



**making  
tomorrow  
brighter**

**Courage to Explore, Knowledge to Exceed, Technology to Excel**



# Analysts' & Investors' Meet

Mumbai, 5<sup>th</sup> July 2004

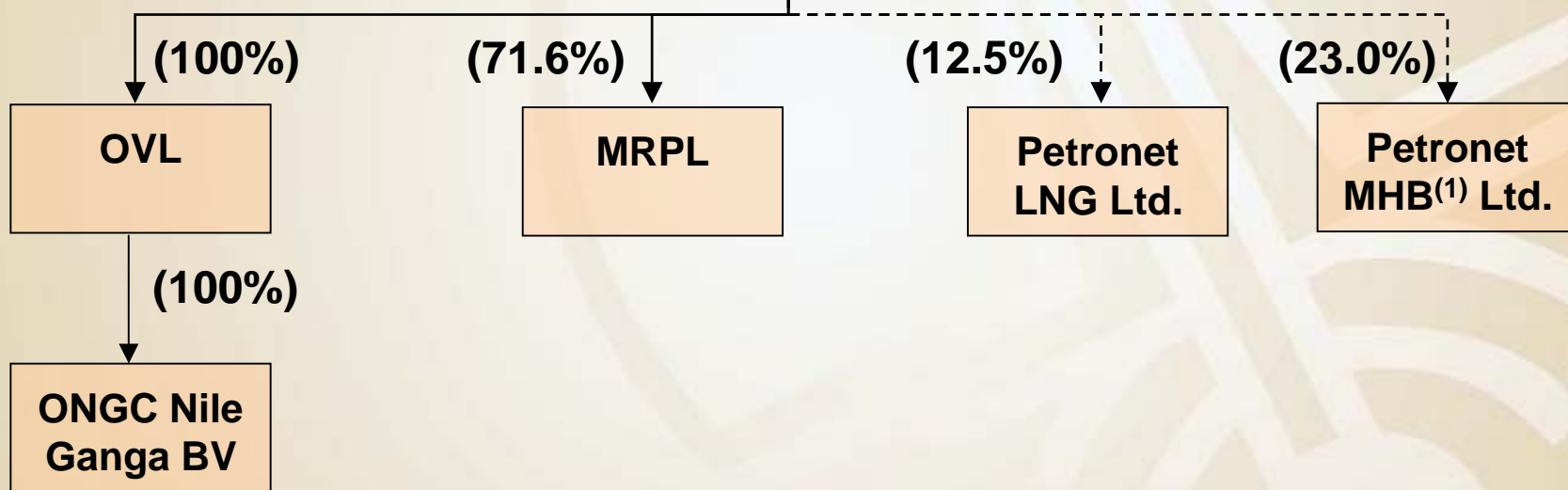
# The Presentation

- **Company Overview**
- **Performance 2003-04**
  - **Physical**
  - **Financial**
- **ONGC Group**
- **Investments**
- **Corporate Strategies**
- **Projects**



## ■ Company Overview

# ONGC Group



The background features a large, faint watermark of the ONGC logo, which consists of a stylized oil derrick or crane structure within a circular frame. The logo is rendered in a light beige color, matching the overall background theme.

**ONGC Group Turnover  
crossed USD 10 billion,**

**doubled in two years  
from Rs 232.38 Billion to Rs 453.02 Billion**

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**ONGC recognized as  
India's Most Valuable Company**

**for the 4<sup>th</sup> time consecutively  
in the Economic Times 500**



**ONGC recognized as  
India's Highest Wealth Creator**

**Rs. 226.30 Billion over 1998-2003  
in the 5<sup>th</sup> BT-Stern Stewart Study**



**ONGC ranked**  
**17<sup>th</sup> among Global Energy Companies**

**by Market Capitalization (Dec 03)**  
**in PFC Energy 50, Feb 04**

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**ONGC ranked**  
**2<sup>nd</sup> among Global E&P Company**

**No. 1 in Profits**  
**in 3<sup>rd</sup> Platts EBT Survey 2004**

The background features a large, semi-transparent watermark of the ONGC logo, which consists of a stylized sun with rays and a central emblem. The text is centered over this background.

**ONGC's 10% equity  
sold out in minutes**

**India's biggest-ever equity offer  
Rs 104.36 Billion  
bids received 5.88 times**

## ONGC's equity weightage

**Sensex ~ 5%**

**Nifty ~ 15%**

**MSCI ~ 6%**

**ONGC Group ~ 10% of BSE Mkt Cap**



## ■ Physical Performance

The background features a large, semi-transparent watermark of the ONGC logo, which consists of a stylized sun or flame shape within a circular frame.

**ONGC achieved**  
**6 discoveries**

**2 Oil & Gas**

**1 Oil**

**3 Gas**

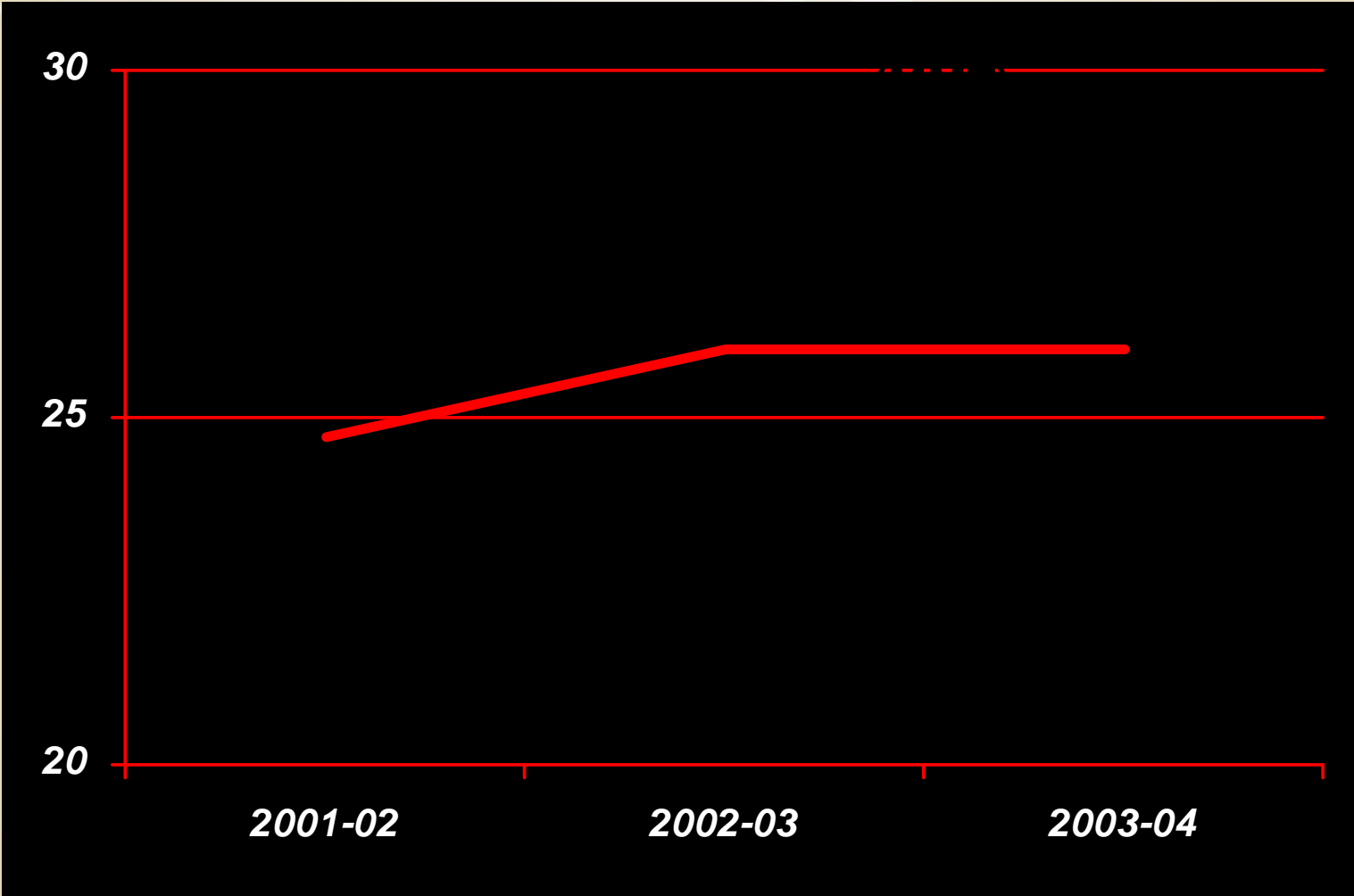
**First discovery in Project *Sagar Sammriddhi***  
**KG offshore gas**

