



**MEMORANDUM OF UNDERSTANDING
2014-15**

**OIL AND NATURAL GAS CORPORATION LIMITED
(ONGC)**

AND

ONGC VIDESH LIMITED (ONGC VIDESH),

A 100% SUBSIDIARY COMPANY OF ONGC

ONGC Videsh Limited

Vision

To be a world class exploration and production company providing security oil to the country.

Mission

To contribute 60 MMTon of equity Oil and Oil Equivalent Gas by 2030.

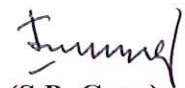
Strategic Objectives

- To support India's energy security.
- To build balanced portfolio of exploration, discovered and producing assets in focus countries.
- To build a team that excels in performance through assimilation of best practices and technologies.
- To be at par with the best international oil and gas companies.
- Be the strongest Indian player in the international E&P.
- Build collaborative relations with its partners.

MoU 2014-15
Approved by DPE/TF
Signed 

SIGNATURES

ONGC VIDESH LTD and OIL AND NATURAL GAS CORPORATION LTD agree to the Memorandum of Understanding for 2014-15 and sign this document on the 25th day of March of the year Two Thousand and Fourteen.


(S.P. Garg)

Managing Director
ONGC Videsh Limited



(D.K. Sarraf)
Chairman and Managing Director
Oil and Natural Gas Corporation Limited



ONGC Videsh Ltd.

PERFORMANCE EVALUATION PARAMETERS AND TARGETS

The Company undertakes to achieve performance level for the year 2014-15 as indicated below:

Criterion	Unit	Weight %	Performance Level to achieve					MOU Target 2014-15	Source /origin of documents
			1. Excellent	2. V Good	3. Good	4. Fair	5. Poor		
1. STATIC FINANCIAL PARAMETERS (50%)									
i) Growth/Size/Activity									
a) Sales Turnover	₹ Cr.	15	22,728	21,591	20,455	19,319	18,182	21,591	Annual Report
b) Gross Operating Margin Rate	%	15	55%	54%	53%	52%	51%	54%	Annual Report
ii) Profitability									
a) EBIDTA / Net Block (Opening Balance as on 01.04.2014)	%	10	33.05%	30.75%	28.46%	26.16%	23.87%	30.75%	Annual Report
iii) Cost & Output Efficiency									
a) PAT per Employee	₹ Cr.	10	0.87	0.80	0.73	0.66	0.59	0.80	Annual Report
2. DYNAMIC / NON-FINANCIAL PARAMETERS (50%)									
(i) Research & Development (2%)									
Completion of pre-pilot studies for development of suitable technology for exploitation of tight oil reservoir in Snezhnoye field	Date	0.5	Jul'14	Aug'14	Sep'14	Oct'14	Nov'14	Aug'14	Project Manager's Certificate/ available documents
Completion of pre-pilot studies for development of suitable technology for exploitation of Bazhenov Shale	Date	0.5	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Dec'14	
Drilling of one horizontal pilot well and put on testing after applying the state of the art frac technology in Snezhnoye field	Date	1	28th Feb'15	15th Mar'15	22nd Mar'15	31st Mar'15	Beyond Mar'15	15th Mar'15	
(ii) Initiative for Growth (25%)									
a) Crude Oil Production	MMT	15	5,100	4,989	4,846	4,576	4,307	4,989	Annual Report
b) Gas Production	BCM	10	2,768	2,630	2,491	2,353	2,215	2,630	Annual Report
(iii) Project Management & Implementation (15%)									
a) Reserve Accretion (2P)	MMToE	3	2,000	1,900	1,800	1,700	1,600	1,900	Annual Report

ONGC Videsh Ltd.

