ओएनजीसी ONGC

Oil and Natural Gas Corporation Ltd.

Press Release

ONGC posts net profit of ₹ 17,900 crore for FY'17, up by 10.9% YoY

New Delhi | 26th May, 2017

Highlights:

- **Registers Gross Revenue of ₹ 77,907 crore in FY'17, against ₹ 77,740 crore in FY'16**
- **Declares final dividend of 16% taking total dividend payout in FY'17 to 121% (adjusted post bonus equity)**
- **Makes 23 discoveries in FY'17, compared to 17 in FY'16**
- **Consolidated ONGC Group's net profit at ₹ 20,498 crore in FY'17; up by 59.2% as against FY'16**

In its 293rd Board Meeting held on 26th May, 2017, ONGC presented the annual results for FY'17.

1. Financial Performance

Particulars	**Q4FY'17**	**Q4FY'16***	**% Var**	**FY'17**	**FY'16***	**% Var**
Gross Revenue (₹ Crore)	21,714	16,237	33.7	77,907	77,740	0.2
Profit Before Tax (PBT) (₹ Crore)	5,537	6,666	(16.9)	25,216	23,599	6.9
Profit After Tax (PAT) (₹ Crore)	4,340	4,625	(6.2)	17,900	16,140	10.9
*Restated as per IndAS						
Crude Oil Price-Nominated						
Net Realization (US$/bbl)	54.91	34.88	57.4	50.27	47.14	6.6
Net Realization (₹/bbl)	3,679	2,354	56.3	3,372	3,086	9.3
Crude Oil Price-JV						
Realization (US$/bbl)	48.72	29.01	67.9	44.09	42.39	4.0
Realization (₹/bbl)	3,266	1,958	66.8	2,959	2,775	6.6
Gas Price						
Price on GCV basis ($/mmbtu)	2.50	3.82	(34.6)	2.77	4.24	(34.7)

2. Exploratory Performance:

ONGC has achieved a phenomenal rise in exploration performance in FY'17 by making 23 discoveries, as against 17 discoveries in FY'16 – an increase of 35%. Of the 23 discoveries, 13 discoveries were made in onland (Nominaton-12, NELP-1) and 10 in offshore. (Nomination-7, NELP- 3). Out of 13 onland discoveries, 9 were monetized during the year itself having a potential of 0.218 MMTOE per year.

a. Ultimate 2P Reserve Accretion: FY'17

	(in MMToe)
ONGC operated domestic areas	64.32
Domestic JVs	0.22
Total Domestic	**64.54**

b. Reserve Replacement Ratio (RRR) of ONGC-Operated Domestic Areas

In FY'17, ONGC has registered an overall 2P Reserve Replacement Ratio (RRR) of 1.45, making it the eleventh consecutive year that the Company has recorded an RRR in excess of 'One'. This reflects ONGC strong exploratory record over the years.

c. Balance Recoverable Reserves as on 31st March, 2017

(in MMToe)

	Domestic		Overseas (ONGC Videsh)	Total
	ONGC - operated	Non-operated-JVs		
1P	696.47	14.46	271.23	982.16
2P	1,095.45	18.71	703.80	1,817.97
3P	1,379.79	19.26	743.28	2,142.33

3. Production Performance

Particulars	Q4FY'17	Q4FY'16	% Var	FY'17	FY'16	% Var
Crude Oil–ONGC (MMT)	5.243	5.200	0.8	20.855	21.081	(1.1)
Crude Oil–JVs (MMT)	0.802	0.860	(6.7)	3.316	3.567	(7.0)
Condensate (MMT)	0.346	0.280	23.6	1.363	1.279	6.6
Total Crude Oil (MMT)	**6.391**	**6.340**	**0.8**	**25.534**	**25.927**	**(1.5)**
Gas – ONGC (BCM)	5.668	4.905	15.6	22.088	21.177	4.3
Gas – JVs (BCM)	0.276	0.335	(17.6)	1.182	1.353	(12.6)
Total Gas (BCM)	**5.944**	**5.240**	**13.4**	**23.270**	**22.530**	**3.3**
Value Added Products (KT)	**848**	**691**	**22.7**	**3235**	**2,770**	**16.8**

4. Dividend Payout

The ONGC Board has recommended a final dividend of 16%. The Company had earlier declared interim dividends of 105 % (adjusted post bonus equity) during the year; thus the total dividend for FY'17 has been 121% (adjusted post bonus equity).

