



OIL AND NATURAL GAS CORPORATION LIMITED

COMPANY SECRETARIAT

CS/ONGC/SE/2020-21

01.09.2020

National Stock Exchange of India Ltd.
Listing Department
Exchange Plaza
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001

Symbol-ONGC; Series - EQ

BSE Security Code No.- 500312

Sub: Outcome of the Board Meeting

Sir/ Madam,

This is in continuation of our letter of even number dated 24.08.2020, we hereby inform that the Board of Directors of the Company at the meeting held today has inter-alia considered and approved the following:-

A. Quarterly Financial Results :-

Un-audited Financial Results (Standalone and Consolidated) along with limited review report of the Auditors for the first Quarter ended 30th June, 2020, copies of the same are enclosed.

B. Borrowing Limits

In supersession of earlier decisions of the Board:-

- 1) borrowing/raising funds including through bank loan(s) and/ or issue of debt instruments (including bonds, non-convertible debentures (NCDs) and notes) from time-to-time in domestic and /or overseas market not exceeding Rs.35,000 crore in aggregate outstanding at any time including sub-limit of Rs.25,000 crore by way of issue of NCDs;
- 2) availing loan(s) against bank term deposit(s) not exceeding Rs.10,000 crore from time-to-time in addition to (1) above; and
- 3) refreshing the existing Euro Medium Term Note (EMTN) program of the Company not exceeding USD 2 (Two) billion, from time-to-time, subject to the drawdowns within the overall limits of Rs.35,000 crore under (1) above and also subject to applicable laws.

C. Setting-up of Joint Venture Company with NTPC Ltd.

The setting up of a Joint Venture company with NTPC Ltd for Renewable Energy business, in continuation with the Press Release dt. 21.05.2020 filed to Stock Exchanges.



OIL AND NATURAL GAS CORPORATION LIMITED

COMPANY SECRETARIAT

D. Noting of change in appointment of Statutory Auditors:

The Board noted the appointment of following six audit firms, made by the C&AG vide mail dated 25.08.2020, as statutory auditors of the Company for FY'21:

1. M/s. SARC & Associates, Chartered Accountants, New Delhi;
2. M/s. R Gopal & Associates, Chartered Accountants, Kolkata;
3. M/s. R G N Price & Co, Chartered Accountants, Chennai;
4. M/s. G M Kapadia & Co, Chartered Accountants, Mumbai;
5. M/s. Kalani & Co, Chartered Accountants, Jaipur; and
6. M/s. S Bhandari & Co., Chartered Accountants, Mumbai

It may also be noted that C&AG has re-appointed the audit firms mentioned at sr. nos. 1 to 5 above and appointed M/s. S Bhandari & Co., Chartered Accountants, Mumbai (at sr. no. 6 above) as new Statutory Auditors for the year 2020-21 in place of M/s. MKPS & Associates, Chartered Accountants, Mumbai.

Meeting of Board of Directors commenced at 12:30 hrs and concluded at 16:00 hrs.

This for your information and records.

Thanking you,
Yours faithfully,
for Oil and Natural Gas Corporation Ltd

[Signature]
01/09/2020

M E V Selvam
Compliance Officer,
Company Secretary & Executive Director

End.: As Above (18 Pages)

OIL AND NATURAL GAS CORPORATION LIMITED

CIN No. L74899DL1993GOI054155

Regd. Office : Plot No. 5A- 5B, Nelson Mandela Road, Vasant Kunj, New Delhi, South West Delhi – 110070

Tel: 011-26754002, Fax: 011-26129091, E-mail: secretariat@ongc.co.in

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

(₹ in Crore unless otherwise stated)

Sl. No.	Particulars	Financial results for			
		Quarter ended 30.06.2020	Quarter ended 31.03.2020	Quarter ended^ 30.06.2019	Year ended 31.03.2020
		Unaudited	Audited	Unaudited	Audited
I	Revenue from operations	13,011.29	21,456.20	26,554.74	96,213.61
II	Other income	436.82	1,325.64	716.71	6,105.03
III	Total income (I+II)	13,448.11	22,781.84	27,271.45	1,02,318.64
IV	EXPENSES				
	Cost of materials consumed*	396.68	588.17	638.65	2,588.12
	Purchase of stock-in-trade	-	-	-	-
	Changes in inventories of finished goods, stock-in-trade and work in progress	(111.53)	467.79	(13.17)	246.99
	Employee benefits expense**	498.50	611.54	608.24	2,520.34
	Statutory levies	2,980.85	4,806.99	6,236.11	22,570.80
	Exploration costs written off				
	a. Survey Costs	558.99	395.03	877.84	1,687.92
	b. Exploratory well Costs	567.91	2,643.38	1,451.93	6,995.76
	Finance costs	491.84	869.48	646.08	2,823.68
	Depreciation, depletion, amortisation and impairment	3,822.30	4,998.62	3,738.02	18,616.86
	Other expenses	3,339.06	6,393.81	3,973.26	19,000.43
	Total expenses (IV)	12,544.60	21,774.81	18,156.96	77,050.90
V	Profit before exceptional items and tax (III-IV)	903.51	1,007.03	9,114.49	25,267.74
VI	Exceptional items	-	(4,899.05)	-	(4,899.05)
VII	Profit before tax (V+VI)	903.51	(3,892.02)	9,114.49	20,368.69
VIII	Tax expense:				
	(a) Current tax relating to:				
	- current year	336.00	736.25	2,338.75	7,410.00
	- earlier years	-	111.53	(13.72)	(361.27)
	(b) Deferred tax	71.54	(1,641.54)	809.31	(124.58)
	Total tax expense (VIII)	407.54	(793.76)	3,134.34	6,924.15
IX	Profit for the period (VII-VIII)	495.97	(3,098.26)	5,980.15	13,444.54
X	Other comprehensive income (OCI)				
	(a) Items that will not be reclassified to profit or loss				
	(i) Re-measurement of the defined benefit obligations	(126.86)	88.84	(111.62)	(441.40)
	- Deferred Tax	44.33	(31.05)	39.00	154.24
	(ii) Equity instruments through other comprehensive income	1,052.37	(6,839.62)	(1,318.16)	(12,976.93)
	- Deferred Tax	(77.70)	510.82	81.02	803.19
	Total other comprehensive income (X)	892.14	(6,271.01)	(1,309.76)	(12,460.90)
XI	Total comprehensive income for the period (IX+X)	1,388.11	(9,369.27)	4,670.39	983.64
XII	Paid-up Equity Share Capital (Face value of ₹ 5/- each)	6,290.15	6,290.15	6,290.15	6,290.15
XIII	Other equity				1,88,047.94
XIV	Earnings Per Share (Face value of ₹ 5/- each) - not annualised				
	(a) Basic (₹)	0.39	(2.46)	4.75	10.69
	(b) Diluted (₹)	0.39	(2.46)	4.75	10.69

* Represents consumption of raw materials and stores & spares. ** Employee benefits expense shown above is net of allocation to different activities.