PERFORMANCE EVALUATION PARAMETERS AND TARGETS

The Company undertakes to achieve performance level for the year 2014-15 as indicated below:

Criterion	Unit	Weight %	Performance Level to achieve					MOU Target 2014-15	Source /origin of documents
			1. Excellent	2. V Good	3. Good	4. Fair	5. Poor		
b) Projects to be completed during the year									
Sakhalin-1, Russia:Transport & Installation of Platform Topside at Arkutun Dagi field in Sakhalin-1, Russia	Date	2	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Dec'14	Project Manager's Certificate/ available documents
Vietnam, Block 6.1:Compressor Re-wheeling Project: Complete FEED / Detail design	Date	2	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Dec'14	
MECL, Colombia:Solid handling facility in MORICHE MTB in MECL, Colombia	Date	2	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Dec'14	
MECL, Colombia:Residual water plant for MORICHE PH-2 in MECL, Colombia	Date	2	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Dec'14	
c) CAPEX (Plan Outlay) including new acquisitions, (₹ 14,792 Crore)	% of BE	4	100	95	90	85	80	95	Submission to Ministry
(iv) Technology, Quality, Innovative practices (4%)									
a) Environment and safety Management (ISO 14001 and OHSAS 18001 Certification/Surveillance Audit)	Date	1	07.03.15	15.03.15	22.03.15	31.03.15	Beyond Mar,15	15.03.15	ISO 14001 and OHSAS 18001 certificates
b) Business development processes and systems for overseas acquisition									
Study and review of 'as is' business development processes and systems for overseas acquisition	Date	0.5	Apr'14	May'14	June'14	Jul'14	Aug'14	May'14	Minutes of EC meeting
Design, review and pilot implementation of 'to be' business development processes and systems for overseas acquisition	Date	1.5	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Dec'14	
Review and acceptance of the 'to be' business development processes and systems by the Executive Committee	Date	0.5	31st Jan'15	15th Feb'15	28th Feb'15	15th Mar'15	31st Mar'15	15th Feb'15	
Board Approval of the 'to be' business development processes and systems	Date	0.5	15th Feb'15	28th Feb'15	15th Mar'15	31st Mar'15	Beyond Mar'15	28th Feb'15	Extracts of Board Meeting

ONGC Videsh Ltd.

PERFORMANCE EVALUATION PARAMETERS AND TARGETS

The Company undertakes to achieve performance level for the year 2014-15 as indicated below:

Criterion	Unit	Weight %	Performance Level to achieve					MOU Target 2014-15	Source /origin of documents										
			1. Excellent	2. V Good	3. Good	4. Fair	5. Poor												
(v) Human Resource Management (3%)																			
a) Training on Risk Management	No. of employees	1	6	5	4	3	2	5	Training Certificate										
b) Language Training		1	21	20	19	18	17	20	Training Certificate										
c) Project Management Training		1	16	15	14	13	12	15	Training Certificate										
3. Enterprise Specific Parameters (1%)																			
a) HSE Audit	Nos.	1	4	3	2	1	0	3	Audit Report										
<p>1.) The following have been considered for working out the parameters & targets for proposed MoU 2014-15 Very Good target (All figures in ₹ Crore except number of employees)</p> <table border="1"> <tr> <td>Gross Operating Margin</td> <td>11.607</td> </tr> <tr> <td>Net Profit (PAT)</td> <td>2,214</td> </tr> <tr> <td>EBITDA</td> <td>11,685</td> </tr> <tr> <td>Net Block (Opening Balance)</td> <td>37,999</td> </tr> <tr> <td>No. of Employees</td> <td>3,000</td> </tr> </table>										Gross Operating Margin	11.607	Net Profit (PAT)	2,214	EBITDA	11,685	Net Block (Opening Balance)	37,999	No. of Employees	3,000
Gross Operating Margin	11.607																		
Net Profit (PAT)	2,214																		
EBITDA	11,685																		
Net Block (Opening Balance)	37,999																		
No. of Employees	3,000																		
<p>2.) Crude Oil production considered as Excellent is 5.100 MMT (excluding 0.200 MMT for South Sudan & Syria) and thereafter reduced @ 2.2% for V.Good targets and @5% reduction for Good and onwards</p>																			
<p>3.) Natural Gas production considered as Excellent is 2.768 BCM and @5% reduction for Very Good and subsequent</p>																			
<p>4.) Capex (Plan Outlay) of ₹14,792 Crore includes ₹4,875 Crore towards new acquisitions</p>																			
<p>5.) Assumed Brent Crude Oil Price is US \$ 105/bbl.</p>																			
<p>6.) Exchange Rate has been assumed at ₹ 62/US\$.</p>																			
<p>7.) No. of Employees includes share of employees of Joint Ventures in proportion to OVL's participating interest in the respective Project/Asset.</p>																			
<p>8.) Reserve accretion is only from existing producing and development assets and not from new acquisitions.</p>																			
<p>9.) The production figures for Sakhalin-1, Russia have been fixed taking into account shutdown occurring in 2014-15.</p>																			

