amounting to ₹ 2,359 Crore and ₹ 1,373 Crore respectively upto 31st December, 2018.
5. The Board at its meeting held on 14th December, 2018 approved a proposal for buyback of its equity shares not exceeding 25,29,55,974 equity shares of the Company at the price of ₹ 159 per equity share payable in cash for an aggregate consideration not exceeding ₹ 4,022 Crore. The process of buyback is likely to be completed in February, 2019.
6. The Board of Directors in its meeting held on 14th February, 2019 has declared an interim dividend of ₹ 5.25/- per share (105%).
7. Previous period's figures have been regrouped by the Company, wherever necessary, to conform to current quarter's classification.


By order of the Board
(Subhash Kumar)
Director (Finance)

Place: New Delhi

Date: 14th February, 2019



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Chartered Accountants
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New Delhi – 110 049

Independent Auditor's Limited Review Report on Unaudited Standalone Financial Results of OIL AND NATURAL GAS CORPORATION LIMITED for the Quarter and Nine months ended on December 31, 2018 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**TO
THE BOARD OF DIRECTORS OF
OIL AND NATURAL GAS CORPORATION LIMITED**

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2018 (herein after referred to as "the Statement" and initialled for the purpose of identification) of **Oil and Natural Gas Corporation Limited** ("the Company") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/ 62/ 2016 dated July 5, 2016.

The Statement, is the responsibility of the Company's Management and has been approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



3. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying standalone unaudited financial results read with notes thereon, prepared in accordance with applicable Ind AS and other recognized accounting practices and policies thereon has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/ CFD/ FAC/ 62/ 2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

4. We draw attention to Note 3 of the Statement, wherein it is stated that Directorate General of Hydrocarbons (DGH) had raised a demand on all the JV partners under the Production Sharing Contract with respect to Panna-Mukta and Mid and South Tapti contract areas (PMT JV), being BG Exploration and Production India Limited (BGEPII) and Reliance Industries Limited (RIL) (together "the Claimants") and the Company towards differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractor pursuant to Government's interpretation of the Final Partial Award (40% share of the Company amounting to USD 1624.05 million equivalent to Rs. 11,349 Crore, including interest for the financial year 2016-17. Subsequent to London High Court Orders dated April 16, 2018 and May 2, 2018, DGH vide letter dated May 4, 2018, May 15, 2018 and June 4, 2018 had asked for re-casting of accounts of the PMT JV and for remitting the respective PI share of balance dues including interest till the date of remittance. As the company is not a party to the arbitration, the details of the proceedings of arbitration and copy of the order of London High Court are not available with the company. The Company has responded that as of now, neither the Arbitral Tribunal nor the London High Court has passed any order or quantified any amount due and payable by the Company and in the circumstances; the demand of DGH from the Company for any sum or interest thereon is premature and not justified. In the Company's view, pending final quantification of liabilities by the Arbitration Tribunal, it is not liable to implement the Final Partial Award (FPA) being pre-mature and therefore no provision for the same has been considered necessary and the same has been considered as contingent liability.

Our conclusion on the Statement and our report is not modified in respect of the above matter.

Other Matter

5. The statement includes the company's proportionate share in the expenditure and Income of 136 blocks under New exploration licensing policy (NELPs)/ Joint Operations (JOs) accounts for exploration and production out of which 14 NELPs/JOs have been certified by management in respect of NELPs/JOs operated by other operators. In respect of these 14 NELPs/JOs, the statement include proportionate share in revenue and profit before tax including other comprehensive Income for the quarter /nine months ended December 31, 2018 amounting to Rs. 2,446.24 Crore / Rs. 8,166.78 Crore and Rs. 1,391.32 Crore / Rs. 2,908.34 Crore respectively. Our opinion is solely based on management certified accounts in respect of these blocks.

Our conclusion on the Statement and our report is not modified in respect of the above matter.




6. We have placed reliance on technical/commercial evaluation by the management in respect of categorization by the Company of wells as exploratory, development, producing and dry wells, allocation of costs incurred on them, proved (developed and undeveloped) hydrocarbon reserves and depletion thereof on Oil and Gas Assets, impairment, liability for abandonment costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme.

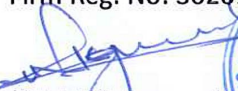
Our conclusion on the Statement and our report is not modified in respect of the above matter.



For R Gopal & Associates
Chartered Accountants
Firm Reg. No: 000846C



(Sandeep Kr. Sawaria)
Partner (M.No.061771)

For MKPS & Associates
Chartered Accountants
Firm Reg. No: 302014E


(Nikhil K. Agrawalla)
Partner (M.No. 157955)

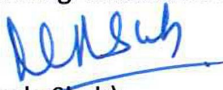


For G M Kapadia & Co.
Chartered Accountants
Firm Reg. No: 104767W


(Rajen Ashar)
Partner (M.No. 048243)

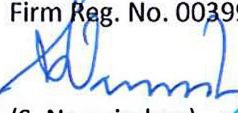


For K.C. Mehta & Co.
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(Neela Shah)
Partner (M.No. 045027)

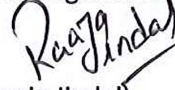


For PKF Sridhar & Santhanam LLP
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Firm Reg. No. 003990S/S200018


(S. Narasimhan)
Partner (M.No. 206047)



For Dass Gupta & Associates
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(Raaja Jindal)
Partner (M.No.504111)



Place: New Delhi

Date: February 14, 2019