^ Restated, refer note no. 8

OIL AND NATURAL GAS CORPORATION LIMITED

CIN No. L74899DL1993GOI054155

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Tel: 011-26754002, Fax: 011-26129091, E-mail: secretariat@ongc.co.in

STANDALONE SEGMENT WISE REVENUE, RESULTS, ASSETS & LIABILITIES

(₹ in Crore)

Sl. No.	Particulars	Quarter ended 30.06.2020	Quarter ended 31.03.2020	Quarter ended^ 30.06.2019	Year ended 31.03.2020
		Unaudited	Audited	Unaudited	Audited
1	Segment Revenue				
	Revenue from Operations				
	a) Offshore	8,591.11	14,438.37	17,304.94	63,521.82
	b) Onshore	4,420.18	7,017.83	9,249.80	32,691.79
	Total	13,011.29	21,456.20	26,554.74	96,213.61
	Less: Inter Segment Operating Revenue	-	-	-	-
	Revenue from operations	13,011.29	21,456.20	26,554.74	96,213.61
2	Segment Result Profit(+)/Loss(-) before tax and interest from each segment				
	a) Offshore	1,947.98	1,776.95	7,573.83	21,773.30
	b) Onshore	(193.50)	(4,965.20)	2,130.63	(196.61)
	Total	1,754.48	(3,188.25)	9,704.46	21,576.69
	Less:				
	i. Finance Cost	491.84	869.48	646.08	2,823.68
	ii. Other unallocable expenditure net of unallocable income.	359.13	(165.71)	(56.11)	(1,615.68)
	Profit before Tax	903.51	(3,892.02)	9,114.49	20,368.69
3	Segment Assets				
	a) Offshore	1,33,462.93	1,32,642.49	1,33,403.24	1,32,642.49
	b) Onshore	63,891.35	63,190.25	65,514.95	63,190.25
	c) Other Unallocated	1,02,118.05	1,00,848.01	1,09,970.73	1,00,848.01
	Total	2,99,472.33	2,96,680.75	3,08,888.92	2,96,680.75
4	Segment Liabilities				
	a) Offshore	42,158.95	42,187.24	38,309.75	42,187.24
	b) Onshore	15,676.36	15,926.85	14,388.12	15,926.85
	c) Other Unallocated	45,910.82	44,228.57	48,518.38	44,228.57
	Total	1,03,746.13	1,02,342.66	1,01,216.25	1,02,342.66

^ Restated, refer note no. 8

Note:- Above segment information has been classified based on Geographical Segment.

Notes:

1. The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in its meeting held on September 1, 2020.
2. The financial results for the quarter ended June 30, 2020 have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year 2019-20 and the year-to-date figures upto the third quarter of 2019-20 which were subjected to limited review.
4. The Company, with 40% Participating Interest (PI), was a Joint Operator in Panna-Mukta and Mid and South Tapti Fields along with Reliance Industries Limited (RIL) and BG Exploration and Production India Limited (BGEPIL) each having 30% PI, (all three together referred to as “Contractors”) signed two Production sharing Contracts (PSCs) with Government of India (Union of India) on December 22, 1994 for a period of 25 years. The PSCs for Panna Mukta and Mid & South Tapti have expired on December 21, 2019. In terms of the Panna Mukta Field Asset Handover Agreement, the Contractors of PMT JV are liable for this pre-existing liability.

In December 2010, RIL & BGEPIL (JV Partners) invoked an international arbitration proceeding against the Union of India in respect of certain disputes, differences and claims arising out of and in connection with both the PSCs pursuant to the provisions of Article 33 of the PSCs and UNCITRAL Rules, 1976. The Ministry of Petroleum and Natural Gas (MoP&NG), vide their letter dated July 4, 2011, had directed the Company not to participate in the arbitration initiated by the JV Partners. MoP&NG has also stated that the arbitral award would be applicable to the Company also as a constituent of the Contractor for both the PSCs.

Directorate General of Hydrocarbons (DGH), vide letters dated May 25, 2017 had informed the Company that on October 12, 2016, a Final Partial Award (FPA) was pronounced by the Tribunal in the said arbitrations. However, the details of proceedings of the FPA are not available with the Company. DGH, vide their letter dated May 25, 2017 and June 4, 2018, marked to the Contractors, had directed the payment of differential Government of India share of Profit Petroleum and Royalty alleged to be payable by Contractors pursuant to Governments interpretation of the FPA (40% share of the Company amounting to US\$ 1,624.05 million, including interest upto November 30, 2016) equivalent to ₹ 12,263 Crore (March 31, 2020: ₹12,258 Crore). In response to the letters of DGH, the JV partners (with a copy marked to all Joint Venture Partners) had stated that demand of DGH was premature as the FPA did not make any money award in favour of Government of India, since quantification of liabilities were to be determined during the final proceedings of the arbitration. Further the award had also been challenged before the English Commercial Court (London High Court). Based on the above facts, the Company had also responded to the letters of DGH stating that pending finality of the order, the amount due and payable by the

Company was not quantifiable. In the view of the Company, any changes approved, if any, for increase in the Cost Recovery Limit (CRL) by the Arbitral Tribunal as per the terms of the PSCs the liability to DGH would potentially reduce.

The English Court has delivered its final verdict on May 2, 2018 following which the Arbitral Tribunal re-considered some of its earlier findings from the 2016 FPA (Revised Award). The Government of India, BGEPIIL and RIL have challenged parts of the Revised Award.

In January 2018, the Company along with the JV partners has filed an application with MC for increase in CRL in terms of the PSCs. The application has been rejected by MC. Pursuant to the rejection, the JV partners have filed a claim with Arbitral Tribunal.

DGH vide letter dated January 14, 2019 has advised to the contractors to re-cast the accounts for Panna-Mukta and Mid and South Tapti Fields for the year 2017-18. Pending finalization of the decision of the Arbitral Tribunal, the JV partners and the Company had indicated in their letters to DGH that the final recasting of the accounts was premature and thus the issues raised by DGH may be kept in abeyance.

Pending finality by Arbitration Tribunal on various issues raised above, re-casting of the financial statements and final quantification of liabilities, no provision has been accounted in the financial statements. The demand raised by DGH, amounting to US\$ 1,624.05 million equivalent to ₹ 12,263 Crore (March 31, 2020: ₹12,258 Crore) has been considered as contingent liability.

5. The Company had received demand orders from Service Tax Department at various work centers on account of Service Tax on Royalty in respect of Crude Oil and Natural Gas, appeals against such orders have been filed before the Tribunals. The Ahmedabad Tribunal adjourned the matter sine-die vide order dated June 25, 2019, against which the company has filed writ petition before Gujarat High Court. The Company had also obtained legal opinion as per which the Service Tax/GST on Royalty in respect of Crude Oil and Natural Gas is not applicable. Meanwhile, the Company also received demand order dated January 1, 2019 on account of GST on Royalty in the State of Rajasthan against which the Company filed writ (4919/2019) before Hon'ble High Court of Rajasthan. The Hon'ble High Court of Rajasthan heard the matter on April 3, 2019 and issued notice to Department with a direction that no coercive action shall be taken against the Company. The matter has been listed for hearing in second week of September, 2020 before Hon'ble High Court of Rajasthan.