ASSUMPTIONS

A. PHYSICAL

- Crude Oil including condensate production target for MoU 2014-15, shall be 5.100 MMT under excellent category (excluding 0.200 MMT from South Sudan & Syria) and 4.989 MMT (excluding 0.195 MMT from South Sudan & Syria) under very good category. However, adjustment will be made in the physical and financial performance for evaluation purpose based on actual production from South Sudan i.e. in case of lower production from South Sudan, the actual physical performance could be increased assuming the South Sudan production at 0.200 MMT with similar adjustment in financial performance. Similarly adjustment would be made for higher production from South Sudan.
- Natural Gas production target shall be 2.768 BCM under excellent category and 2.630 BCM under very good category.
- ONGC Videsh produces in several countries having different geo-political environment. The production level estimated here-in assumes stable geo-political situation in various producing countries. In case of any adverse variation in production due to geo-political reasons, necessary set off of impact on production and financial performance would be made at the time of evaluation.
- Gas production from Sakhalin-1, Russia and ACG, Azerbaijan is taken as net of injection.

B. FINANCIAL

- Crude oil and condensate price has been taken at US\$ 105/bbl for Dated Brent Crude and appropriate premium and discount based on past trend has been applied to arrive at the price of crude for the fields.
- 1 US Dollar has been assumed at ₹ 62 for FY 2014-15.
- Natural gas prices in respect of Block 06.1, Vietnam, Sakhalin-1, Russia and Block A-1 & A-3, Myanmar, have been considered at the level of long term contract price and applicable index based formula as under:
 - a) Vietnam Block 06.1 = US \$ 2.53/MMBTU (Exclusive of VAT).
 - b) Sakhalin-1, Russia = US \$ 2.46/MMBTU (Exclusive of VAT)
 - c) Block A-1 & A-3, Myanmar = US \$ 7.51/MMBTU at well head
- As per past practice, OVL performance is computed at consolidated level (consolidation of Participation Interest of all its overseas assets held directly or indirectly through Subsidiaries and Joint Ventures Companies).
- Any variation in crude oil price, natural gas price and exchange rate will be adjusted at the time of evaluation in respect of various items/parameters of Profit & Loss and Balance Sheet affected by such variations.
- Capex (Plan Outlay) of ₹14,792 Crore includes ₹4,875 Crore towards new acquisitions.

- Since OVL operates in several international jurisdictions through subsidiary and Joint venture companies, the annual accounts are presented based on line-by-line consolidation resulting in foreign exchange variations in Balance Sheet parameters. Accordingly Net Worth and Net Block will be restated at the time of evaluation for neutralizing the Foreign exchange variation. The average and year end exchange rate assumed for FY 2013-14 is ₹ 60.50/US\$ and for FY 2014-15 is ₹ 62/US\$.

C. OPERATIONAL

- Any change in the political/fiscal environment in the host countries/regions may affect Company's performance.
- Any change in the plans of the consortium of the projects may also affect the performance.

D. SUPPORT FROM GOVERNMENT

- OVL empowerment commensurate with the requirements of OVL
- Empowerment equivalent to Maharatna companies
- Diplomatic support from Govt. of India
- To ensure secrecy of information
- Sanction of Director (BD) post

E. SUPPORT FROM ONGC

- Adequate and timely support and provision of human resources in different disciplines, as may be required by OVL, with proficiency level, with mutual consent
- As on 31.12.2013, OVL's manpower strength is 307 against the requirement of 430-450 as suggested by M/s Boston Consulting Group (BCG)
- Technical support from Institutes
- Funding/Guarantee support

F. NEGATIVE MARKING FOR NON-COMPLIANCE OF CORPORATE GOVERNANCE

- Department of Public Enterprises has issued guidelines on Corporate Governance vide O.M.No.18(8)/2005-GM dated 14th May, 2010. Listed CPSEs will follow both SEBI Guidelines and DPE Guidelines while non-listed CPSEs would require to mandatorily follow the DPE Guidelines on Corporate Governance. In the MoU for 2014-15, "Compliance of Corporate Governance" will not be a parameter, however, for non-compliance, negative marking will be imposed and MoU score will be increased in the following manner:

Sl.	Annual Score	Grading	Penalty Marks	Difference in score from 'Excellent' Grade
01	85% and above	Excellent	0	0.00
02	75%-84%	Very Good	0	0.00
03	60%-74%	Good	0.5	0.02
04	50%-59%	Fair	0.5	0.02
05	Below 50%	Poor	1.0	0.04

If a CPSE fails to submit the self-evaluation report of Corporate Governance through its Administrative Ministry, its score will be inflated accordingly.

G. NEGATIVE MARKING FOR NON-COMPLIANCE OF OTHER GUIDELINE/REGULATIONS

a) Procurement from MSME

CPSEs will have to follow the Public Procurement Policy for Micro, Small and Medium Enterprises (MSMEs) Order, issued vide D.O. No. 21(1)/2011-M.A. dated April 25th, 2012 and non-compliance with the aforesaid order will be penalized up to 1 mark at the discretion of Task Force at the time of MoU Evaluation.

b) Non-Compliance of DPE Guidelines

CPSEs have to give a certificate regarding implementation of guidelines issued by DPE within prescribed timelines and format specified through its administrative ministry as per details in OM No. DPE/14(38)/10-Fin dated 28th June, 2011. Non-compliance of DPE Guidelines determined on the basis of certificate submitted will be penalized up to 1 mark at the discretion of Task Force at the time of MoU Evaluation.

c) Other Non-Compliance

Non-compliance of any directives of government including submission of data for Public Enterprises (PE) survey, MOSPI data updation on their website etc., and non-compliance of requirements of regulators in serious cases may be penalized upto 1 mark depending on the degree and seriousness of non-compliance. CPSE have to give a certificate regarding compliance of directives of Government and requirement of regulators (**Annexure VIII**).

This draft MOU 2014-15 is prepared as per guidelines for Memorandum of Undertaking (MoU) for the year 2014-15 issued vide No.3/19/2013-DPE (MoU) dated 11th November, 2013 and clarification on financial statements thereof issued on 3rd December, 2013 and pursuant to negotiation meeting held with the task force on 19.02.2014.

GLOSSARY OF TERMS

Sales Turnover: - 'Sales Turnover' may be defined as the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities of an enterprise from the sale of goods and from rendering of services. It is measured by the charges made to customers or clients for goods supplied and services rendered to them. In an agency relationship, it is amount of commission and not the gross inflow of cash, receivables or other consideration. In case of contractors, the amount of contract revenue recognized as revenue in the statement of profit and loss as per the requirement of AS-7 (revised 2002), should be considered as 'Sales Turnover'. It may further be noted that the term 'Sales Turnover' does not include amounts collected by the company on behalf of others such as sales tax, value added tax etc. but includes element of excise duty. Further, inter-divisional transfers, would also not form part of sales turnover.

Note: For the purpose of deciding Memorandum of Undertaking (MoU) target under 'sales turnover' parameter for the purpose of Department of Public Enterprises (DPE), it shall not include excise duty.

Gross Operating

Margin: - 'Gross Operating Margin' is the excess of the proceeds of good sold and services rendered during a period over their cost, before taking into account administration, selling, distribution, financing expenses and taxes. When the result of this computation is negative it is referred to as 'gross loss. It will not include 'other incomes'.

Gross Operating

Margin Rate: - Gross Operating Margin as a percentage of Sales Turnover.

Profit After

Tax (PAT):- The excess of total revenues over total expenses including depreciation, depletion and amortization, interest, extraordinary items, prior period items, minority interest and taxes (including deferred taxes).

Net Block: -

Gross Block shown net of accumulated depreciation and impairment loss is termed as 'Net Block'. For the purpose of this MoU, the same has been considered as at the beginning of the year i.e. 1st April, 2014.

EBITDA: -

EBITDA is the excess of total revenues over total expenses for a period before providing for depreciation and amortization, interest on borrowings, taxes (including deferred taxes), extraordinary and prior period items.

