

**OIL AND NATURAL GAS CORPORATION LIMITED**

CIN No. L74899DL1993GO1054155

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 AND NINE MONTHS ENDED 31ST DECEMBER, 2020**  
(₹ in Crore unless otherwise stated)

Sl. No.	Particulars	Financial results for					Year ended 31.03.2020
		Quarter ended 31.12.2020	Quarter ended 30.09.2020	Quarter ended* 31.12.2019	Nine Months ended 31.12.2020	Nine Months ended* 31.12.2019	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
I	Revenue from operations	17,023.80	16,917.09	23,710.05	46,952.18	74,757.41	96,213.61
II	Other income	1,218.41	2,235.50	1,402.50	3,890.73	4,779.39	6,105.03
III	<b>Total income (I+II)</b>	<b>18,242.21</b>	<b>19,152.59</b>	<b>25,112.55</b>	<b>50,842.91</b>	<b>79,536.80</b>	<b>1,02,318.64</b>
IV	<b>EXPENSES</b>						
	Cost of materials consumed*	492.96	538.60	668.12	1,428.24	1,999.95	2,588.12
	Purchase of stock-in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, stock-in-trade and work in progress	(46.38)	(132.03)	(203.58)	(289.94)	(220.80)	246.99
	Employee benefits expense**	562.05	616.05	667.38	1,676.60	1,908.80	2,520.34
	Statutory levies	4,097.26	3,934.85	5,667.06	11,012.96	17,763.81	22,570.80
	Exploration costs written off						
	a. Survey Costs	363.76	187.78	233.05	1,110.53	1,292.89	1,687.92
	b. Exploratory well Costs	1,474.76	1,258.16	3,300.83	3,300.83	4,352.38	6,995.76
	Finance costs	477.74	317.21	626.36	1,286.79	1,954.20	2,823.68
	Depreciation, depletion, amortisation and impairment	4,427.02	3,679.49	5,301.92	11,928.81	13,618.24	18,616.86
	Other expenses	3,571.80	3,524.28	4,613.94	10,435.14	12,606.62	19,000.43
	<b>Total expenses (IV)</b>	<b>15,420.97</b>	<b>13,924.39</b>	<b>19,058.84</b>	<b>41,889.96</b>	<b>55,276.09</b>	<b>77,050.90</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>	<b>2,821.24</b>	<b>5,228.20</b>	<b>6,053.71</b>	<b>8,952.95</b>	<b>24,260.71</b>	<b>25,267.74</b>
VI	Exceptional items	-	(1,238.18)	-	(1,238.18)	-	(4,899.05)
VII	<b>Profit before tax (V+VI)</b>	<b>2,821.24</b>	<b>3,990.02</b>	<b>6,053.71</b>	<b>7,714.77</b>	<b>24,260.71</b>	<b>20,368.69</b>
VIII	Tax expense:						
	(a) Current tax relating to:						
	- current year	948.00	1,540.00	1,669.99	2,824.00	6,673.75	7,410.00
	- earlier years	497.04	4.15	(459.08)	501.19	(472.80)	(361.27)
	(b) Deferred tax	(2.03)	(431.97)	616.35	(362.46)	1,516.96	(124.56)
	<b>Total tax expense (VIII)</b>	<b>1,443.01</b>	<b>1,112.18</b>	<b>1,827.26</b>	<b>2,962.73</b>	<b>7,717.91</b>	<b>6,924.15</b>
IX	<b>Profit for the period (VII-VIII)</b>	<b>1,378.23</b>	<b>2,877.84</b>	<b>4,226.45</b>	<b>4,752.04</b>	<b>16,542.80</b>	<b>13,444.54</b>
X	<b>Other comprehensive income (OCI)</b>						
	(a) Items that will not be reclassified to profit or loss						
	(i) Re-measurement of the defined benefit obligations	(75.89)	(30.42)	(197.50)	(233.17)	(530.24)	(441.40)
	- Deferred Tax	26.52	10.63	69.02	81.48	185.29	154.24
	(ii) Equity instruments through other comprehensive income	3,073.88	(1,865.46)	(3,214.77)	2,260.79	(6,137.31)	(12,976.93)
	- Deferred Tax	(228.79)	139.17	240.45	(167.32)	292.37	803.19
	<b>Total other comprehensive income (X)</b>	<b>2,795.72</b>	<b>(1,746.08)</b>	<b>(3,102.80)</b>	<b>1,941.78</b>	<b>(6,189.89)</b>	<b>(12,460.90)</b>
XI	<b>Total comprehensive income for the period (IX+X)</b>	<b>4,173.95</b>	<b>1,131.76</b>	<b>1,123.65</b>	<b>6,693.82</b>	<b>10,352.91</b>	<b>983.64</b>
XII	<b>Paid-up Equity Share Capital (Face value of ₹ 5/- each)**</b>	<b>6,290.14</b>	<b>6,290.15</b>	<b>6,290.15</b>	<b>6,290.14</b>	<b>6,290.15</b>	<b>6,290.15</b>
XIII	Other equity						
XIV	Earnings Per Share (Face value of ₹ 5/- each) - not annualised						
	(a) Basic (₹)	1.10	2.29	3.36	3.78	13.15	10.69
	(b) Diluted (₹)	1.10	2.29	3.36	3.78	13.15	10.69