The Company also filed writ of mandamus (9961/2019) before Hon'ble High Court of Madras seeking stay on the levy of GST on royalty. The Hon'ble High Court of Madras heard the matter on April 3, 2019 and issued notice to Central Govt. and State Govt. The Central Govt. has filed their counter affidavit on August 26, 2019. The company has filed additional grounds to the writ petition and filed rejoinder to the counter of the Central Govt. before Hon. Madras High Court on January 24, 2020. The date of next hearing is not scheduled as yet.

The total estimated amount (including penalty and interest up to June 30, 2020) towards Service Tax is ₹ 3,915 Crore (March 31, 2020: ₹ 3,900 Crore) and GST is ₹ 6,385 Crore (March 31, 2020: ₹ 6,104 Crore). Since the Company is contesting the demand, it has been considered as contingent liability. Further, as an abundant caution, the Company has deposited Service Tax and GST along-with interest under-protest amounting to ₹ 1,351 Crore (March 31, 2020: ₹ 1,351 Crore) and ₹ 4,803 Crore (March 31, 2020: ₹ 4,553 Crore) respectively.

6. The financial results for the quarter are impacted by very low realised crude oil due to the COVID-19 pandemic, but also by the volatile global crude oil markets. Oil, Gas and Petroleum Products were declared as essential services by Government of India during lockdown. The company continued producing and supplying crude oil and natural gas to its customers during lockdown period. Offtake of crude oil by Refineries is not affected, though there has been a reduction in gas production due to less off take by some customers causing marginal reduction in Gas sale, which has been now restored to normal levels with gas demand increasing to pre-COVID-19 levels after relaxations in lockdown and gradual opening of industries & various customers.

The management has assessed the possible impact of COVID-19 on the basis of internal and external sources of information and expects no significant impact on the continuity of operations, useful life of Property Plant and Equipment, recoverability of assets, trade receivables etc., and the financial position of the Company on a long term basis.

The Company does not foresee any impact of COVID-19 situation on internal financial controls. There are no liquidity concerns, the Company has sufficient lines of credit/ short term fund facilities with banks apart from option to tap other resources for meeting its fund requirements.

7. Government of India through “The Taxation Laws (Amendment) Act, 2019” has inserted Section 115BAA of the Income Tax Act, 1961, whereby a domestic company has an irrevocable option of exercising for a lower corporate tax rate along with consequent forego of certain tax deductions and incentives, including accumulated MAT credit eligible for set-off in subsequent years. The company has still not exercised this option and continues to evaluate the benefit of exercising the option for a lower corporate tax rate vis-à-vis the existing provisions. Pending exercising of the option, the company continues to recognize the taxes on income for the quarter ended June 30, 2020 as per the earlier provisions.
8. The figures for the quarter ended 30th June 2019 have been restated consequent to following changes in accounting policies during FY 2019-20:
 - a. In respect of recognizing the non-monetary government grant from fair value to nominal value, in accordance with the Ind AS 20 ‘Accounting for Government Grants and Disclosure of Government Assistance’.

b. In respect of accounting of excess decommissioning provision written back based on the opinion of Expert Advisory Committee of Institute of Chartered Accountants of India.

9. Previous period's figures have been regrouped by the Company, wherever necessary, to conform to current quarter's classification.

By order of the Board

SUBHASH KUMAR

Digitally signed by SUBHASH KUMAR
DN: cn=Subhash Kumar, postalCode=110096, st=Delhi,
2.5.4.20a5f5b8e6c0a61990e4f751b671061e7e93306e74a335940
8604320873a04043,
serialNumber=7c0d6d6bd9d136d7ac94eb896f5e1a84dbc2d59de
59096090560e45f132fb, cn=SUBHASH KUMAR
Date: 2020.09.01 12:25:31 +05'30'

(Subhash Kumar)

Director (Finance)

Place: New Delhi

Date: September 1, 2020

In terms of our report of even date attached

For MKPS & Associates

Chartered Accountants

Firm Reg. No. 302014E

**NIKHIL KUMAR
AGRAWALLA**

Digitally signed by NIKHIL
KUMAR AGRAWALLA
Date: 2020.09.01 14:39:29
+05'30'

(Nikhil Kumar Agrawalla)

Partner (M. No. 157955)

Place: Bhubaneswar

For Kalani & Co.

Chartered Accountants

Firm Reg. No: 000722C

**VIKAS
GUPTA**

Digitally signed
by VIKAS GUPTA
Date: 2020.09.01
13:05:26 +05'30'

(Vikas Gupta)

Partner (M. No. 077076)

Place: Jaipur

For G.M. Kapadia & Co.

Chartered Accountants

Firm Reg. No. 104767W

**Rajen
Ratansi
Ashar**

Digitally signed
by Rajen Ratansi
Ashar
Date: 2020.09.01
13:21:08 +05'30'

(Rajen Ashar)

Partner (M. No. 048243)

Place: Mumbai

For SARC & Associates

Chartered Accountants

Firm Reg. No. 006085N

**PANKAJ
SHARMA**

Digitally signed by
PANKAJ SHARMA
Date: 2020.09.01
13:43:58 +05'30'

(Pankaj Sharma)

Partner (M. No. 086433)

Place: New Delhi

For R. Gopal & Associates

Chartered Accountants

Firm Reg. No. 000846C

**SANDEEP
KUMAR
SAWARIA**

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SANDEEP KUMAR
SAWARIA
Date: 2020.09.01
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(Sandeep Kumar Sawaria)

Partner (M. No. 061771)

Place: Kolkata

For R.G.N. Price & Co.

Chartered Accountants

Firm Reg. No.002785S

**RANGARAJAN
RAGHAVAN
IYENGAR**

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RANGARAJAN RAGHAVAN
IYENGAR
Date: 2020.09.01 14:19:24
+05'30'

(Rangarajan Raghavan Iyengar)

Partner (M. No. 041883)

Place: Chennai

September 1, 2020

MKPS & Associates

Chartered Accountants
403, 4th Floor, Grace Chambers,
Chakala, Andheri (East),
Mumbai-400 093

G M Kapadia & Co.

Chartered Accountants
1007 Raheja Chambers,
213 Nariman Point,
Mumbai 400 021

R Gopal & Associates

Chartered Accountants
1/1A, Vansittart Row,
Kolkata -700 001

Kalani & Co.

Chartered Accountants
703, VII Floor, Milestone Building,
Gandhi Nagar Crossing,
Tonk Road, Jaipur-302015

SARC & ASSOCIATES

Chartered Accountants
SARC Towers, D-191,
Okhla Industrial Estate,
Phase I, New Delhi – 110020

R.G.N. Price & Co.