Dividend Payout during last 5 years:

(₹ in Crore)

Year	Stand-alone PAT	Dividend		Tax on Dividend	Payout %	
		%	₹ in Crore		Including Dividend Tax	Excluding Dividend Tax
2012-13	20,926	190	8,128	1,301	45.06	38.84
2013-14	22,095	190	8,128	1,381	43.04	36.79
2014-15	17,733	190	8,128	1,626	55.00	45.83
2015-16	16,004	170	7,272	1,480	54.69	45.44
2016-17	17,900	121*	7,764	1,581	52.21	43.37

*adjusted post bonus (1:2) equity

5. Consolidated Results

1.	**Consolidated Turnover ₹ 1,42,149 Crore (4.8 % up from ₹ 1,35,664 Crore in FY'16)**
2.	**Consolidated Net Profit (PAT) ₹ 20,498 Crore (59.2 % up from ₹ 12,875 Crore in FY'16)**

6. ONGC Group of Companies

1.	**Oil and Natural Gas Corporation Ltd**
2.	**Subsidiaries:**
i	ONGC Videsh Ltd (Consolidated)
ii	Mangalore Refinery and Petrochemicals Ltd (Consolidated)
iii	ONGC Mangalore Petrochemicals Ltd
3.	**Joint Ventures**
i	Petronet MHB Ltd
ii	Mangalore SEZ Ltd (Consolidated)
iii	ONGC Petro Additions Ltd
iv	ONGC Tripura Power Company Ltd (Consolidated)
v	ONGC TERI Biotech Ltd
vi	Dahej SEZ Ltd (Unaudited)

4.	**Associate:**
i	Pawan Hans Helicopters Ltd (Unaudited)
ii	Petronet LNG Ltd (Consolidated)

7. ONGC Videsh Ltd

Production

ONGC's overseas arm, ONGC Videsh Ltd. registered increase in production of oil and gas by 44% with net production of 12.803 MMTOE in FY'17, as compared to 8.916 MMTOE in FY'16. This increase in production was mainly contributed from the newly acquired stake in Vankor field in Russia which contributed 4.545 MMTOE during the year.

Production	Unit	FY'17	FY'16
Crude Oil	MMT	8.434	5.510
Natural Gas	BCM	4.369	3.406
Total Oil and Oil Equivalent Gas	**MMTOE**	**12.803**	**8.916**

Turnover

The Company has achieved a turnover of ₹ 10,080 crore during FY 2016-17 against the turnover of ₹ 9,867 crore during FY 2015-16 (increased by 2%).

Profit After Tax (PAT) and Dividend

The Company registered a PAT of ₹ 701 crore in FY'17, as against Net Loss of ₹ 3,633 crore in FY'16. The Board of Directors of the Company has proposed a final dividend of ₹ 1.40 per share on fully paid equity share par value of ₹ 100 each, subject to approval by the shareholders. The dividend amounts to ₹ 210 crore.

New Acquisition

ONGC Videsh completed acquisition of 15% stake in Vankor Field located in East Siberia of the Russian Federation on May 31, 2016 from Rosneft Oil Company and subsequently acquired additional 11% stake on October 28, 2016. Vankor is Russia's second largest field by production and accounts for 4% of Russian production. The daily production from the field is around 400,000 barrels per day of crude oil (bopd) and 19.76 Million Metric Standard Cubic Meter Per Day(MMSCMD) of gas on an average and ONGC Videsh's share of daily production from Vankor (considering both the acquisitions) will be about 104,000 bopd of crude oil, and 5.138 MMSCMD of gas, totaling to 6.936 MMTOE per annum.