₹ Crore

Particulars	2009-10		2010-11		2011-12		2012-13		2013-14			2014-15		
	MoU VG	Actual	MoU VG	Actual	MoU VG	Actual	MoU VG	Actual	BE	MoU VG	RE	BE	MoU Excl.	MoU VG
Sales														
- Crude Oil	8,348	14,133	13,255	17,540	15,766	21,231	20,001	16,299	15,286	16,692	20,122	21,294	20,579	19,550
- Gas	634	761	676	828	826	992	1,099	1,139	1,294	1,303	1,205	1,802	1,786	1,696
- Other operating income (P/L & Tpt)	168	205	199	43	199	124	375	120	359	541	197	365	363	345
Sub Total - Sales Turnover/Gross Sales	9,150	15,099	14,130	18,411	16,791	22,347	21,476	17,558	16,938	18,535	21,524	23,460	22,728	21,591
Interest Income	-	30	-	100	-	91	-	207	-	-	-	-	-	-
Other Income	173	254	72	172	124	199	51	265	93	93	200	79	79	79
GROSS REVENUE	9,323	15,383	14,202	18,683	16,914	22,637	21,527	18,029	17,031	18,628	21,724	23,540	22,806	21,670
EXPENDITURE														
Opex	2,061	2,395	2,335	3,193	2,905	3,470	3,306	3,652	3,884	3,794	4,982	5,513	5,334	5,294
Statutory Charges	3,372	4,939	4,816	5,695	4,891	6,567	6,252	3,604	4,351	5,836	4,628	4,683	4,493	4,268
Exchange loss/Fx variance/hedging loss	-	(2)	-	4	-	164	-	(291)	-	-	34	64	50	50
Provisions (Opex)	-	108	-	93	-	302	-	136	-	-	371	373	373	373
TOTAL EXPENDITURE	5,433	7,440	7,151	8,985	7,796	10,504	9,559	7,101	8,235	9,630	10,015	10,633	10,249	9,985
GROSS OPERATING MARGIN	3,717	7,689	6,979	9,526	8,994	11,935	11,917	10,663	8,703	8,905	11,509	12,827	12,478	11,607
Gross Operating Margin Rate (%)	40.62%	50.93%	49.39%	51.74%	53.57%	53.41%	55.49%	60.73%	51.38%	48.04%	53.47%	54.68%	54.90%	53.76%
EBITDA	3,890	7,943	7,051	9,698	9,118	12,134	11,968	10,928	8,796	8,998	11,710	12,906	12,557	11,685
Recouped Cost (DD&A)	2,881	3,651	3,774	4,268	4,047	4,187	3,786	3,738	4,744	4,717	5,103	5,756	5,815	5,631
Provisions (Recouped cost) & Write offs	177	174	139	251	10	2,491	446	155	383	371	62	109	108	108
<i>Total Recouped cost</i>	<i>3,058</i>	<i>3,825</i>	<i>3,912</i>	<i>4,520</i>	<i>4,057</i>	<i>6,678</i>	<i>4,232</i>	<i>3,893</i>	<i>5,127</i>	<i>5,088</i>	<i>5,165</i>	<i>5,866</i>	<i>5,924</i>	<i>5,739</i>
EBIT	832	4,118	3,139	5,178	5,061	5,456	7,736	7,035	3,669	3,909	6,545	7,041	6,633	5,946
Interest Expense	1,523	172	318	272	209	297	210	241	173	173	291	1,830	1,823	1,823
Provisions (Financing Cost)	-	-	-	-	-	50	-	161	100	100	374	303	303	303
<i>Total Financing Cost</i>	<i>1,523</i>	<i>172</i>	<i>318</i>	<i>272</i>	<i>209</i>	<i>347</i>	<i>210</i>	<i>402</i>	<i>273</i>	<i>273</i>	<i>666</i>	<i>2,133</i>	<i>2,126</i>	<i>2,126</i>
Prior period	-	(58)	-	(35)	-	(7)	-	(50)	-	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROFIT BEFORE TAX (PBT)	(690)	4,004	2,821	4,942	4,852	5,117	7,526	6,683	3,396	3,637	5,879	4,908	4,507	3,820
Provision for Tax	(235)	1,889	1,743	2,205	2,288	2,363	3,127	2,765	1,648	1,780	2,285	1,911	1,895	1,606
Minority Interest	-	26	-	46	37	33	66	(12)	-	-	-	-	-	-
Net Profit (PAT)	(456)	2,090	1,077	2,691	2,527	2,721	4,333	3,929	1,747	1,857	3,594	2,996	2,612	2,214
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit transferred to Statutory Reserves	-	257	-	645	-	620	-	695	-	-	-	-	-	-
Any other item	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Remaining Profit transferred to Balance sheet</i>	<i>(456)</i>	<i>1,833</i>	<i>1,077</i>	<i>2,046</i>	<i>2,527</i>	<i>2,102</i>	<i>4,333</i>	<i>3,234</i>	<i>1,747</i>	<i>1,857</i>	<i>3,594</i>	<i>2,996</i>	<i>2,612</i>	<i>2,214</i>
NET WORTH	8,184	11,645	13,005	14,553	16,002	19,941	23,277	29,167	28,013	31,804	40,337	43,568	43,125	42,727
NET BLOCK (Opening Balance)											28,982	37,999	37,999	37,999
EBITDA / Net Block(OB)	-	-	-	-	-	-	-	-	-	-	40.40%	33.97%	33.05%	30.75%
No. of Employees	260	231	300	233	300	246	350	279	350	350	350	3,000	3,000	3,000
Net Profit (PAT) Per Employee*	(1.75)	9.05	3.59	11.55	8.42	11.06	12.38	14.08	4.99	5.31	10.27	1.00	0.87	0.80