Chartered Accountants
Simpsons Buildings,
861, Anna Salai,
Chennai - 600 002

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT ON THE UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED ON JUNE 30, 2020

**TO THE BOARD OF DIRECTORS
OIL AND NATURAL GAS CORPORATION LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Oil and Natural Gas Corporation Limited** ("the Company") for the quarter ended June 30, 2020 (hereinafter referred to as "the Statement" and digitally signed by us for the purpose of identification), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, *"Review of Interim Financial information performed by the Independent Auditor of the Entity"* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement read with Notes thereon, prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. **Emphasis of Matter**

We draw attention to the following matters in the Notes to the Statement: -

- (i) Note No. 4, wherein it is stated that Directorate General of Hydrocarbons (DGH) had raised a demand on all the JV partners under the Production Sharing Contract with respect to Panna-Mukta and Mid and South Tapti contract areas (PMT JV), being BG Exploration and Production India Limited (BGEPIIL) and Reliance Industries Limited (RIL) (together “the Claimants”) and the Company (all three together referred to as “Contractors”), towards differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractors pursuant to Government’s interpretation of the Final Partial Award of Arbitral Tribunal (40% share of the Company amounting to USD 1624.05 million equivalent to Rs. 12,263 Crores, including interest upto 30th November, 2016). Subsequent to Tribunal Orders dated October 12, 2016, DGH vide letter dated May 25, 2017, June 4, 2018 and January 14, 2019 had asked contractor for re-casting of accounts of the PMT JV and for remitting the respective PI share of balance dues including interest till the date of remittance. As the company is not a party to the arbitration, the details of the proceedings of arbitration and copy of the order of London High Court are not available with the company. The Company has responded that The English high Court has delivered its final verdict on May 2, 2018 following which the Arbitral Tribunal re-considered some of its earlier findings from the 2016 FPA (Revised Award); Pending finalization of the decision of the Arbitral Tribunal, the Company has indicated in their letters to DGH that the final recasting of the accounts is premature and the issues raised by DGH may be kept in abeyance and therefore no provision for the same has been considered necessary and the same has been considered as contingent liability.
- (ii) Note No. 5, with respect to demand orders served on various work centres of the company by tax authorities under Service Tax (ST) and Goods & Service Tax (GST) demanding ST and GST on Royalty in respect of Crude Oil and Natural Gas. Based on the legal opinion, the company is contesting such demands at various forums and estimated amounts worked out towards ST and GST (including interest and penalty upto June 30, 2020) at Rs. 3,915 crore and Rs. 6,385 crore respectively (Total Rs 10,300 crore), which has been considered as contingent liability. As a measure of abundant caution, the company has deposited ST and GST along with interest under protest amounting to Rs 1,351 crore and Rs 4,803 crore respectively (Total Rs 6,154 crore).
- (iii) Note No. 6, which describes the management’s assessment of the impact of COVID-19 pandemic on the basis of internal and external sources of information, on its business, operations and other related components. As stated in the said Note, the management expects no significant impact of COVID-19 on the affairs of the company on a long term basis.

Our conclusion on the Statement is not modified in respect of the above matters.

6. **Other Matters**

- (i) We have placed reliance on technical/commercial evaluation by the management in respect of categorization by the Company of wells as exploratory, development, producing and dry wells, allocation of costs incurred on them, proved (developed and undeveloped) / probable hydrocarbon reserves and depletion thereof on Oil and Gas Assets, impairment, liability for decommissioning costs, liability for NELP/ HELP and nominated blocks for under performance against agreed Minimum Work Programme.
- (ii) The Statement includes the Company's proportionate share in the total value of expenditure and Income of 160 blocks under New Exploration Licensing Policy (NELPs)/ Hydrocarbon Exploration

and Licensing Policy (HELPS)/ Discovered Small Fields (DSFs)/ Open Acreage Licensing Policy (OALPS) and Joint Operations (JOs) accounts for exploration and production, out of which: -

- a. 1 block accounts have been certified by other Chartered Accountant. In respect of this block, the Statement includes revenue for the quarter ended June 30, 2020 amounting to Rs. 852.30 Crore and profit before tax including other comprehensive income for the quarter ended June 30, 2020 amounting to Rs. 80.63 Crore. Our conclusion is solely based on the certificate of the other Chartered Accountant.
 - b. 17 blocks have been certified by the management. In respect of these 17 blocks, the Statement includes revenue for the quarter ended June 30, 2020 amounting to Rs. 192.75 Crore and profit/ (loss) before tax including other comprehensive income for the quarter ended June 30, 2020 amounting to Rs. 27.94 Crore respectively. Our conclusion is solely based on management certified accounts in respect of these blocks.
- (iii) The Statement includes comparative figures of corresponding quarter ended June 30, 2019, reviewed by the joint auditors of the Company, three of whom were the predecessor audit firms, where they had expressed an unmodified conclusion vide their report dated August 13, 2019 on such Standalone Financial Results.

Our conclusion on the Statement is not modified in respect of the above matters.

For MKPS & Associates

Chartered Accountants

Firm Reg. No.: 302014E

NIKHIL
KUMAR
AGRAWALLA

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NIKHIL KUMAR
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(Nikhil Kumar Agrawalla)

Partner (M. No. 157955)

UDIN: 20157955AAAACN4264

Place: Bhubaneshwar

For G.M. Kapadia & Co.

Chartered Accountants

Firm Reg. No.: 104767W

Rajen
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(Rajen Ashar)

Partner (M. No. 048243)

UDIN: 20048243AAAAHY2178

Place: Mumbai

For R. Gopal & Associates

Chartered Accountants

Firm Reg. No.: 000846C

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(Sandeep Kumar Sawaria)

Partner (M. No. 061771)

UDIN: 20061771AAAAD7309

Place: Kolkata

For Kalani & Co.

Chartered Accountants

Firm Reg. No.: 000722C

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(Vikas Gupta)

Partner (M. No. 077076)

UDIN: 20077076AAAAAI1375

Place: Jaipur

For SARC & ASSOCIATES

Chartered Accountants

Firm Reg. No.: 006085N

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(Pankaj Sharma)

Partner (M. No. 086433)

UDIN: 20086433AAAAAM4217

Place: New Delhi

For R.G.N. Price & Co.