**ONGC added  
49.22 Million Mt O+OEG Ultimate Reserve**

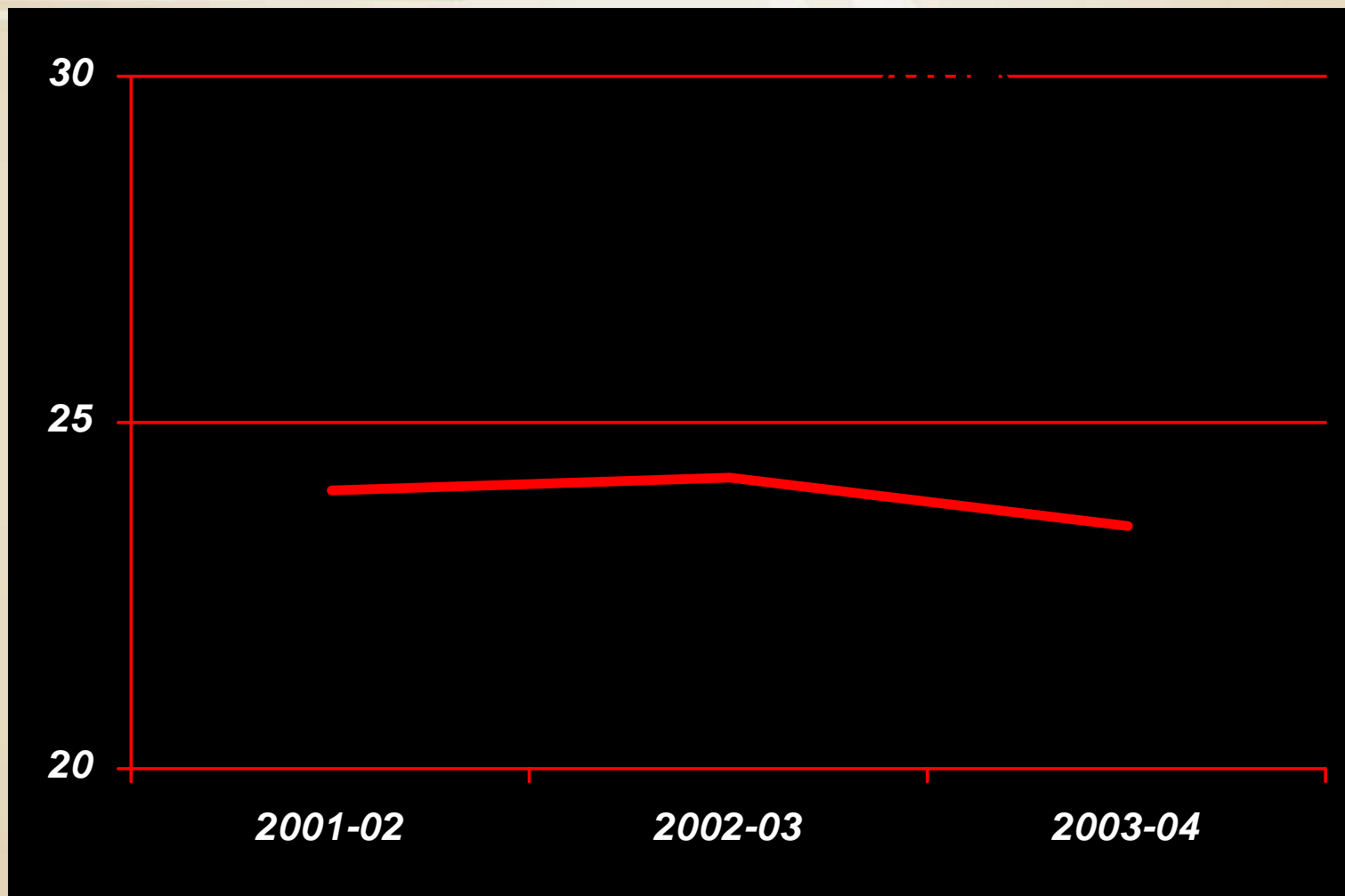
<b>domestic</b>	<b>33.67 MMt</b>
<b>overseas</b>	<b>15.22 MMt</b>
<b>JV domestic</b>	<b>0.33 MMt</b>

**Reserve Accretion 346 Million Mt in 3 years**

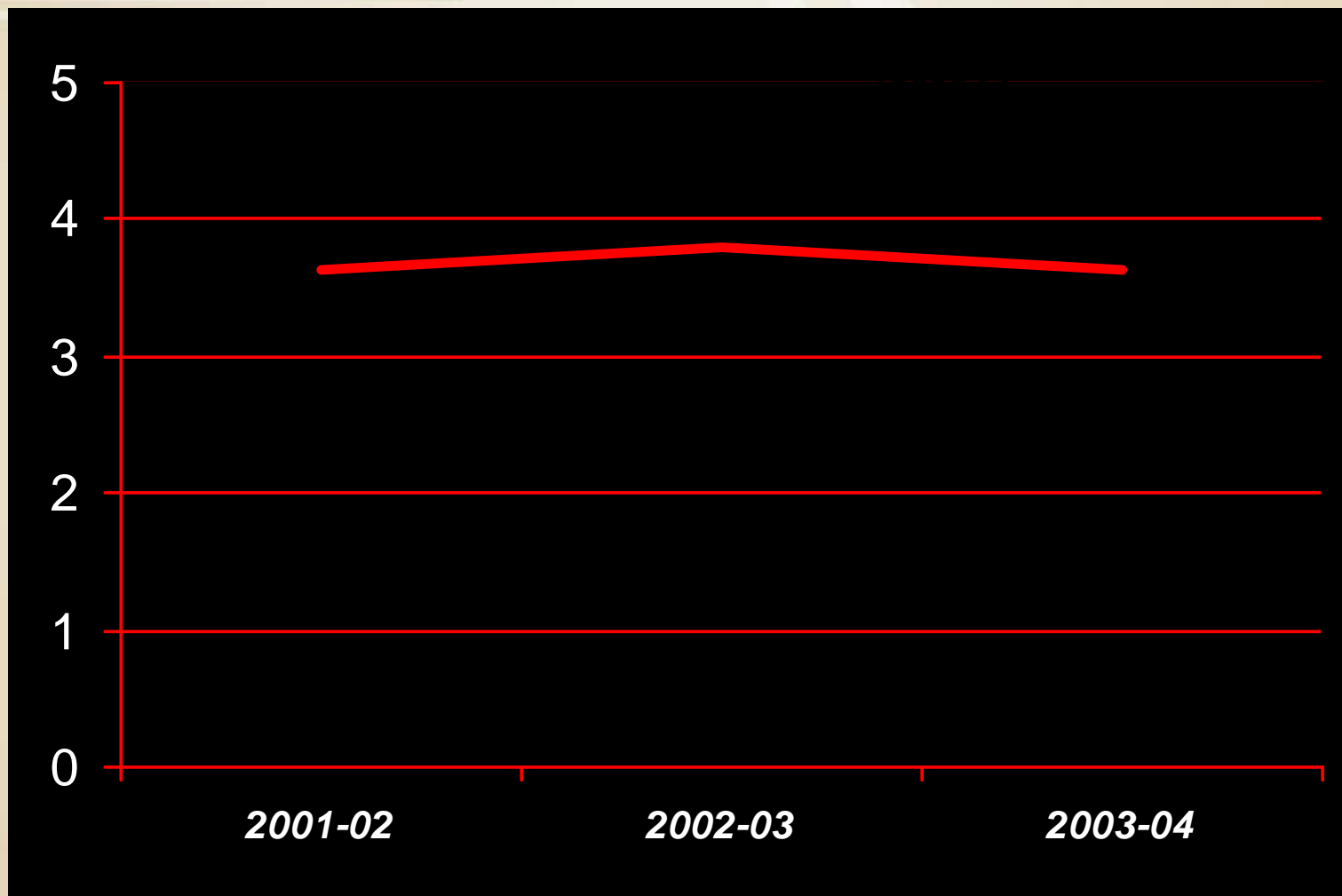
# Production : Crude Oil in MMT



# Production : Natural Gas in BCM



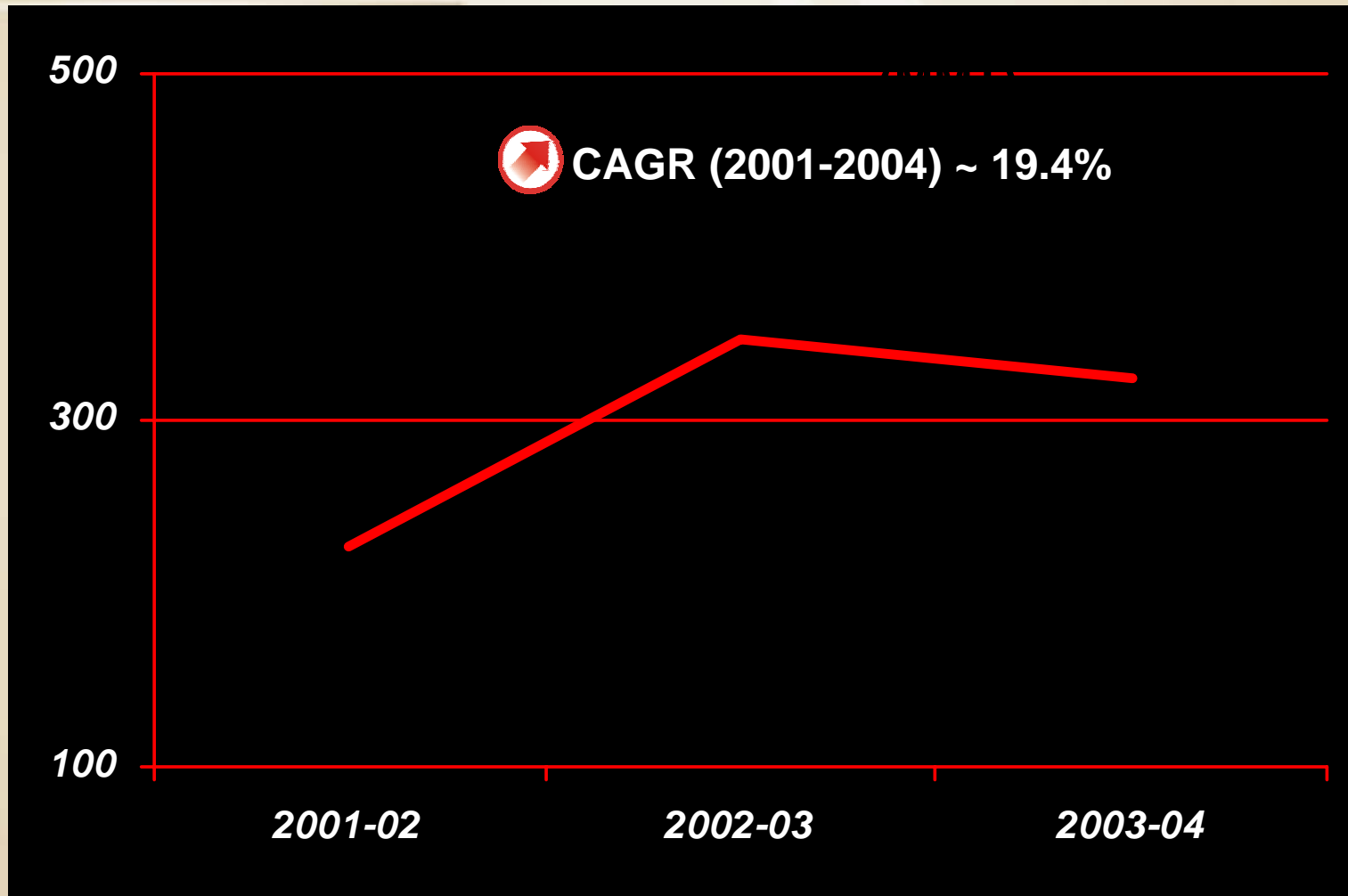
# Production : Value-added Products in MMT



