



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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2008

(Rs. in Crore)

Sl. No.	Particulars	Unaudited			Audited		Audited	
		For Nine Months ended	For the Quarter ended		For the Year ended		Consolidated For the Year ended	
		31.12.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
	Gross Sales/Income from Operations	44408.92	15,728.34	12,449.47	60,137.26	56,903.70	101,835.15	86,267.57
	Less: Excise Duty Recovered	186.47	102.27	52.50	288.74	270.89	5,052.74	4,014.63
1	Net Sales/Income from Operations	44,222.45	15,626.07	12,396.97	59,848.52	56,632.81	96,782.41	82,252.94
2	Other Income	2976.95	2,033.71	2,178.95	5,010.66	4,243.10	4,554.08	4,752.68
3	Total Income (1+2)	47,199.40	17,659.78	14,575.92	64,859.18	60,875.91	101,336.49	87,005.62
4	Expenditure							
	a) (Increase)/Decrease in stock-in-trade	(152.29)	38.18	20.94	(114.11)	19.73	(110.09)	(981.53)
	b) Consumption of raw materials*	434.93	246.76	89.36	681.69	392.75	25,180.25	19,244.47
	c) Purchase of Traded Goods	4324.52	2,187.01	1,254.25	6,511.53	5,940.10	0.05	-
	d) Employees cost	982.33	163.04	1,554.86	1,145.37	2,981.78	1,328.46	3,070.50
	e) Statutory levies	9327.79	3,380.19	2,839.22	12,707.98	11,993.06	18,969.66	17,626.48
	f) Depreciation**	5953.44	3,844.48	2,863.73	9,797.92	9,499.44	13,953.32	12,415.26
	g) Other expenditure	5001.00	3,834.23	2,223.87	8,835.23	6,832.40	10,980.24	8,167.76
	Total	25,871.72	13,693.89	10,846.23	39,565.61	37,659.26	70,301.89	59,542.94
5	Interest	46.64	12.34	6.45	58.98	21.50	113.54	190.55
6	Exceptional Items	0.00	-	-	-	-	-	-
7	Profit from Ordinary Activities before Tax (3)-(4+5+6)	21,281.04	3,953.55	3,723.24	25,234.59	23,195.15	30,921.06	27,272.13
8	Tax Expense							
	a) For Current Tax	6726.50	1,285.50	645.49	8,012.00	7,627.09	10,255.46	8,690.62
	b) For Earlier Years	(386.60)	(0.51)	-	(387.11)	-	(268.16)	-
	c) Deferred Tax Liability (Asset)	825.59	22.46	698.34	848.05	186.96	649.94	939.96
	d) Fringe Benefit Tax	41.00	19.00	12.92	60.00	53.33	62.70	54.92
	Sub Total (a+b+c+d)	7,206.49	1,326.45	1,356.75	8,532.94	7,867.38	10,699.94	9,685.50
9	Add: Share of Profit/(Loss) in Associates						2.05	10.21
10	Less: Minority Interest						350.91	142.39
11	Net Profit from Ordinary Activities after Tax (7)-(8)+(9)-(10)	14,074.55	2,627.10	2,366.49	16,701.65	15,327.77	19,872.26	17,454.45
12	Extraordinary Items-Excess of Insurance Claims over book value (net of tax expense Rs.159.91 crore)			315.15		315.15		315.15
13	Net Profit for the period (11)+(12)	14,074.55	2,627.10	2,681.64	16,701.65	15,642.92	19,872.26	17,769.60
14	Paid-up equity share capital (Face value of share Rs. 10 each)	2138.87	2,138.87	2,138.87	2,138.87	2,138.87	2,138.87	2,138.87
15	Reserves excluding revaluation reserves***				67,554.61	59,020.98	75,009.23	63,807.85
16	Earnings Per Share (EPS)							
	(a) Basic and diluted EPS before Extraordinary items	65.80	12.28	11.06	78.09	71.66	92.91	81.61
	(b) Basic and diluted EPS after Extraordinary items	65.80	12.28	12.54	78.09	73.14	92.91	83.08
17	Public shareholding							
	-Number of shares	553131854	553131854	553131854	553131854	553131854	553131854	553131854
	-Percentage of shareholding	25.86	25.86	25.86	25.86	25.86	25.86	25.86

*Represents consumption of raw materials, stores & spares. ** Also includes depletion, amortization and impairment loss ***Reserve s excluding intangibles

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

(Rs. in Crore)