Chartered Accountants

Firm Reg. No.: 002785S

RANGARAJAN
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(Rangarajan Raghavan Iyengar)

Partner (M. No. 041883)

UDIN: 20041883AAAAAF5499

Place: Chennai

Dated: September 01, 2020

OIL AND NATURAL GAS CORPORATION LIMITED

CIN No. L74899DL1993GOI054155

Regd. Office : Plot No. 5A- 5B, Nelson Mandela Road, Vasant Kunj, New Delhi, South West Delhi – 110070

Tel: 011-26754002, Fax: 011-26129091, E-mail: secretariat@ongc.co.in

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020

(₹ in Crore unless otherwise stated)

	Particulars	Quarter ended 30.06.2020	Quarter ended 31.03.2020	Quarter ended 30.06.2019^	Year ended 31.03.2020
		Unaudited	Audited	Unaudited	Audited
I	Revenue from operations	62,496.06	104,488.95	109,545.79	425,001.42
II	Other income	1,079.41	3,525.37	1,542.75	8,531.55
III	Total income (I+II)	63,575.47	108,014.32	111,088.54	433,532.97
IV	Expenses				
	(a) Cost of materials consumed*	7,657.71	21,482.58	19,760.57	88,902.15
	(b) Purchase of Stock-in-Trade	21,565.46	46,251.13	48,778.19	176,006.43
	(c) Changes in inventories of finished goods, stock-in-trade and work-in progress	772.36	835.74	84.49	1,145.56
	(d) Employee benefits expense **	1,559.61	1,651.65	1,636.06	6,539.17
	(e) Statutory levies	14,083.06	13,577.69	12,208.63	52,415.00
	(f) Exploration costs written off				
	(i) Survey costs	594.61	419.86	952.07	1,901.53
	(ii) Exploration well costs	568.67	2,724.93	1,468.55	7,121.88
	(g) Finance costs	1,497.66	2,191.34	1,519.36	6,999.77
	(h) Depreciation, depletion, amortisation and impairment	5,847.94	6,771.78	5,757.93	26,634.88
	(i) Other expenses	6,855.29	13,906.71	7,741.96	38,824.39
	Total expenses (IV)	61,002.37	109,813.41	99,907.81	406,490.76
V	Profit before share of profit/(loss) of associates and joint ventures, exceptional items and tax (III - IV)	2,573.10	(1,799.09)	11,180.73	27,042.21
VI	Share of profit of associates & joint ventures	(560.88)	298.61	270.11	1,054.42
VII	Profit before exceptional items (V+VI)	2,012.22	(1,500.48)	11,450.84	28,096.63
VIII	Exceptional items - Income/(expenses)	-	(9,028.48)	-	(9,028.48)
IX	Profit before tax (VII+VIII)	2,012.22	(10,528.96)	11,450.84	19,068.15
X	Tax expense				
	(a) Current tax relating to:				
	- current year	1,397.83	133.08	3,300.78	9,647.58
	- earlier years	-	(1,327.82)	(13.72)	(1,805.42)
	(b) Deferred tax	(475.64)	(2,757.54)	1,043.70	(334.16)
	Total tax expense (X)	922.19	(3,952.28)	4,330.76	7,508.00
XI	Profit for the period (IX-X)	1,090.03	(6,576.68)	7,120.08	11,560.15
XII	Other comprehensive income (OCI)				
	A Items that will not be reclassified to profit or loss				
	(a) Remeasurement of the defined benefit plans	(132.70)	(125.45)	(113.18)	(659.54)
	- Deferred tax	46.58	25.37	39.57	212.18
	(b) Equity instruments through other comprehensive income	1,081.80	(7,027.83)	(1,338.49)	(13,251.55)
	- Deferred tax	(77.70)	510.82	81.02	803.19
	(c) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss	0.14	(1.25)	(0.50)	(2.49)
	- Deferred tax	-	-	-	-
	B Items that will be reclassified to profit or loss				
	(a) Exchange differences in translating the financial statement of foreign operation	(470.21)	(437.43)	146.11	1,759.53
	- Deferred tax	324.76	88.78	(39.64)	(576.34)
	(b) Effective portion of gains (losses) on hedging instruments in cash flow hedges	(40.85)	(24.16)	0.03	(24.16)
	- Deferred tax	10.28	6.08	(0.01)	6.08
	(c) Share of other comprehensive income in associates and joint ventures, to the extent to be reclassified to profit or loss	(4.70)	(169.07)	-	(169.07)
	Total Other Comprehensive Income (XII)	737.40	(7,154.14)	(1,225.09)	(11,902.17)
XIII	Total Comprehensive Income for the period (XI+XII)	1,827.43	(13,730.82)	5,894.99	(342.02)
XIV	Profit for the year attributable to:				
	- Owners of the Company	119.75	(6,189.44)	6,771.00	10,907.15
	- Non-controlling interests	970.28	(387.24)	349.08	653.00
		1,090.03	(6,576.68)	7,120.08	11,560.15
XV	Other comprehensive income attributable to:				
	- Owners of the Company	741.96	(6,880.47)	(1,214.84)	(11,578.82)
	- Non-controlling interests	(4.56)	(273.67)	(10.25)	(323.35)
		737.40	(7,154.14)	(1,225.09)	(11,902.17)
XVI	Total comprehensive income attributable to:				
	- Owners of the Company	861.71	(13,069.91)	5,556.16	(671.67)
	- Non-controlling interests	965.72	(660.91)	338.83	329.65
		1,827.43	(13,730.82)	5,894.99	(342.02)
XVII	Paid up equity share capital (Face value of ₹5/- each)	6,290.15	6,290.15	6,290.15	6,290.15
XVIII	Other Equity				200,677.54
	Earnings per equity share: (Face value of ₹5/- each) - not annualised				
	(a) Basic (₹)	0.10	(4.92)	5.38	8.67
	(b) Diluted (₹)	0.10	(4.92)	5.38	8.67

* Represents consumption of raw materials and stores & spares. ** Employee benefits expense shown above is net of allocation to different activities. ^ Restated, refer note no. 8