Financing

ONGC Videsh Vankorneft Pte. Ltd., a step down wholly owned subsidiary of ONGC Videsh, in July 2016 raised USD 1 billion comprising of USD 400 million Senior Unsecured Notes due 2022 and USD 600 million Senior Unsecured Notes due 2026 in the international capital markets for refinancing the bridge loan for acquisition of 15% stake in Vankor Field. ONGC Videsh Vankorneft Pte. Ltd also raised finances by way of bridge loan to acquire 11% stake in Venkor Field in October 2016. The bridge loans have been replaced in April 2017 for which the company tied up USD 500 million and JPY 38 billion syndicated longer tenor facilities at competitive prices from International commercial banks.

8. Mangalore Refinery and Petrochemicals Ltd (MRPL)

Throughput

MRPL has achieved highest ever Throughput of 16.27 MMT for the FY 2016-17 as against 15.69 MMT during last FY 2015-16.

Turnover

MRPL has achieved a turnover of ₹ 59,415 Crore during FY 2016-17 as against ₹ 50,864 Crore during the FY 2015-16 (increase by 17%).

Gross Refinery Margin (GRM)

MRPL registered a GRM of USD 7.75/bbl, one of the highest among the PSU refineries.

Profit After Tax (PAT) and Dividend

MRPL has posted highest ever Profit After Tax (PAT) of ₹ 3,644 Crore as against PAT of ₹ 1,147 Crore during FY 2015-16, an increase of 218%. MRPL has declared a dividend of ₹ 6 per share (60% of paid-up capital) amounting to ₹1,052 Crore; last dividend declared by MRPL was for the year 2011-12.

9. ONGC Tripura Power Company (OTPC)

Power Generation

OTPC a JV company of ONGC, achieved highest ever gross generation of 4170 Mus during FY 16-17 which surpasses previous annual best of 3481 MUs during FY 15-16.

Turnover

The Company has achieved a turnover of ₹ 1,298 Crore during FY 16-17 up 18% from ₹ 1,099 Crore during FY 15-16.

Profit After Tax (PAT) and Dividend

OTPC earned a net profit of ₹ 130 Crore during FY 16-17 as compared to ₹ 13 Crore in the previous year. OTPC has declared maiden dividend of 7.5% of paid-up equity share capital of ₹ 1,120 Crore amounting to ₹ 84 Crore for FY 16-17, within two years of commencement of full operation of Palatana Power Project. This is India's first dividend paying standalone gas based power generation company.

10.ONGC Petro additions Limited (OPaL)

ONGC Petro Additions Ltd (OPaL) a JV company of ONGC has started stabilized operation of all its units, currently operating at nearly 50% plant capacity, which is being ramped up. Upon complete ramp up, OPaL would be producing about 1.4 million tons of Polymers and 0.5 million tons of liquid chemicals generating about ₹ 16,500 crore annually in revenues. The mega complex has been dedicated to the nation by Hon'ble Prime minister on March 7, 2017.

11.ONGC Mangalore Petrochemicals Limited (OMPL)

OMPL in its 2nd full year operation in 2016-17, has achieved highest capacity utilization of 105% in November 2016 with consistent operating capacity of ~95% capacity utilization in the past six months. OMPL achieved the highest revenue of ₹ 5256 Crore – 25% growth over last year, with highest exports of ₹ 3900 Crore in FY 17 establishing a niche presence for its products Paraxylene and Benzene in the international market.

For further information, please visit our website www.ongcindia.com

Conversion Rates:

₹-USD: 67.09 (average for the Year FY'17)
₹-USD: 65.46 (average for the Year FY'16)

Listing references (as on 25th May 2017):

ONGC	BSE – ₹ 174.15 NSE – ₹ 174.15
MRPL	BSE – ₹ 130.10 NSE – ₹ 130.15

Disclaimer

This Press Release is intended to apprise the public regarding the highlights of Audited Financial Results of ONGC on standalone and consolidated basis, for the year ended 31st March, 2017 approved by the Board of Directors in their meeting held on 26.05.2017, in addition to informing about other major and / or related highlights/ developments which in view of the management may be considered as important. These are not to be taken as forward looking statements and may not be construed as guidance for future investment decisions by investors / stakeholders.

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