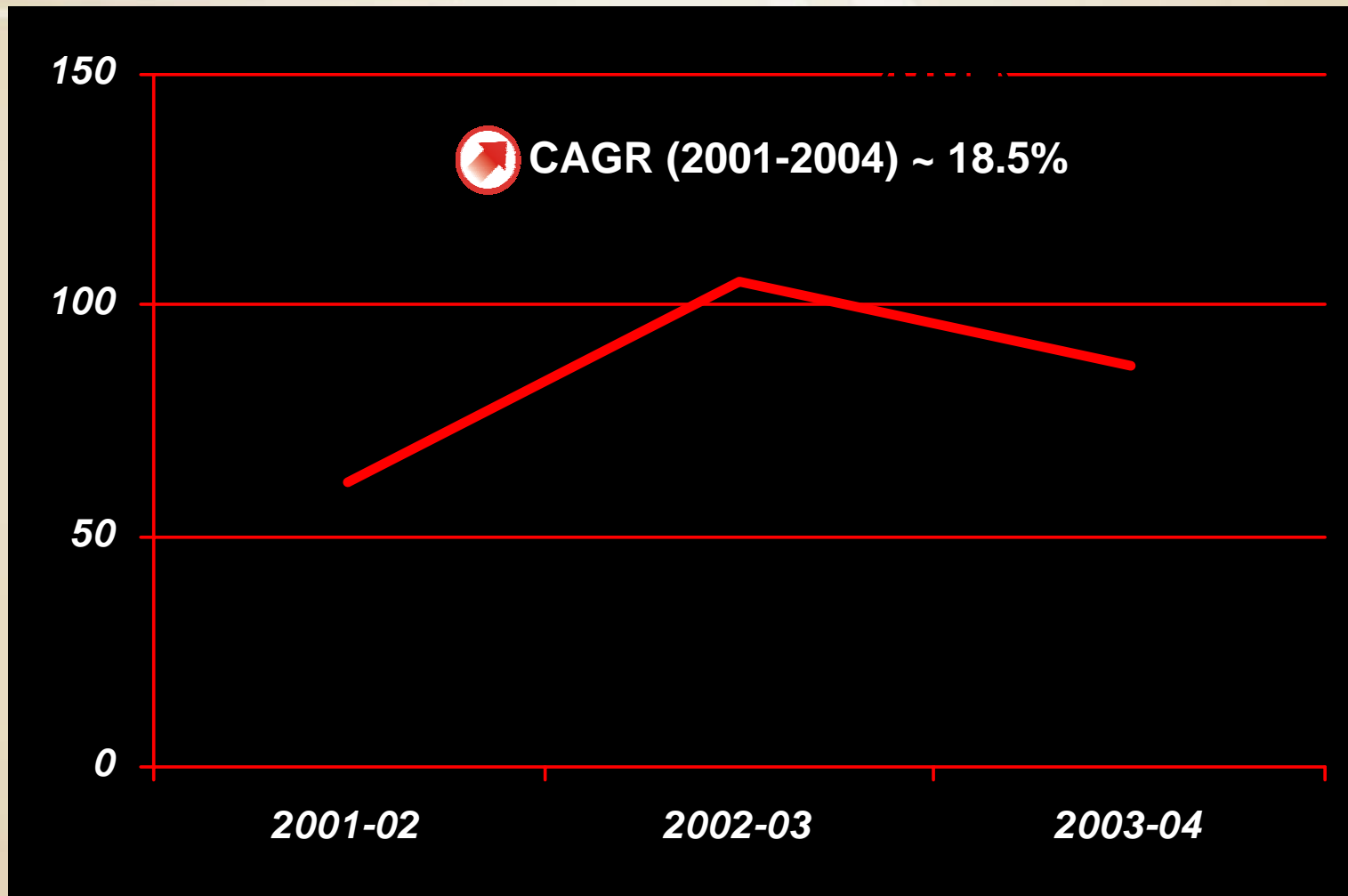


## ■ Financial Performance

# Turnover in Rs Billion



# Net Profit in Rs Billion



**Reduction in Turnover**

**Rs 21.67 Billion**

**Reduction in Net Profit**

**Rs 18.65 Billion**

**caused by**

**Discount, by order, to IOC, BPC & HPC**

**Rs 26.9 Billion**

The background features a large, faint watermark of the ONGC logo, which consists of a stylized sun rising over a stylized oil rig. The sun is a semi-circle with horizontal lines, and the rig is a complex structure of lines and curves.

# **Continuing Subsidies** **from ONGC**

## **Subsidies by ONGC**

### **Crude**

**Rs 550 Million / year a/c Cess & Royalty  
to the benefit of Indian & Foreign PSC Partners**

**cumulative pay - out Rs 2 Billion**

# **Subsidies by ONGC**

**Rs 120 Billion / year**

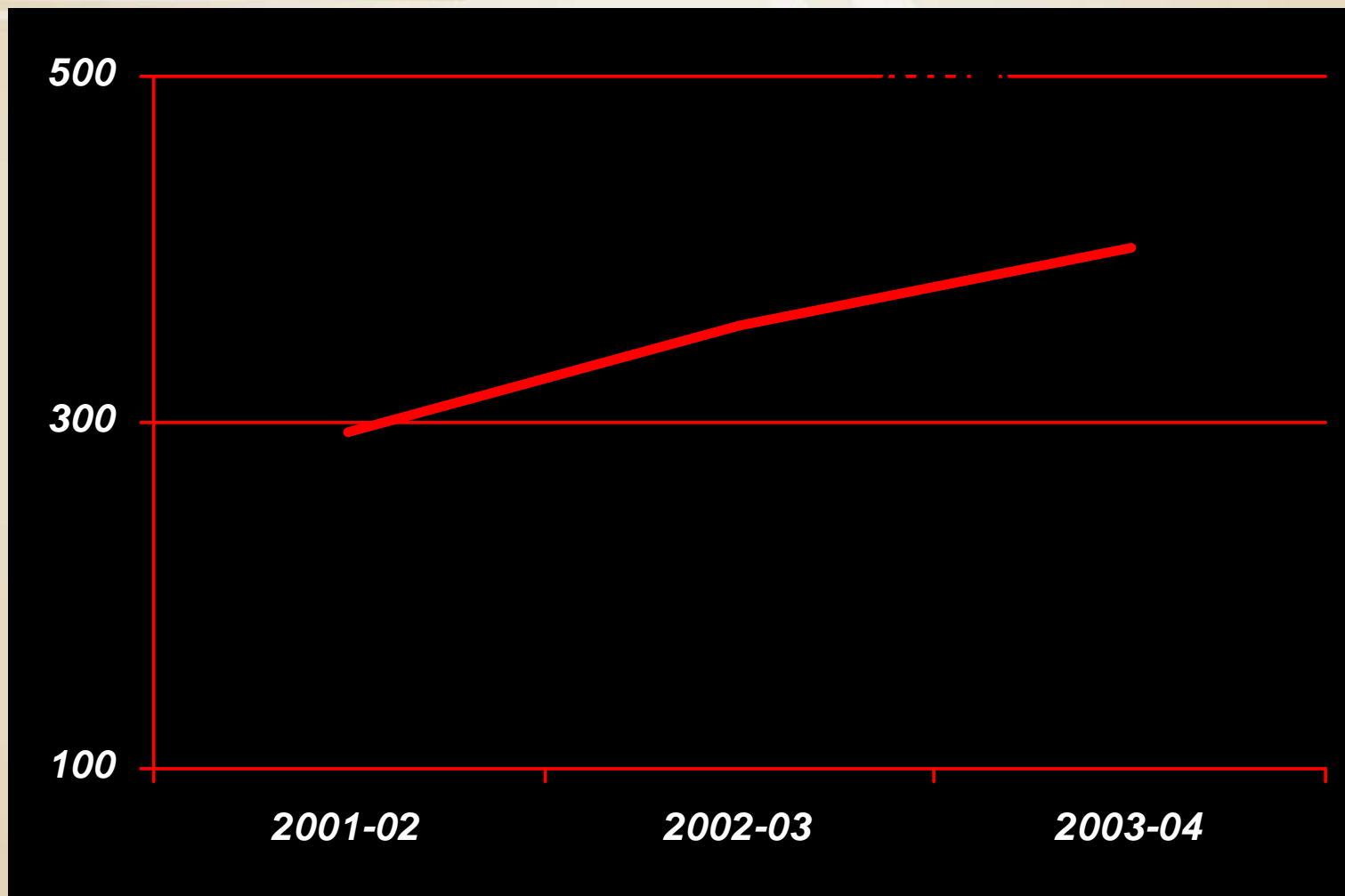
**Non-revision of Gas price**

**JV differential**

**Gas Pool Account**

**GAIL LPG & Petrochemicals**

# Net Worth in Rs Billion



# Financial Ratios

	01-02	02-03	03-04
Profit margin (%)	26.0	29.8	<b>26.3</b>

# Financial Ratios

	01-02	02-03	03-04
<b>Profit margin (%)</b>	26.0	29.8	26.3
<b>Debt-equity ratio</b>	0.10:1	0.01:1	0.01:1