OIL AND NATURAL GAS CORPORATION LIMITED CIN No. L74899DL1993GOI054155 Regd. Office : Plot No. 5A- 5B, Nelson Mandela Road, Vasant Kunj, New Delhi, South West Delhi – 110070 Tel: 011-26754002, Fax: 011-26129091, E-mail: secretariat@ongc.co.in CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS & LIABILITIES (₹ in Crore)					
Sl. No.	Particulars	Quarter ended 30.06.2020	Quarter ended 31.03.2020	Quarter ended 30.06.2019^	Year ended 31.03.2020
		Unaudited	Audited	Unaudited	Audited
1	Segment Revenue A. In India (i) E&P a) Offshore b) Onshore (ii) Refining & Marketing B. Outside India c) Others Unallocated Total Less: Inter Segment Revenue Revenue from operations	 8,591.11 4,399.52 52,507.97 2,241.07 9.89 67,749.56 5,253.50 62,496.06	 14,438.37 6,976.67 89,053.27 3,311.97 32.40 113,812.68 9,323.73 104,488.95	 17,304.94 9,194.41 86,136.14 4,285.20 29.81 116,950.50 7,404.71 109,545.79	 63,521.82 32,465.85 347,947.99 15,547.12 110.59 459,593.37 34,591.95 425,001.42
2	Segment Result Profit(+)/Loss(-) before tax and interest from each segment A. In India (i) E&P a) Offshore b) Onshore (ii) Refining & Marketing B. Outside India Total Less: i. Finance Cost ii. Other unallocable expenditure net of unallocable income. Add: Share of profit/(loss) of joint ventures and associates: A. In India (i) Refining & Marketing (ii) Unallocated B. Outside India-E&P Profit before Tax	 1,557.20 (185.32) 2,498.33 226.37 4,096.58 1,497.66 25.82 (375.32) (238.13) 52.57 2,012.22	 2,015.09 (4,833.00) (4,679.27) (1,708.00) (9,205.18) 2,191.34 (568.95) (244.89) 76.54 466.96 (10,528.96)	 7,336.62 2,155.73 594.30 2,131.50 12,218.15 1,519.36 (481.94) 169.61 (378.33) 478.83 11,450.84	 22,047.93 (88.57) (2,183.41) 3,641.01 23,416.96 6,999.77 (1,596.54) 78.59 (442.40) 1,418.23 19,068.15
3	Segment Assets A. In India (i) E&P a) Offshore b) Onshore c) Other Unallocated (ii) Refining & Marketing B. Outside India Total	 132,336.86 63,876.99 44,266.92 150,480.72 119,131.95 510,093.44	 131,270.73 63,181.29 43,226.56 147,176.13 119,043.36 503,898.07	 130,814.36 65,502.36 52,571.17 139,017.04 115,681.51 503,586.44	 131,270.73 63,181.29 43,226.56 147,176.13 119,043.36 503,898.07
4	Segment Liabilities A. In India (i) E&P a) Offshore b) Onshore c) Other Unallocated (ii) Refining & Marketing B. Outside India Total	 42,070.11 15,663.08 46,114.44 111,583.81 68,162.49 283,593.93	 42,187.24 15,920.36 44,401.43 108,999.10 67,609.44 279,117.57	 38,309.74 14,377.18 48,698.98 96,216.87 64,197.92 261,800.69	 42,187.24 15,920.36 44,401.43 108,999.10 67,609.44 279,117.57
^ Restated, refer Note no. 8 Note: Segments have been identified and reported taking into account the differing risks and returns, the groups structure and the internal reporting systems. These have been organized into the following Geographical and Business segments: Geographical Segments: a) In India - Offshore and Onshore b) Outside India. Business Segments : a) Exploration & Production b) Refining & Marketing of Petroleum products					

Notes:

1. The above Consolidated financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in its meeting held on September 1, 2020.
2. The Consolidated financial results for the quarter ended June 30, 2020 have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year 2019-20 and the year-to-date figures upto the third quarter of 2019-20 which were subjected to limited review.
4. The Company, with 40% Participating Interest (PI), was a Joint Operator in Panna-Mukta and Mid and South Tapti Fields along with Reliance Industries Limited (RIL) and BG Exploration and Production India Limited (BGEPIL) each having 30% PI, (all three together referred to as "Contractors") signed two Production sharing Contracts (PSCs) with Government of India (Union of India) on December 22, 1994 for a period of 25 years. The PSCs for Panna Mukta and Mid & South Tapti have expired on December 21, 2019. In terms of the Panna Mukta Field Asset Handover Agreement, the Contractors of PMT JV are liable for this pre-existing liability.

In December 2010, RIL & BGEPIL (JV Partners) invoked an international arbitration proceeding against the Union of India in respect of certain disputes, differences and claims arising out of and in connection with both the PSCs pursuant to the provisions of Article 33 of the PSCs and UNCITRAL Rules, 1976. The Ministry of Petroleum and Natural Gas (MoP&NG), vide their letter dated July 4, 2011, had directed the Company not to participate in the arbitration initiated by the JV Partners. MoP&NG has also stated that the arbitral award would be applicable to the Company also as a constituent of the Contractor for both the PSCs.

Directorate General of Hydrocarbons (DGH), vide letters dated May 25, 2017 had informed the Company that on October 12, 2016, a Final Partial Award (FPA) was pronounced by the Tribunal in the said arbitrations. However, the details of proceedings of the FPA are not available with the Company. DGH, vide their letter dated May 25, 2017 and June 4, 2018, marked to the Contractors, had directed the payment of differential Government of India share of Profit Petroleum and Royalty alleged to be payable by Contractors pursuant to Governments interpretation of the FPA (40% share of the Company amounting to US\$ 1,624.05 million, including interest upto November 30, 2016) equivalent to ₹12,263 Crore (March 31, 2020: ₹12,258 Crore). In response to the letters of DGH, the JV partners (with a copy marked to all Joint Venture Partners) had stated that demand of DGH was premature as the FPA did not make any money award in favour of Government of India, since quantification of liabilities were to be determined during the final proceedings of the arbitration. Further the award had also been challenged before the English Commercial Court (London High Court). Based on the above facts, the Company had also responded to the letters of DGH stating that pending finality of the order, the amount due and payable by the Company was not quantifiable. In the view of the Company, any changes approved, if any, for increase in the Cost Recovery Limit (CRL) by the Arbitral Tribunal as per the terms of the PSCs the liability to DGH would potentially reduce.

The English Court has delivered its final verdict on May 2, 2018 following which the Arbitral Tribunal re-considered some of its earlier findings from the 2016 FPA (Revised Award). The Government of India, BGEPIL and RIL have challenged parts of the Revised Award.

In January 2018, the Company along with the JV partners has filed an application with MC for increase in CRL in terms of the PSCs. The application has been rejected by MC. Pursuant to the rejection, the JV partners have filed a claim with Arbitral Tribunal.

DGH vide letter dated January 14, 2019 has advised to the contractors to re-cast the accounts for Panna-Mukta and Mid and South Tapti Fields for the year 2017-18. Pending finalization of the decision of the Arbitral Tribunal, the JV partners and the Company had indicated in their letters to DGH that the final recasting of the accounts was premature and thus the issues raised by DGH may be kept in abeyance.

Pending finality by Arbitration Tribunal on various issues raised above, re-casting of the financial statements and final quantification of liabilities, no provision has been accounted in the financial statements. The demand raised by DGH, amounting to US\$ 1,624.05 million equivalent to ₹ 12,263 Crore (March 31, 2020: ₹12,258 Crore) has been considered as contingent liability.

5. The Company had received demand orders from Service Tax Department at various work centers on account of Service Tax on Royalty in respect of Crude Oil and Natural Gas, appeals against such orders have been filed before the Tribunals. The Ahmedabad Tribunal adjourned the matter sine-die vide order dated June 25, 2019, against which the company has filed writ petition before Gujarat High Court. The Company had also obtained legal opinion as per which the Service Tax/GST on Royalty in respect of Crude Oil and Natural Gas is not applicable. Meanwhile, the Company also received demand order dated January 1, 2019 on account of GST on Royalty in the State of Rajasthan against which the Company filed writ (4919/2019) before Hon'ble High Court of Rajasthan. The Hon'ble High Court of Rajasthan heard the matter on April 3, 2019 and issued notice to Department with a direction that no coercive action shall be taken against the Company. The matter has been listed for hearing in second week of September, 2020 before Hon'ble High Court of Rajasthan.

