



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

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 31ST DECEMBER 2008

(Rs. in Crore)

Sl. No.	Particulars	Unaudited				Audited for the Year ended 31.03.2008
		For the Quarter ended		For the Nine Months Ended		
		31.12.2008	31.12.2007	31.12.2008	31.12.2007	
1	Operating Income:					
	Gross Sales/Income from Operations	12,520.47	15,217.59	50,134.72	44,408.92	60,137.26
	Less: Excise Duty recovered	84.04	96.76	238.69	186.47	288.74
	(a) Net Sales/Income from Operations	12,436.43	15,120.83	49,896.03	44,222.45	59,848.52
	(b) Other Operating Income	102.22	99.67	288.23	349.84	422.98
	Total Operating Income (1)	12,538.65	15,220.50	50,184.26	44,572.29	60,271.50
2	Expenditure					
	a) (Increase)/Decrease in stock-in-trade	(138.10)	(29.27)	(80.98)	(152.29)	(114.11)
	b) Consumption of raw materials*	140.33	215.64	617.81	434.93	681.69
	c) Purchase of Traded Goods	1,655.74	1,453.86	6,845.39	4,324.52	6,511.53
	d) Employees cost	390.97	361.24	956.70	982.33	1,145.37
	e) Statutory levies	2,458.54	3,231.35	8,724.15	9,327.79	12,707.98
	f) Depreciation**	2,860.26	2,211.75	7,840.48	5,953.44	9,797.92
	g) Other expenditure	2,927.89	1,856.24	7,663.35	4,935.81	8,728.29
	Total Expenditure (2)	10,295.63	9,300.81	32,566.90	25,806.53	39,458.67
3	Profit from Operations before Other Income, Interest & Exceptional Items (1)-(2)	2,243.02	5,919.69	17,617.36	18,765.76	20,812.83
4	Other Income	1,118.66	763.31	3,471.90	2,561.92	4,480.74
5	Profit before Interest & Exceptional Items (3)+(4)	3,361.68	6,683.00	21,089.26	21,327.68	25,293.57
6	Interest	4.11	11.40	105.36	46.64	58.98
7	Profit after Interest but before Exceptional Items (5)-(6)	3,357.57	6,671.60	20,983.90	21,281.04	25,234.59
8	Exceptional Items	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7)+(8)	3,357.57	6,671.60	20,983.90	21,281.04	25,234.59
10	Tax Expense					
	a) For Current Tax	1,125.50	2,205.50	6,929.14	6,726.50	8,012.00
	b) For Earlier Years	(284.83)	(305.82)	(284.83)	(386.60)	(387.11)
	c) Deferred Tax Liability/(Asset)	25.09	389.88	414.45	825.59	848.05
	d) Fringe Benefit Tax	17.00	15.50	49.00	41.00	60.00
	Total Tax Expense (10)	882.76	2,305.06	7,107.76	7,206.49	8,532.94
11	Net Profit from Ordinary Activities after Tax (9)-(10)	2,474.81	4,366.54	13,876.14	14,074.55	16,701.65
12	Extraordinary Items (Net of Tax expense)	-	-	43.41	-	-
13	Net Profit for the period (11)+(12)	2,474.81	4,366.54	13,919.55	14,074.55	16,701.65
14	Paid-up equity share capital (Face value of share Rs. 10 each)	2,138.87	2,138.87	2,138.87	2,138.87	2,138.87
15	Reserves excluding revaluation reserves***	-	-	-	-	67,804.61
16	Earnings Per Share (EPS)					
	(a) Basic and diluted EPS before Extraordinary items	11.57	20.42	64.88	65.80	78.09
	(b) Basic and diluted EPS after Extraordinary items	11.57	20.42	65.08	65.80	78.09
17	Public shareholding					
	- Number of shares	553131857	553131857	553131857	553131857	553131857
	- Percentage of shareholding	25.86	25.86	25.86	25.86	25.86

*Represents consumption of raw materials, stores & spares. ** Also includes depletion, amortisation and impairment loss ***Reserves excluding intangibles

Notes:

1. The above results have been reviewed and recommended by the Audit & Ethics Committee and approved by the Board of Directors in its meeting held on 28.01.2009. The same are subject to limited review by the statutory auditors of the Company.
2. In terms of the decision of the Government of India, the Company has shared under recoveries of Oil Marketing Companies for the 3rd quarter of 2008-09 by allowing discount in the prices of Crude Oil, PDS Kerosene and Domestic LPG based on the provisional rates of discount communicated by Petroleum Planning and Analysis Cell, Ministry of Petroleum and Natural Gas. The impact on this account is as under:-

(Rs. in Crore)

Decrease in	For the Quarter ended		For the Nine Months ended		For the Year ended
	31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.03.2008
Sales Revenue	4,899	6,080	27,373	13,528	22,001
Profit before tax	4,209	5,547	23,194	12,355	20,059
Profit after tax	2,778	3,662	15,310	8,155	13,241