Note - Figures have been re-classified in line with current recommendations
* Targets for MoU 2014-15 as per MoM of TF Negotiation Meeting, MoU 2014-15

ONGC Videsh Ltd. MoU 2014-15
Financial Performance Trend
Profit & Loss Particulars

₹ Crore

Particulars	2009-10		2010-11		2011-12		2012-13		2013-14			2014-15		
	MoU VG	Actual	MoU VG	Actual	MoU VG	Actual	MoU VG	Actual	BE	MoU VG	RE	BE	MoU Excl.	MoU VG
REVENUE														
- Gross Sales Turnover	9,150	15,099	14,130	18,411	16,791	22,347	21,476	17,558	16,938	18,535	21,524	23,460	22,728	21,591
- Interest Income	-	30	-	160	-	91	-	207	-	-	-	-	-	-
- Other Income	173	251	72	172	124	199	51	265	93	93	200	79	79	79
GROSS REVENUE	9,323	15,383	14,202	18,683	16,914	22,637	21,527	18,029	17,031	18,628	21,724	23,540	22,806	21,670
EXPENDITURE														
Opex	2,061	2,395	2,335	3,193	2,905	3,470	3,306	3,652	3,844	3,794	4,982	5,513	5,334	5,294
Statutory Charges	3,372	4,939	4,816	5,695	4,891	6,567	6,252	3,694	4,351	5,836	4,678	4,683	4,493	4,368
Exchange loss/Av. variance/hedging loss	-	(2)	-	4	-	164	-	(291)	-	-	34	64	50	50
Provisions (opex)	-	168	-	93	-	302	-	136	-	-	371	373	373	373
TOTAL EXPENDITURE	5,433	7,440	7,151	8,985	7,796	10,504	9,559	7,101	8,235	9,630	10,015	10,633	10,249	9,985
GROSS OPERATING MARGIN	3,717	7,689	6,979	9,526	8,994	11,935	11,917	10,663	8,703	8,905	11,509	12,827	12,478	11,607
Gross Operating Margin Rate (%)	40.62%	50.93%	49.39%	51.74%	53.57%	53.41%	55.49%	60.73%	51.35%	48.04%	53.47%	54.68%	54.90%	53.76%
EBITDA	3,890	7,943	7,051	9,698	9,118	12,134	11,968	10,928	8,796	8,598	11,710	12,986	12,557	11,685
Recovered Cost (DDEA)	2,881	3,651	3,774	4,265	4,047	4,157	3,786	3,738	4,744	4,717	5,103	5,756	5,815	5,631
Provisions (Recovered cost) & Write offs	177	174	139	251	10	2,491	446	133	383	371	62	169	168	168
Total Recovered cost	3,058	3,825	3,913	4,520	4,057	6,678	4,232	3,893	5,127	5,088	5,165	5,866	5,924	5,739
EBIT	832	4,118	3,139	5,178	5,061	5,456	7,736	7,035	3,669	3,909	6,545	7,041	6,633	5,946
Interest expense	1,523	172	318	272	269	297	210	241	173	173	291	1,830	1,823	1,823
Provisions (Financing Cost)	-	-	-	-	-	50	-	161	100	100	374	303	303	303
Total Financing Cost	1,523	172	318	272	269	347	210	402	273	273	666	2,133	2,126	2,126
Any Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	(58)	-	(35)	-	(7)	-	(50)	-	-	-	-	-	-
PROFIT BEFORE TAX (PBT)	(690)	4,004	2,821	4,942	4,852	5,117	7,526	6,683	3,396	3,637	5,879	4,908	4,507	3,820
Provision for Tax	(235)	1,859	1,743	2,203	2,288	2,363	3,127	2,765	1,618	1,760	2,285	1,911	1,895	1,606
Minority Interest	-	26	-	46	37	33	66	(12)	-	-	-	-	-	-
Net Profit (PAT)	(456)	2,090	1,077	2,691	2,527	2,721	4,333	3,929	1,747	1,857	3,594	2,996	2,612	2,214
Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit transferred to statutory reserves	-	257	-	645	-	620	-	695	-	-	-	-	-	-
Any other item	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retaining Profit transferred to Balance sheet	(456)	1,833	1,077	2,045	2,527	2,102	4,333	3,234	1,747	1,857	3,594	2,996	2,612	2,214