The Company also filed writ of mandamus (9961/2019) before Hon'ble High Court of Madras seeking stay on the levy of GST on royalty. The Hon'ble High Court of Madras heard the matter on April 3, 2019 and issued notice to Central Govt. and State Govt. The Central Govt. has filed their counter affidavit on August 26, 2019. The company has filed additional grounds to the writ petition and filed rejoinder to the counter of the Central Govt. before Hon. Madras High Court on January 24, 2020. The date of next hearing is not scheduled as yet.

The total estimated amount (including penalty and interest up to June 30, 2020) towards Service Tax is ₹ 3,915 Crore (March 31, 2020: ₹ 3,900 Crore) and GST is ₹ 6,385 Crore (March 31, 2020: ₹ 6,104 Crore). Since the Company is contesting the demand, it has been considered as contingent liability. Further, as an abundant caution, the Company has deposited Service Tax and GST along-with interest under-protest amounting to ₹ 1,351 Crore (March 31, 2020: ₹ 1,351 Crore) and ₹ 4,803 Crore (March 31, 2020: ₹ 4,553 Crore) respectively.

6. The financial results for the quarter are impacted by very low realised crude oil due to the COVID-19 pandemic, but also by the volatile global crude oil markets. Oil, Gas and Petroleum Products were declared as essential services by Government of India during lockdown. The company continued producing and supplying crude oil and natural gas to its customers during lockdown period. Offtake of crude oil by Refineries is not affected, though there has been a reduction in gas production due to less off take by some customers causing marginal reduction in Gas sale, which has been now restored to normal levels with gas demand increasing to pre-COVID-19 levels after relaxations in lockdown and gradual opening of industries & various customers. The management has assessed the possible impact of COVID-19 on the basis of internal and external sources of information and expects no significant impact on the continuity of operations, useful life of Property Plant and Equipment, recoverability of assets, trade receivables etc., and the financial position of the Company on a long term basis. The Company does not foresee any impact of COVID-19 situation on internal financial controls. There are no liquidity concerns, the Company has sufficient lines of credit/ short term fund facilities with banks apart from option to tap other resources for meeting its fund requirements.

As regards subsidiaries, Hindustan Petroleum Corporation Limited (HPCL) and Mangalore Refinery and Petrochemicals Limited (MRPL), although the COVID-19 did impact the demand of petroleum products during the quarter, however group expects no significant impact on the continuity of operations of the business on long term basis and expects to recover carrying amount of assets and discharge its debts & obligations.

7. Government of India through "The Taxation Laws (Amendment) Act, 2019" has inserted Section 115BAA of the Income Tax Act, 1961, whereby a domestic company has an irrevocable option of exercising for a lower corporate tax rate along with consequent forego of certain tax deductions and incentives, including accumulated MAT credit eligible for set-off in subsequent years. The company has still not exercised this option and continues to evaluate the benefit of exercising the option for a lower corporate tax rate vis-à-vis the existing provisions, however, the Company has an

option for the same till the filing of return of Income. Pending exercising of the option, the company continues to recognize the taxes on income for the quarter ended June 30, 2020 as per the earlier provisions. Also, Subsidiaries ONGC Videsh Limited (OVL) and Mangalore Refinery and Petrochemicals Limited (MRPL) have not exercised aforesaid option and continue to recognize the taxes on income for the quarter ended June 30, 2020 as per the earlier provisions.

8. The figures for the quarter ended June 30 2019 have been restated consequent to following changes in accounting policies during FY 2019-20:
 - a. In respect of recognizing the non-monetary government grant from fair value to nominal value, in accordance with the Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance'.
 - b. In respect of accounting of excess decommissioning provision written back based on the opinion of Expert Advisory Committee of Institute of Chartered Accountants of India.
9. Previous period's figures have been regrouped, wherever necessary, to conform to current quarter's classification.

By order of the Board

**SUBHASH
KUMAR**

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Date: 2020.09.01 12:46:23 +05'30'

(Subhash Kumar)
Director (Finance)
Place: New Delhi

In terms of our report of even date attached

For M K P S & Associates
Chartered Accountants
Firm Reg. No: 302014E

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(Nikhil Kumar Agrawalla)
Partner (M. No. 157955)
Place: Bhubaneswar

For G M Kapadia & Co.
Chartered Accountants
Firm Reg. No. 104767W

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(Rajen Ashar)
Partner (M. No. 048243)
Place: Mumbai

For R Gopal & Associates
Chartered Accountants
Firm Reg. No.000846C

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(Sandeep Kumar Sawaria)
Partner (M. No. 061771)
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For Kalani & Co.
Chartered Accountants
Firm Reg. No: 000722C

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(Vikas Gupta)
Partner (M.No. 077076)
Place: Jaipur

For SARC & Associates
Chartered Accountants
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(Pankaj Sharma)
Partner (M. No. 086433)
Place: New Delhi

For R.G.N. Price & Co.
Chartered Accountants
Firm Reg. No.002785S

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(Rangarajan Raghavan Iyengar)
Partner (M. No. 041883)
Place: Chennai

Date: September 01, 2020

MKPS & Associates

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Kalani & Co.

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Okhla Industrial Estate,
Phase I, New Delhi – 110020

R.G.N. Price & Co.

Chartered Accountants
Simpsons Buildings,
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INDEPENDENT AUDITORS' LIMITED REVIEW REPORT ON THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED ON JUNE 30, 2020

**TO THE BOARD OF DIRECTORS OF
OIL AND NATURAL GAS CORPORATION LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Oil and Natural Gas Corporation Limited** ("the Holding Company ") and its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income / (loss) of its Joint Ventures and Associates for the quarter ended June 30, 2020 (hereinafter referred to as "the Statement" and digitally signed by us for the purpose of identification), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" and also considering the requirements of Standard on Auditing (SA 600) on "*Using the Work of Another Auditor*" including materiality, both issued by the Institute of Chartered Accountants of India. This SRE requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No.	Name of the entity
A	Holding Company
1	Oil and Natural Gas Corporation Limited
B	Subsidiaries
1	ONGC Videsh Limited *
2	Mangalore Refinery and Petrochemicals Limited * #
3	Petronet MHB Limited
4	Hindustan Petroleum Corporation Limited *
C	Joint Ventures
1	ONGC Teri Biotech Limited
2	ONGC Tripura Power Company Limited *
3	ONGC Petro Additions Limited
4	Mangalore SEZ Limited *
5	Indradhanush Gas Grid Limited
6	Dahej SEZ Limited
D	Associates
1	Petronet LNG Limited *
2	Pawan Hans Limited
3	Rohini Heliport Limited