# Financial Ratios

	<b>01-02</b>	<b>02-03</b>	<b>03-04</b>
<b>Profit margin (%)</b>	26.0	29.8	<b>26.3</b>
<b>Debt-equity ratio</b>	0.10:1	0.01:1	0.01:1
<b>ROCE (%)</b>	39.2	54.0	<b>45.8</b>

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<b>ROCE (%)</b>	39.2	54.0	<b>45.8</b>
<b>EPS (Rs)</b>	43.47	73.84	<b>60.76</b>

# Financial Ratios

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<b>Return on Equity (%)</b>	21.0	29.6	21.7

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<b>EPS (Rs)</b>	43.47	73.84	60.76
<b>Return on equity (%)</b>	21.0	29.6	21.7
<b>Book value / share (Rs)</b>	207	250	281

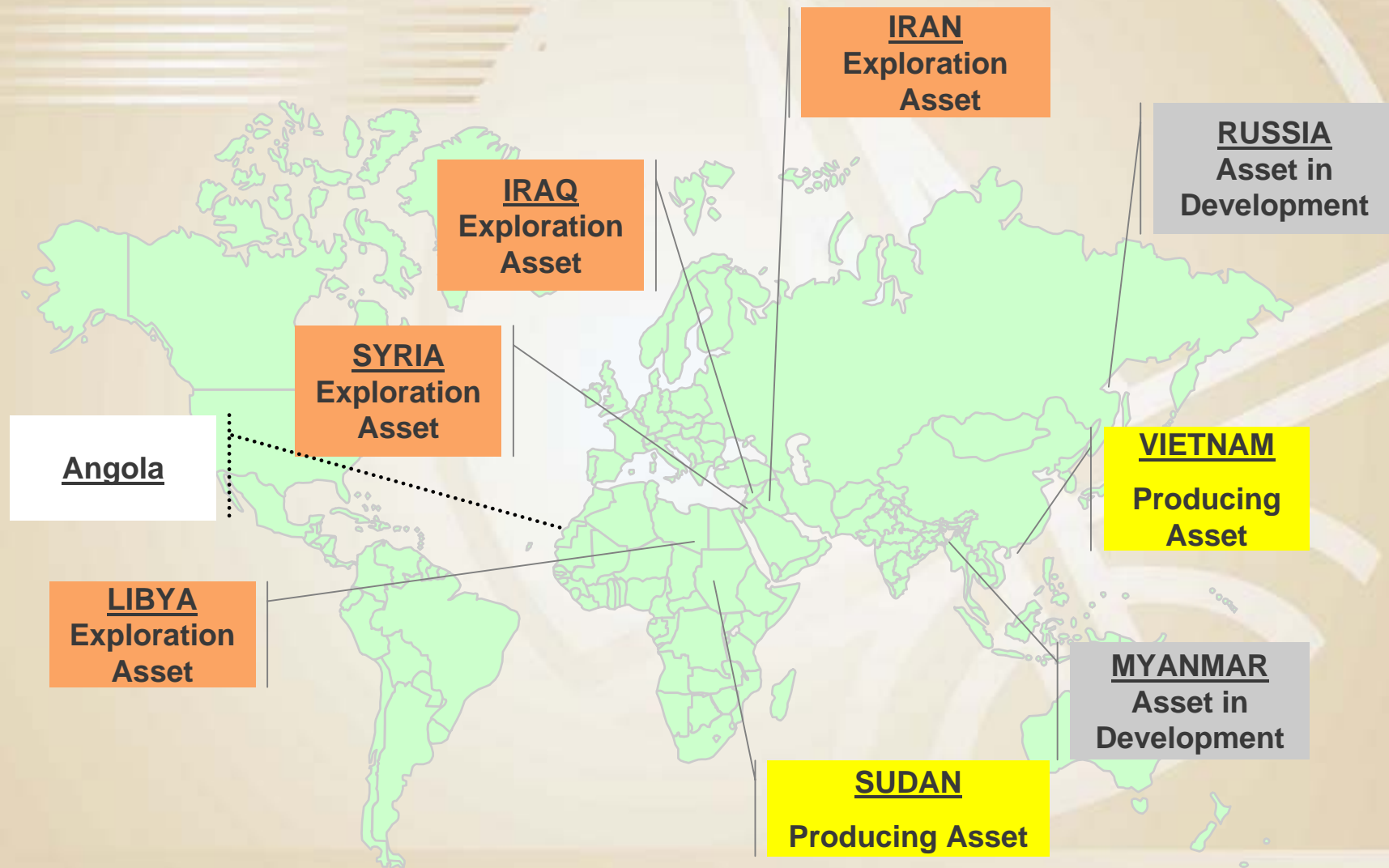
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<b>Book value / share (Rs)</b>	207	250	281
<b>Dividend (%)</b>	140	300	240