Note : Figures have been re-classified in line with current recommendations

Balance Sheet Particulars

₹ Crore

Particulars	31.03.2010		31.3.2011		31.03.2012		31.03.2013		31.03.2014			31.03.2015		
	MoU VG	Actual	MoU VG	Actual	MoU VG	Actual	MoU VG	Actual	BE	MoU VG	RE	BE	MoU Excl.	MoU VG
Fixed Assets														
Gross Fixed Assets	10,595	10,367	12,725	10,242	16,732	10,811	17,023	13,936	12,596	12,596	18,151	22,460	22,426	22,426
Depreciation	5,907	5,601	7,722	6,099	8,298	7,239	6,230	8,062	8,362	8,440	9,293	10,765	10,762	10,762
Net Fixed Assets	4,689	4,766	5,003	4,233	8,434	3,572	10,783	5,874	4,235	4,157	8,859	11,695	11,664	11,664
Producing Properties (Net)	6,520	9,826	7,327	11,328	7,805	11,653	8,779	15,073	22,174	22,078	21,535	22,720	22,636	22,473
Goodwill (Net)	1,935	9,246	10,000	8,700	8,306	7,505	8,127	8,032	6,715	6,712	7,605	7,190	7,174	7,153
Net Block	13,204	23,837	22,330	24,261	24,546	22,739	27,689	28,982	33,123	32,946	37,999	41,695	41,474	41,290
Net Block (Opening Balance)	-	-	-	-	-	-	-	-	-	-	28,982	37,999	37,999	37,999
Paid up Capital	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	5,000	5,000	5,000	10,000	10,000	10,000
Additional Paid up capital	-	-	-	-	-	-	-	-	4,000	-	5,000	-	-	-
Reserves and Surpluses	7,184	11,956	12,005	13,716	15,002	16,477	22,277	20,411	23,013	26,804	27,761	33,334	32,949	32,551
Foreign Currency Translation Reserve (ICTR)	-	(412)	-	(193)	-	2,464	-	3,755	-	-	2,576	234	176	176
Less : Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Net Worth	8,184	11,645	13,095	14,553	16,002	19,941	23,277	29,167	28,013	31,804	40,337	43,568	43,125	42,727
Net Worth	8,184	11,645	13,095	14,553	16,002	19,941	23,277	29,167	28,013	31,804	40,337	43,568	43,125	42,727
Minority Interest	-	(22)	(5)	68	(37)	100	205	91	100	100	101	104	104	104
Long Term Borrowings	30,286	20,693	26,990	20,455	23,178	19,516	20,149	11,557	23,375	19,801	34,808	40,862	40,886	40,886
Less EWP & DWIP	(4,214)	(2,463)	(6,310)	(2,491)	(5,435)	(3,074)	(4,580)	(3,164)	(5,783)	(5,783)	(887)	(165)	(158)	(158)
Less CWIP	(18,914)	(3,643)	(8,815)	(4,002)	(6,859)	(7,626)	(6,448)	(8,859)	(8,861)	(8,861)	(34,240)	(38,973)	(38,872)	(38,872)
Total Capital Employed	15,342	26,216	24,825	28,584	26,899	28,858	32,694	31,822	39,844	40,061	40,119	45,399	45,084	44,686