* As per consolidated financial results

Consolidated financial results of Mangalore Refinery and Petrochemicals Limited includes its subsidiary, ONGC Mangalore Petrochemicals Limited, which is an indirect Subsidiary of the Holding Company

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the Review Reports of other auditors referred to in paragraph 11 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Statement:

6. Note No. 4, wherein it is stated that Directorate General of Hydrocarbons (DGH) had raised a demand on all the JV partners under the Production Sharing Contract with respect to Panna-Mukta and Mid and South Tapti contract areas (PMT JV), being BG Exploration and Production India Limited (BGEPI) and Reliance Industries Limited (RIL) (together “the Claimants”) and the Holding Company (all three together referred to as “Contractors”), towards differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractors pursuant to Government’s interpretation of the Final Partial

Award of Arbitral Tribunal (40% share of the Holding Company amounting to USD 1624.05 million equivalent to Rs. 12,263 Crores, including interest upto November 30, 2016). Subsequent to Tribunal Order dated October 12, 2016, DGH vide letters dated May 25, 2017, June 4, 2018 and January 14, 2019 had asked contractor for re-casting of accounts of the PMT JV and for remitting the respective PI share of balance dues including interest till the date of remittance. As the Holding Company is not a party to the arbitration, the details of the proceedings of arbitration and copy of the order of London High Court are not available with the Holding Company. The Holding Company has responded that The English high Court has delivered its final verdict on May 2, 2018 following which the Arbitral Tribunal re-considered some of its earlier findings from the 2016 FPA (Revised Award); Pending finalization of the decision of the Arbitral Tribunal, the Holding Company has indicated in its letters to DGH that the final recasting of the accounts is premature and the issues raised by DGH may be kept in abeyance and therefore no provision for the same has been considered necessary and the same has been considered as contingent liability.

7. Note No. 5, with respect to demand orders served on various work centres of the Holding Company by tax authorities under Service Tax (ST) and Goods & Service Tax (GST) demanding ST and GST on Royalty in respect of Crude Oil and Natural Gas. Based on the legal opinion, the Holding Company is contesting such demands at various forums and estimated amounts worked out towards ST and GST (including interest and penalty upto June 30, 2020) at Rs. 3,915 crore and Rs. 6,385 crore respectively (Total Rs. 10,300 crore), which has been considered as contingent liability. As a measure of abundant caution, the Holding Company has deposited ST and GST along with interest under protest amounting to Rs. 1,351 crore and Rs. 4,803 crore respectively (Total Rs. 6,154 crore).
8. Note No. 6, which describes the management's assessment of the impact of COVID-19 pandemic on the basis of internal and external sources of information, on its business, operations and other related components. As stated in the said Note, the management expects no significant impact of COVID-19 on the affairs of the group on a long term basis.

Our conclusion on the Statement is not modified in respect of these matters.

Other Matters

9. We have placed reliance on technical/commercial evaluation by the management in respect of categorization by the Holding Company of wells as exploratory, development, producing and dry wells, allocation of costs incurred on them, proved (developed and undeveloped)/ probable hydrocarbon reserves, and depletion thereof on Oil and Gas Assets, impairment, liability for decommissioning costs, liability for NELP/ HELP and nominated blocks for under performance against agreed Minimum Work Programme.
10. The Statement includes the Holding Company's proportionate share in the total value of expenditure and Income of 160 blocks under New Exploration Licensing Policy (NELPs)/ Hydrocarbon Exploration and Licensing Policy (HELPS)/ Discovered Small Fields (DSFs)/ Open Acreage Licensing Policy (OALPs) and Joint Operations (JOs) accounts for exploration and production, out of which:
 - a. 1 block accounts have been certified by other Chartered Accountant. In respect of this block, the Statement includes revenue for the quarter ended June 30, 2020 amounting to Rs. 852.30 Crore and profit before tax including other comprehensive income for the quarter ended June 30, 2020 amounting to Rs. 80.63 Crore. Our conclusion is solely based on the certificate of the other Chartered Accountant.
 - b. 17 blocks have been certified by the management. In respect of these 17 blocks, the Statement includes revenue for the quarter ended June 30, 2020 amounting to Rs. 192.75 Crore and profit/ (loss) before tax including other comprehensive income for the quarter ended June 30, 2020

amounting to Rs. 27.94 Crore respectively. Our conclusion is solely based on management certified accounts in respect of these blocks.

11. We did not review the interim financial results/information in respect of four subsidiaries included in the Statement, whose interim financial results/information reflect total revenues of Rs. 49,484.77 Crore, total net profit/(loss) after tax of Rs. 846.04 Crore and total comprehensive income of Rs. 691.51 Crore for the quarter ended June 30, 2020, as considered in the Statement. The Statement also include the Group's share of net profit/(loss) after tax of (Rs. 246.33 Crore) and total comprehensive income of (Rs. 246.53 Crore) for the quarter ended June 30, 2020, as considered in the Statement, in respect of six Joint Ventures and one Associate, whose financial results/information have not been reviewed by us. These interim financial results/information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

The Statement also includes the Group's share of net profit/(loss) after tax of (Rs. 5.65 Crore) and total comprehensive income of (Rs. 5.65 Crore) for the quarter ended June 30, 2020, as considered in the Statement, in respect of two Associates, based on their interim financial results/information, which have not been reviewed by their auditors or by us. These, interim financial results/information are certified by the management. According to the information and explanations given to us by the Management, these, interim financial results/information are not material to the Group.

12. The Statement includes comparative figures of corresponding quarter ended June 30, 2019, reviewed by the joint auditors of the Holding Company, three of whom were the predecessor audit firms, where they had expressed an unmodified conclusion vide their report dated August 13, 2019 on such consolidated financial results.

Our conclusion on the Statement is not modified in respect of the above matters.

For MKPS & Associates

Chartered Accountants

Firm Reg. No.: 302014E

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(Nikhil Kumar Agrawalla)

Partner (M. No. 157955)

UDIN: 20157955AAAACO2254

Place: Bhubaneshwar

For G.M. Kapadia & Co.

Chartered Accountants

Firm Reg. No.: 104767W

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Partner (M. No. 048243)

UDIN: 20048243AAAAHZ6345

Place: Mumbai

For R. Gopal & Associates

Chartered Accountants

Firm Reg. No.: 000846C

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Partner (M. No. 061771)

UDIN: 20061771AAAADF4662

Place: Kolkata

For Kalani & Co.

Chartered Accountants

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Partner (M. No. 077076)

UDIN: 20077076AAAAAJ4244

Place: Jaipur

For SARC & ASSOCIATES

Chartered Accountants

Firm Reg. No.: 006085N

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Partner (M. No. 086433)

UDIN: 20086433AAAAAN3840

Place: New Delhi

For R.G.N. Price & Co.

Chartered Accountants

Firm Reg. No.: 002785S

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Partner (M. No. 041883)

UDIN: 20041883AAAAAG3557

Place: Chennai

Dated: September 01, 2020