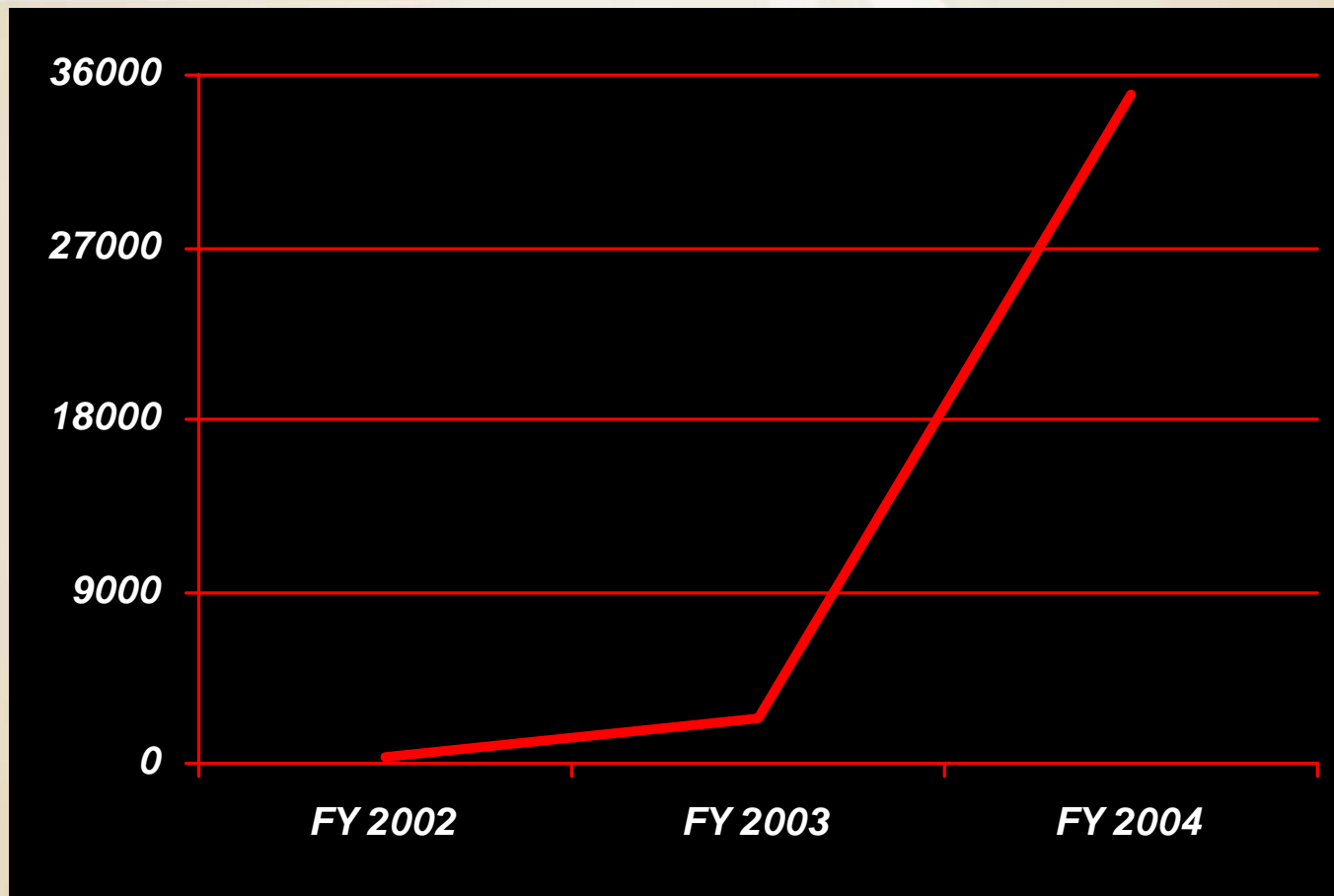


## ■ **ONGC Group**

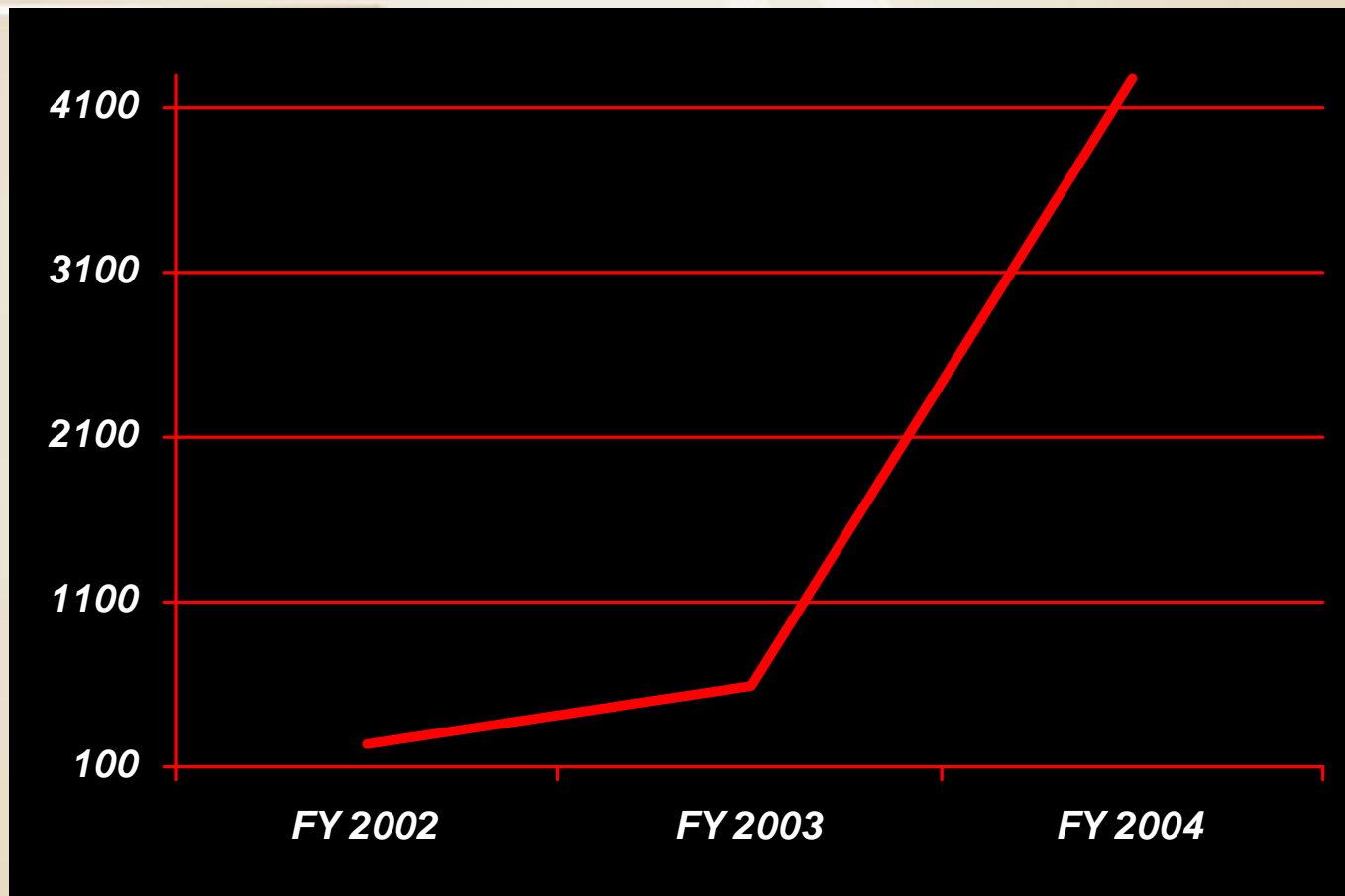
# OVL in 8 countries with 9 Assets



# OVL Revenues in Rs Million



# OVL Profits in Rs Million



# MRPL

Majority equity (51%) and  
**Management Control**

Acquired on 28<sup>th</sup> March' 03

**@ Rs 66 Crore per MMTPA capacity**

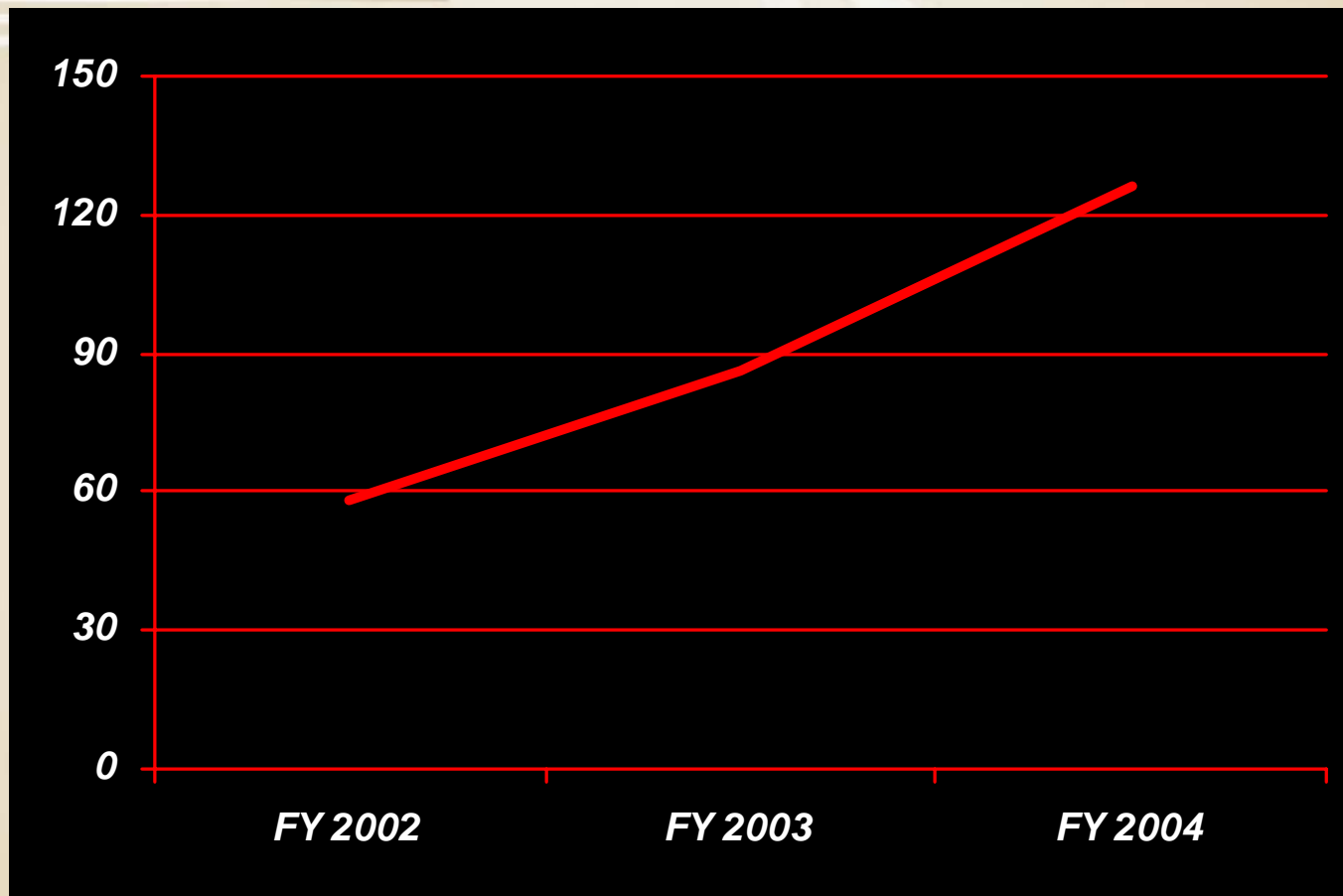
Least Cost Refinery acquisition in the World