Sl. No.	Particulars	Unaudited			Audited		Audited	
		For the Nine months ended	For the Quarter ended		For the Year ended		Consolidated for the Year ended	
		31.12.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
1	Segment Revenue							
	A. In India							
	(i) E&P							
	a) Offshore	32364.29	11770.32	10265.59	44134.61	42068.85	44134.61	42068.85
	b) Onshore	12733.24	4498.54	3734.48	17231.78	16991.23	17109.95	16835.10
	c) Unallocated	37.04	25.04	(18.15)	62.08	17.16	897.90	706.28
	(ii) Refining						37484.05	32552.87
	B. Outside India						16748.92	11564.90
	Total	45134.57	16293.90	13981.92	61428.47	59077.24	116375.43	103728.00
	Less: Inter Segment Revenue						12837.23	14822.45
	Net sales/income from operations	45134.57	16293.90	13981.92	61428.47	59077.24	103538.20	88905.55
2	Segment Result: Profit(+)/Loss(-) before tax and interest from each segment							
	A. In India							
	(i) E&P							
	a) Offshore	18413.07	4708.43	4543.45	23121.50	21516.18	23121.50	21516.18
	b) Onshore	1380.35	(1646.43)	(1072.67)	(266.08)	431.06	(298.37)	376.11
	c) Unallocated	(651.86)	(522.50)	(387.58)	(1174.36)	(800.15)	(1167.84)	(537.20)
	(ii) Refining						1862.08	1337.12
	B. Outside India						4666.21	2655.77
	Total	19141.56	2539.50	3083.20	21681.06	21147.09	28183.58	25347.98
	Less:							
	i. Interest Payment	46.64	12.34	6.45	58.98	21.50	113.54	190.55
	ii. Other unallocable expenditure net of unallocable income.	(2186.12)	(1426.39)	(646.49)	(3612.51)	(2069.56)	(2851.02)	(2114.70)
	Profit before Tax and Extraordinary Items	21281.04	3953.55	3723.24	25234.59	23195.15	30921.06	27272.13
	Extraordinary Items-Excess of Insurance Claims over book value			475.06		475.06	0.00	475.06
	Profit before Tax	21281.04	3953.55	4198.30	25234.59	23670.21	30921.06	27747.19
3	Capital Employed (Segment Assets - Segment Liabilities)							
	A. In India							
	(i) E&P							
	a) Offshore	23446.61	24063.67	18938.26	24063.67	18938.26	24063.68	18938.26
	b) Onshore	13450.80	12421.52	11628.24	12421.52	11628.24	12392.30	11597.32
	(ii) Refining						3812.16	2787.72
	B. Outside India						6305.90	4373.57
	Total	36897.41	36485.19	30566.50	36485.19	30566.50	46574.04	37696.87
	Unallocated Corporate Assets less Liabilities	34596.95	34132.20	31357.43	34132.20	31357.43	31512.58	29016.78
	Grand Total	71494.36	70617.39	61923.93	70617.39	61923.93	78086.61	66713.65

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
- Segment wise Revenue, Result, 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 Entities - Petronet LNG Limited, Petronet MHB Limited, ONGC Mangalore Petrochemicals Limited, Mangalore SEZ Limited, ONGC Petro addition Limited, ONGC Tripura Power Company Pvt. Limited and ONGC TERI Biotech Limited.
- Segment Revenue in respect of Onshore Segment for the current quarter and year ended 31st March, 2008 includes Rs. 2187.95 crore (Previous quarter Rs. 1249.22 crore) and Rs. 6516.86 crore (Previous year Rs. 5940.10 crore) on account of trading of products of MRPL - a subsidiary of ONGC.
- The Segment Result of Onshore Segment for the quarter and year ended 31st March, 2008 is affected due to higher manpower cost on account of provision for pay revision and higher subsidy impact.
- Previous year figures have been regrouped/reclassified wherever necessary.

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 25th June,2008.
2. The audited accounts are subject to review by the Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956.
3. The Board of Directors has recommended a final dividend @ 140% which works out to Rs. 2994 Crore over and above the interim dividend of 180% amounting to Rs. 3850 Crore paid in January, 2008. The total dividend for the year 2007-08 works out to Rs.6844 Crore as against Rs. 6631 Crore during 2006-07.
4. In terms of the decision of the GOI, the company has shared under recoveries of Oil Marketing Companies (OMCs) for the year 2007-08 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 (PPAC) on quarterly basis. The impact on this account is as under:-

(Rs. in Crore)