3. Gross sales and purchases for the quarter include Rs. 1,656 Crore (previous quarter Rs. 1,454 Crore) and Rs. 1,656 Crore (previous quarter Rs. 1,454 Crore) respectively on account of trading of products of MRPL, a subsidiary of the Company. Similarly, gross sales and purchases for the nine months include Rs. 6,846 Crore (previous nine months Rs. 4,329 Crore) and Rs. 6,845 Crore (previous nine months Rs. 4,325 Crore) respectively.
4. Pay Revision of employees is due w.e.f. 1.1.2007. Pending finalization, the company has provided for a sum of Rs.210 Crore during the quarter, as estimated by the Management. The same has been allocated to activities as per the policy of the Company.
5. In respect of a Joint Venture, the demand towards additional profit petroleum raised by Government of India were disputed by the operator due to differences in perception of PSC provision in respect of computation of Post Tax Rate of Return (PTRR). The JV parties other than ONGC had gone in for arbitration with the Government of India on different issues. In its partial award dated 12.10.2004, the arbitral tribunal had issued certain directions favoring operator, which were further challenged by the Government of India and the said award has been set aside by the Court. As per the operator, prima facie the judgment is beyond jurisdiction of the Court. The legal team of the operator is in the process of further appeal/arbitration against this judgment. Pending final decision in the matter, the Company continues to show the same as contingent liability amounting to Rs.552.16 Crore plus interest, if any.
6. The Company had changed the rate of depreciation in 2005-06, on all Trunk Pipelines and onshore Flow Lines (assets below ground) from 27.82% to 100% based on technical assessment by the Management. The Company has made a reference to the Ministry of Corporate Affairs for confirmation of the rate of depreciation. Pending clarification by the Ministry, the Company continues to charge depreciation at 100% on such assets.
7. The Board of Directors had declared an interim dividend of Rs. 18 per share (180%) amounting to Rs. 3,849.97 crore in its meeting held on 19th December, 2008 which has since been paid.



8. Information on investors' complaints (pursuant to clause 41 of Listing Agreement) for the quarter ended 31st December, 2008:

	Opening Balance	Additions	Disposals	Closing Balance
No. of complaints	5	86	88	3


Balance 3 complaints were disposed off in the first week of January, 2009.

These exclude investors' 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 the Govt. of India.

9. Previous period's figures have been regrouped/reclassified wherever necessary.

Place : New Delhi
Date : 28.01.2009

By order of the Board



(D K Sarraf)
Director (Finance)

Segment wise Revenue, Results and Capital Employed (under Clause 41 of the Listing Agreement)

(Rs. in Crore)

Sl. No.	Particulars	Unaudited				Audited for the Year ended
		For the Quarter ended		For the Nine Months ended		
		31.12.2008	31.12.2007	31.12.2008	31.12.2007	31.03.2008
1	Segment Revenue					
	a) Offshore	9,192.66	11,227.64	36,343.95	32,379.68	44,134.61
	b) Onshore	3,511.52	4,183.71	14,309.13	12,788.42	17,231.78
	c) Unallocated	15.90	9.39	54.82	46.54	62.08
	Total	12,720.08	15,420.74	50,707.90	45,214.64	61,428.47
	Less: Inter Segment Revenue					
	Net sales/income from operations	12,720.08	15,420.74	50,707.90	45,214.64	61,428.47
2	Segment Result: Profit / (Loss) before tax and interest					
	a) Offshore	3,141.21	6,131.33	18,222.27	18,428.47	23,121.50
	b) Onshore	(602.16)	241.87	276.04	1,435.56	(266.08)
	c) Unallocated	(198.65)	(350.03)	(596.00)	(642.38)	(1,174.36)
	Total	2,340.40	6,023.17	17,902.31	19,221.65	21,681.06
	Less:					
	i. Interest Payment	4.11	11.40	105.36	46.64	58.98
	ii. Other unallocable expenditure net of unallocable income	(1,021.28)	(669.83)	(3,186.95)	(2,106.03)	(3,612.51)
	Profit before Tax and Extraordinary Items	3,357.57	6,671.60	20,983.90	21,281.04	25,234.59
	Extraordinary Items			65.77		
	Profit before Tax	3,357.57	6,671.60	21,049.67	21,281.04	25,234.59
3	Capital Employed (Segment Assets less Segment Liabilities)					
	a) Offshore	24,755.27	23,446.61	24,755.27	23,446.61	24,063.67
	b) Onshore	14,638.64	13,450.80	14,638.64	13,450.80	12,421.52
	Total	39,393.91	36,897.41	39,393.91	36,897.41	36,485.19
	Unallocated Corporate Assets less Liabilities	40,638.23	34,596.95	40,638.23	34,596.95	34,132.20
	Grand Total	80,032.14	71,494.36	80,032.14	71,494.36	70,617.39

Note:

Segment Revenue in respect of Onshore segment for the current quarter and nine months ended 31st December, 2008 includes Rs. 1656 Crore (previous quarter Rs. 1454 Crore) and Rs. 6846 Crore (previous nine months Rs. 4329 Crore) on account of trading of products of MRPL, a subsidiary of ONGC.