# MRPL

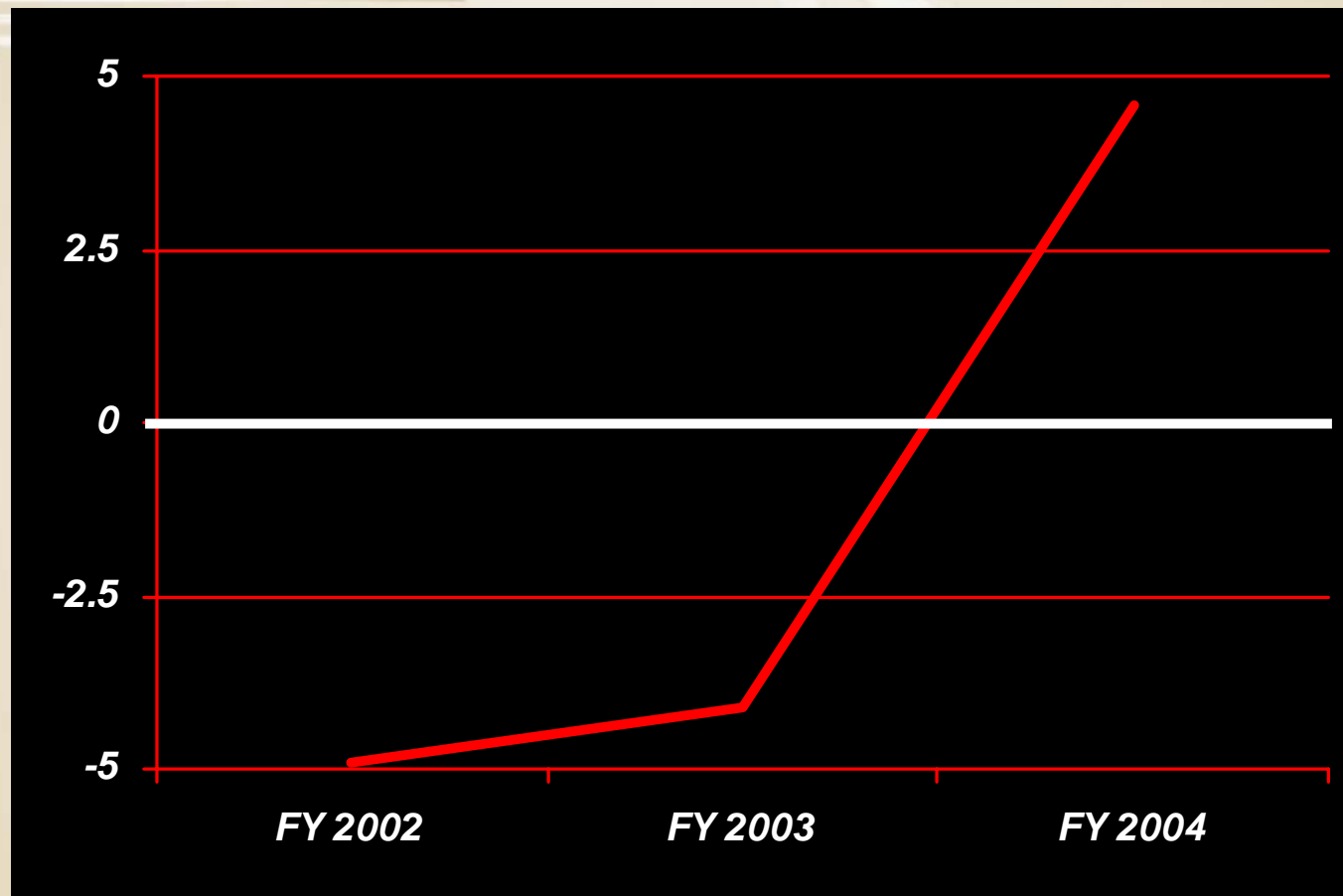
Potentially sick company  
**turned-around**  
in the very first year 2003-04

Refinery achieved 104% Crude run

# MRPL Turnover in Rs Billion



# MRPL Net Profits in Rs Billion



# ONGC Group

Rs Billion	2001-02	2002-03	2003-04
<b>Turnover</b>	<b>232.38</b>	<b>349.93</b>	<b>453.02</b>

# ONGC Group

Rs Billion	2001-02	2002-03	2003-04
Turnover	232.38	349.93	453.02
Profit	62.22	104.67	93.80

The background of the slide features a large, semi-transparent watermark of the ONGC Group logo. The logo consists of a stylized sun with rays emanating from the top right, and a central emblem that resembles a flame or a stylized 'G' shape. The entire slide has a light beige or tan color scheme with horizontal lines in the upper left corner.