Note : Net Deferred Tax Liabilities have been excluded for computation of Capital Employed

ONGC Videsh Ltd.
Estimation of Columnwise Financial Parameters

₹ Crore

Particulars	100%	95%	90%	85%	80%
	Excellent	V Good	Good	Fair	Poor
Sales Turnover					
- Crude Oil	20,579	19,550	18,521	17,492	16,463
- Gas	1,786	1,696	1,607	1,518	1,428
- Other operating income (P/L & Tpt)	363	345	327	309	291
Sub total - Sales Turnover	22,728	21,591	20,455	19,319	18,182
Interest Income	-	-	-	-	-
Other Income	79	79	79	79	79
GROSS REVENUE	22,806	21,670	20,534	19,397	18,261
Operating Expenditure	5,334	5,294	5,254	5,214	5,174
Fixed	4,534	4,534	4,534	4,534	4,534
Variable	800	760	720	680	640
Statutory Charges	4,493	4,268	4,043	3,819	3,594
Exchange loss/Fx variance/hedging loss	50	50	50	50	50
Provisions (Opex)	373	373	373	373	373
TOTAL EXPENDITURE	10,249	9,985	9,720	9,455	9,191
GROSS OPERATING MARGIN	12,478	11,607	10,735	9,863	8,991
Gross Operating Margin Rate	54.9%	53.8%	52.5%	51.1%	49.5%
EBITDA	12,557	11,685	10,813	9,942	9,070
Depletion	3,266	3,102	2,939	2,776	2,613
Amortisation	431	409	388	366	344
Depreciation	2,119	2,119	2,119	2,119	2,119
Sub Total DD&A	5,815	5,631	5,446	5,261	5,076
Provisions & Write-offs	108	108	108	108	108
Total DD&A & write offs	5,924	5,739	5,554	5,369	5,185
EBIT	6,633	5,946	5,259	4,572	3,885
Interest Expense	1,823	1,823	1,823	1,823	1,823
Provisions (Financing Cost)	303	303	303	303	303
Total Financing Cost	2,126	2,126	2,126	2,126	2,126
Prior period, Extraordinary Items & Any Other Expense	-	-	-	-	-
PROFIT BEFORE TAX (PBT)	4,507	3,820	3,133	2,446	1,759
Provision for Tax	1,895	1,606	1,317	1,029	740
Minority Interest	-	-	-	-	-
NET PROFIT (PAT)	2,612	2,214	1,816	1,418	1,019
NET WORTH (31st March 2015)	43,125	42,727	42,329	41,931	41,533
NET BLOCK (OB 1st April 2014)	37,999	37,999	37,999	37,999	37,999
EBITDA / Net Block (Opening)	33.05%	30.75%	28.46%	26.16%	23.87%
No. of Employees	3,000	3,000	3,000	3,000	3,000
Net Profit (PAT) Per Employee*	0.87	0.80	0.73	0.66	0.59

* Targets for MoU 2014-15 as per MoM of TF Negotiation Meeting, MoU 2014-15

Annexure-VII

Self- declaration/certification by CPSE

It is hereby certified that the targets and actual achievements in respect of financial parameters have been worked out as per MoU Guidelines by adopting the norms and definitions laid down in MoU Guidelines for the year 2014-15. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per MoU Guidelines. CPSE has no right of claim in this regard.



Authorized Signatory

Annexure-VIII

Self- declaration for Compliance of Directives of Government & Regulators

It is hereby certified that the CPSE has complied all the directives of government and requirements of regulators. In case, any deviation is found at the time of appraisal of performance, DPE is free to evaluate as per Guidelines, directives issued by the government/regulators. CPSE has no right of claim in this regard.


Authorized Signatory