Decrease in	For the Nine Months Ended	For the Quarter ended		For the Year ended	
	31.12.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Sales Revenue	13529	8472	4668	22001	17024
Profit before tax	12363	7696	4309	20059	15576
Profit after Tax	8161	5080	2859	13241	10333

5. Gross Sales and Purchases for the quarter include Rs. 2187.95 Crore (previous quarter Rs. 1256.47 Crore) and Rs. 2187.02 Crore (previous quarter Rs. 1254.25 Crore) respectively on account of trading of products of MRPL, a subsidiary of the Company. Similarly, gross sales and purchases for the year include Rs. 6516.86 Crore (previous year Rs. 5947.35 Crore) and Rs. 6511.53 Crore (previous year Rs. 5940.10 Crore) respectively on account of trading of products of MRPL, a subsidiary of the Company.
6. The Company has revised the rate of interest on loan to OVL; a wholly owned subsidiary of the Company during the Current quarter from 0.1 % to 6 % p.a. w.e.f. 1.4.2007. Accordingly, other income on account of Interest is higher by Rs. 725.88 Crore.
7. Other income for the current quarter includes receipt of a sum of Rs. 197.37 Crore in the form of 8.40 % Oil Marketing Companies, Government of India Special Bonds, 2025 from MoP&NG towards claim for compensation of wayleave fees and loss of revenue by the Company in earlier years due to laying of Crude oil pipelines during 1978 to 2002.
8. Pay Revision of employees is due w.e.f. 1.1.2007. Pending finalization, the company has provided for a sum of Rs.1050 Crore as estimated by the Management. In addition, the Company has also provided Gratuity amounting to Rs. 885.18 Crore during the year as per actuarial valuation after considering the estimated pay revision impact and proposed enhanced maximum ceiling of Rs. 10 lakh as against Rs. 3.5 lakh in 2006-07. The same has been allocated to activities as per the policy of the Company.
9. Till the year 2006-07, the company had been charging certain employee benefits (CPF, Gratuity, Leave Encashment, Annual Incentive, Additional Annual Incentive and Post Retirement Death in Service Benefit Scheme expenses and Post Retirement Medical Benefits) and general administrative expenses at Assets, Basins, Services and Head quarters to 'Production, Transportation, Selling & Distribution Expenditure'. The Company has reviewed and rationalized its allocation policy during the year w.e.f. 01.04.2007. Accordingly, the above employee benefits and directly identifiable general administrative expenses at Assets, Basins and Services have been allocated to Exploration, Development and Production activities etc. As a result of this

change, Profit before tax is higher by Rs. 630.82 Crore approx. Hence the employee costs for the quarter and for the year are not comparable with that of the previous period's figures.

10. 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 in 2006-07 for confirmation of the rate of depreciation. Pending clarification by the Ministry, the company continues to charge depreciation at 100% on such assets.
11. The Company has reviewed and revised the estimated eventual liability towards costs relating to dismantling, abandoning and restoring Offshore Well Sites and allied facilities based on the advice of outside consultant who has suggested cost effective rigless methodology for plugging and abandonment of wells. Accordingly, there is a reduction in liability for abandonment cost by Rs. 3316.60 crore with corresponding decrease in Producing Properties. This has resulted in decrease in depletion for the year with corresponding increase in profit before Tax by Rs 382.93 crore.
12. Company had acquired 90% Participating Interest in Exploration Block KG DWN 98/2 from M/s.Cairn Energy India Ltd., in 2004-05 for a lump sum consideration of Rs.371.12 crore, which was capitalized under Exploratory wells in Progress. Subsequently drilling of three wells were completed in this block till March 2006 at a cost of Rs. 239.36 crore and included in Exploratory wells in Progress. There are Initial-in-Place-Reserves in this block and also conceptual development plan is under way. Since the block is located in deep waters needing more time for completion of appraisal programme, the company as an abundant prudence has made a provision of Rs. 610.48 crore in respect of above costs.
13. Information on investors' complaints pursuant to clause 41 of Listing Agreement for the quarter ended 31st March, 2008:

	Opening Balance	Additions	Disposals	Closing Balance
No. of complaints	5	54	52	7

The balance 7 complaints have already been resolved in the first week of April, 2008.

These exclude investor complaints regarding the offer for sale of 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.

14. Notes on Consolidated Financial Results : - The Consolidated Financial Results have been prepared in line with requirements 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'.
15. Previous year's figures have been regrouped/reclassified wherever necessary.

By order of the Board

(D K Sarraf)
Director (Finance)

Place: New Delhi
Date : June 25th, 2008