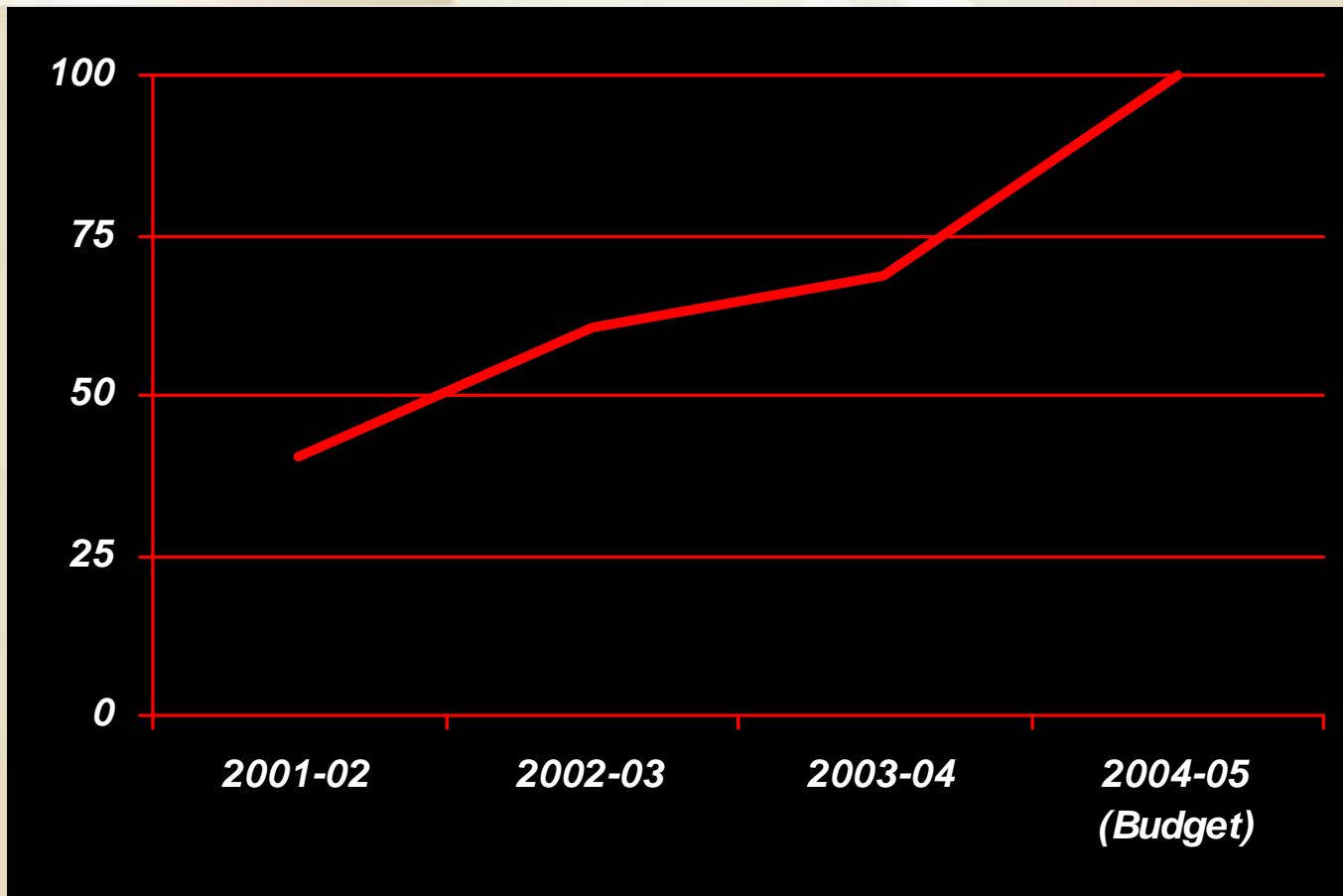
**ONGC Group**  
**Net Profit down**

**in spite of MRPL turnaround  
and OVL full-year revenues**

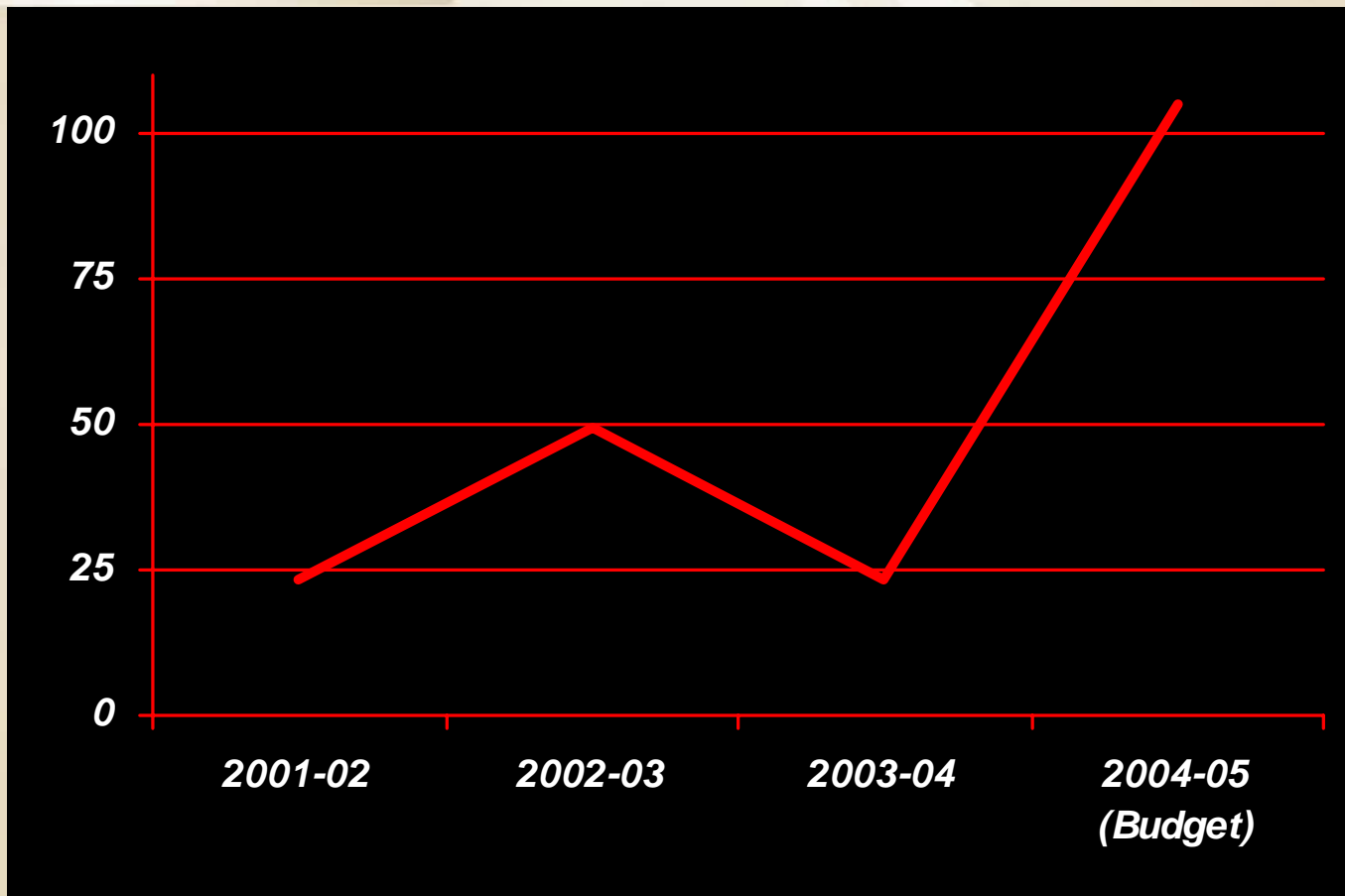


## ■ Investments

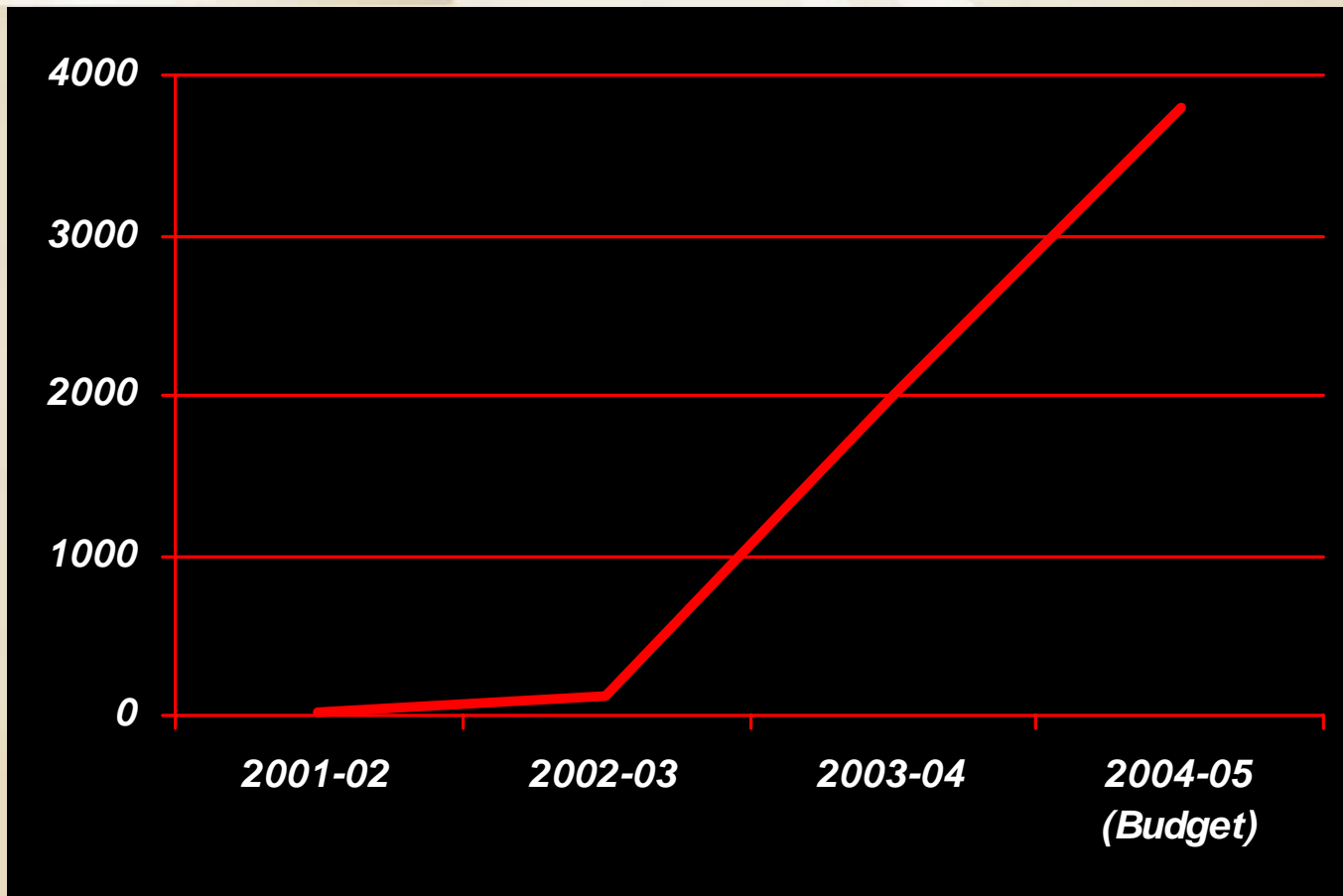
# ONGC Capex in Rs Billion



# OVL Capex in Rs Billion



# MRPL Capex in Rs Million





## ■ Corporate Strategies

- Monetising Assets
- **Assetising Money**
- Integrating Forward
- **New Business**

# **Corporate Strategies**

## **Monetizing Assets**

**Developing new fields**

**Implementing enhanced/ improved oil recovery**

**Exploiting Marginal Fields**

# **Corporate Strategies**

## **Assetising Money**

**Modernization & expansion of facilities**

**Technology induction**

**Investing for growth**

# Integrating Forward

	Existing	Proposed
Refining	✓	✓

# Integrating Forward

	Existing	Proposed
<b>Refining</b>	✓	✓
<b>Pipelines</b>	✓	-

# Integrating Forward

	Existing	Proposed
<b>Refining</b>	✓	✓
<b>Pipelines</b>	✓	-
<b>Shipping</b>	-	✓

# Integrating Forward

	Existing	Proposed
<b>Refining</b>	✓	✓
<b>Pipelines</b>	✓	-
<b>Shipping</b>	-	✓
<b>LNG</b>	✓	✓

# Integrating Forward

	Existing	Proposed
<b>Refining</b>	✓	✓
<b>Pipelines</b>	✓	-
<b>Shipping</b>	-	✓
<b>LNG</b>	✓	✓
<b>Power</b>	✓	✓

# Integrating Forward

	Existing	Proposed
<b>Refining</b>	✓	✓
<b>Pipelines</b>	✓	-
<b>Shipping</b>	-	✓
<b>LNG</b>	✓	✓
<b>Power</b>	✓	✓
<b>Petrochemical</b>	-	✓

# Integrating Forward

	Existing	Proposed
<b>Refining</b>	✓	✓
<b>Pipelines</b>	✓	-
<b>Shipping</b>	-	✓
<b>LNG</b>	✓	✓
<b>Power</b>	✓	✓
<b>Petrochemical</b>	-	✓
<b>Retail Marketing</b>	-	✓



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## ■ **Projects**

The background features a large, semi-transparent watermark of the ONGC logo, which consists of a stylized oil rig or derrick structure within a circular frame. The logo is rendered in a light beige color, matching the overall background theme.

**ONGC restored  
Mumbai High production**

**@ 250,000 bopd plus  
on sustained basis**

**Investment – Rs 82 Billion**

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# **ONGC Projects**

## **Monetizing marginal fields**

**Service contracts awarded for 6 onshore fields**  
**19 offshore fields on offer**

# ONGC Projects

**Accelerated development of Oil & Gas fields**

**Vasai East, Western offshore**

**Recoverable reserve**

**Oil 6.19 MMT, Gas 3.2 BCM**

**Production to begin: 2006**

# **ONGC Projects**

**Accelerated development of Oil & Gas fields**

**D-1, Western Offshore**

**Recoverable reserve**

**Oil 4.6 MMT**

**Production to begin: 2006**

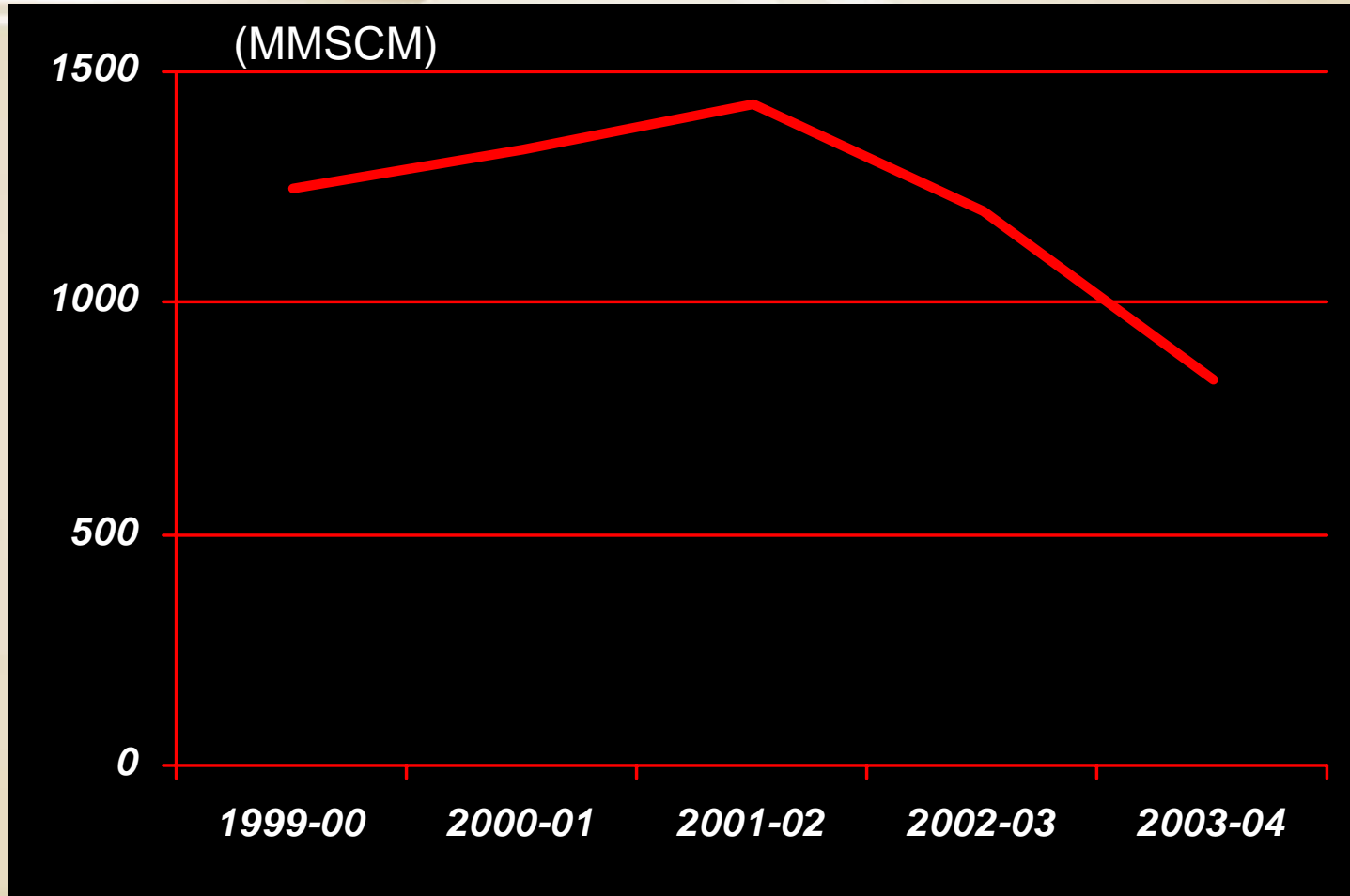
# ONGC Projects

**Accelerated development of Oil & Gas fields**

**G-1 & GS-15, Eastern Offshore**

**Recoverable reserve  
Oil 0.7 MMT, Gas 4.13 BCM  
Production to begin: 2005**

# Gas Flaring reduced by 33%



The background features a large, semi-transparent watermark of the ONGC logo, which consists of a stylized oil derrick or platform structure within a circular frame.

# **ONGC Projects**

## **Gas flaring control**

**zero flaring achieved**

**Heera Offshore Platform  
Uran Processing Plant  
Kuthalam Gas Gathering Station**

**100% targeted in 2005-06**

The background of the slide features a large, faint watermark of the ONGC logo, which consists of a stylized oil derrick or crane structure within a circular frame. The logo is rendered in a light beige color, matching the overall background theme.

# **ONGC Projects**

## **HSE**

**Quality, Health, Safety and Environmental  
accreditation (QHSE)  
targeted for  
100% ONGC installations by 31<sup>st</sup> Mar 05**

The background features a large, semi-transparent watermark of the ONGC logo, which consists of a stylized sun or flame shape within a circular frame.

# **ONGC Projects**

## **Increased Value Addition**

**MS at Uran**

**ATF & HSD at Hazira**

**Tatipaka mini-refinery doubling**

**Condensate refining at Kuthalam**

**Ankleshwar mini-refinery**

# **Increased Value Addition**

## **Power Generation**

**Integrating existing capacity on Platforms: 300 MW plus**

**Gas-to-Wire projects**

**Assam: 6 MW**

**Tripura: 250 MW**

**C22 fields: 300 MW**



# **Corporate Strategies** **Forward Integration**

**C<sub>2</sub>C<sub>3</sub>, Petrochem, Power at Dahez SEZ**  
**LNG, C<sub>2</sub>C<sub>3</sub>, Petrochem, Power at Mangalore SEZ**  
**Crude and Gas Shipping**



**Forward Integration**  
**C2+ extraction at Dahej**

**30 months**



**Forward Integration**  
**Petrochemical Complex at Dahej**

**36 months**



# **Forward Integration** **Power Project at Dahej**

**1,000 MW**  
**30 months**



**Forward Integration**  
**LNG Terminal at Mangalore**

**10 MMTPA**  
**36 months**



**Forward Integration**  
**C2+ extraction at Mangalore**

**2 MMTPA**  
**30 months**



**Forward Integration**  
**Petrochemical Complex at Mangalore**

**36 months**

The background features a large, faint, stylized graphic of a sun or power symbol, consisting of a semi-circle at the top and several curved lines below it, resembling a stylized 'S' or a power symbol. The entire graphic is rendered in a light beige color against a darker beige background.

# **Forward Integration**

## **Power Project at Mangalore**

**1,445 MW**  
**26 months**

A large, faint, stylized graphic in the background, resembling a sun or a power symbol, with a semi-circle at the top and radiating lines below. The graphic is light beige and blends into the background.

# **Forward Integration**

## **Power Project Ennore**

**1,100 MW**



**Overseas Projects**  
**Sudan Pipeline Project**

**751 Km (350 mm dia) pipeline**  
**Khartoum Refinery to Port Sudan**



**New Business**  
**CBM, UCG**

**Coal Bed Methane in 2006-07**  
**Underground Coal Gasification in 2008-09**

# ONGC Project

## ONGC Energy Centre

World-class facility for Advanced R&D in Energy

**Mind to Market**



## Profits from costs




**Corporate Strategies**  
**Cost Management**

**Redeploying equipment**  
**Revamping facilities**  
**Rationalizing processes**

The background features a large, semi-transparent watermark of the ONGC logo, which consists of a stylized sun or flame shape within a circular frame.

**ONGC Projects**  
**revamping & replacement**

**Mumbai High – Uran sub-sea trunk pipeline**  
**Sub-sea pipeline system**  
**Offshore platforms**  
**Offshore logistics**  
**Control & communications systems**

The background features a large, faint watermark of the ONGC logo, which consists of a stylized oil derrick or rig structure within a semi-circular frame. The logo is rendered in a light beige color, matching the overall background theme.

**ONGC Projects**  
**technology acquisition**

**Drilling & Workover Rigs**

**Drilling & Logging Tools**

**Geophysical Survey**

**Well Stimulation & Crisis Management**

**Data Processing**

The background features a large, semi-transparent watermark of the ONGC logo, which consists of a stylized sun with rays and a central emblem. The text is centered over this background.

# **ONGC Projects** **information technology**

**Project ICE rolling out**  
**Project IMPETUS rolling out**  
**Project EPINET phase 1 completed**  
**Project PROMISE rolling out**  
**Model Stores coming up**

The background features a large, faint watermark of the ONGC logo, which consists of a stylized oil derrick or wellhead structure within a semi-circular frame. The logo is rendered in a light beige color, matching the overall background.

**ONGC Projects**  
**knowledge alliances**

**Transocean for Drilling**  
**IPR and Schlumberger for Field Productivity**

The background features a large, faint watermark of the ONGC logo, which consists of a stylized sun or flame shape within a circular frame. The logo is rendered in a light beige color, matching the overall background theme.

**ONGC Projects**  
**finance & commercial**

**Integrated Trading Desk**  
**Tax, Insurance and Fund Management**

The background features a large, semi-transparent watermark of the ONGC logo, which is a stylized sun with rays, positioned behind the text.

# **ONGC Projects collaborations**

**Hindustan Aeronautics  
Coal India**

**Gujarat Industrial Development Corporation**

**Gujarat State Petroleum Corporation**

**Hindustan Petroleum Corporation**

**Bharat Petroleum Corporation**

**Maruti Udyog**

**BSNL & MTNL**



# Corporate Strategies

## HRD

The background of the slide features a large, faint watermark of the ONGC logo, which is a stylized sun with rays and a central emblem. The logo is rendered in a light beige color, matching the overall background theme.

# **ONGC Projects**

## **HRD**

**Unnati Prayas and Super Unnati Prayas**  
**Project Shangsaptak**  
**ONGC Sahayaog Trust**

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# **ONGC Projects**

## **HRD**

**Corporate Rejuvenation Campaign :**  
**Manpower Assessment on Global**  
**Benchmarks & Role Directory**

**Thank you!**



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tomorrow  
brighter**

**Courage to Explore, Knowledge to Exceed, Technology to Excel**

# Financial Ratios

	01-02	02-03	03-04	03-04 (Adj)
<b>Profit margin (%)</b>	26.0	29.8	26.3	28.8
<b>Debt-equity ratio</b>	0.10:1	0.01:1	0.01:1	0.01:1
<b>ROCE (%)</b>	39.2	54.0	45.8	50.1
<b>EPS (Rs)</b>	43.47	73.84	60.76	71.9
<b>Return on equity (%)</b>	21.0	29.6	21.7	24.6
<b>Book value / share (Rs)</b>	207	250	281	292
<b>Dividend (%)</b>	140	300	240	240