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

\*\*\* 37,944 forfeited shares have been cancelled during the quarter ended December 31, 2020. ^ Restated, refer note no. 10.

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**STANDALONE SEGMENT WISE REVENUE, RESULTS, ASSETS & LIABILITIES**

(₹ in Crore)

Sl. No.	Particulars	Quarter ended	Quarter ended	Quarter ended <sup>^</sup>	Nine Months ended	Nine Months ended <sup>^</sup>	Year ended
		31.12.2020 Unaudited	30.09.2020 Unaudited	31.12.2019 Unaudited	31.12.2020 Unaudited	31.12.2019 Unaudited	31.03.2020 Audited
1	<b>Segment Revenue</b>						
	Revenue from Operations						
	a) Offshore	10,797.18	11,188.37	15,764.66	30,576.66	49,083.45	63,521.82
	b) Onshore	6,226.62	5,728.72	7,945.39	16,375.52	25,673.96	32,691.79
	Total	17,023.80	16,917.09	23,710.05	46,952.18	74,757.41	96,213.61
	Less: Inter Segment Operating Revenue	-	-	-	-	-	-
	<b>Revenue from operations</b>	<b>17,023.80</b>	<b>16,917.09</b>	<b>23,710.05</b>	<b>46,952.18</b>	<b>74,757.41</b>	<b>96,213.61</b>
2	<b>Segment Result Profit(+)/Loss(-) before tax and interest from each segment</b>						
	a) Offshore	3,104.25	3,727.54	5,874.13	8,779.77	19,996.35	21,773.30
	b) Onshore	23.74	(517.77)	849.36	(687.53)	4,768.59	(196.61)
	<b>Total</b>	<b>3,127.99</b>	<b>3,209.77</b>	<b>6,723.49</b>	<b>8,092.24</b>	<b>24,764.94</b>	<b>21,576.69</b>
	Less:						
	i. Finance Cost	477.74	317.21	626.36	1,286.79	1,954.20	2,823.68
	ii. Other unallocable expenditure net of unallocable income.	(170.99)	(1,097.46)	43.42	(909.32)	(1,449.97)	(1,615.66)
	<b>Profit before Tax</b>	<b>2,821.24</b>	<b>3,990.02</b>	<b>6,053.71</b>	<b>7,714.77</b>	<b>24,260.71</b>	<b>20,368.69</b>
3	<b>Segment Assets</b>						
	a) Offshore	1,36,297.58	1,35,073.22	1,47,875.67	1,36,297.58	1,47,875.67	1,32,642.49
	b) Onshore	64,074.62	63,753.18	72,310.62	64,074.62	72,310.62	63,190.25
	c) Other Unallocated	1,01,905.91	99,283.61	1,08,830.54	1,01,905.91	1,08,830.54	1,00,848.01
	<b>Total</b>	<b>3,02,278.11</b>	<b>2,98,110.01</b>	<b>3,29,016.83</b>	<b>3,02,278.11</b>	<b>3,29,016.83</b>	<b>2,96,680.75</b>
4	<b>Segment Liabilities</b>						
	a) Offshore	42,796.06	43,812.77	54,390.62	42,796.06	54,390.62	42,187.24
	b) Onshore	14,706.33	15,898.45	19,439.39	14,706.33	19,439.39	15,926.85
	c) Other Unallocated	43,743.81	41,540.83	43,987.89	43,743.81	43,987.89	44,228.57
	<b>Total</b>	<b>1,01,246.20</b>	<b>1,01,252.05</b>	<b>1,17,817.90</b>	<b>1,01,246.20</b>	<b>1,17,817.90</b>	<b>1,02,342.66</b>

<sup>^</sup> Restated, refer note no. 10

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

**Notes:**

1. The Company could not constitute an Audit Committee since the constitution of the Committee requires at least two Independent Directors for valid quorum under Section 177 of the Companies Act, 2013 and Regulation 18 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the absence of Audit Committee, the above financial results have been reviewed and approved by the Board of Directors in its meeting held on February 13, 2021.
2. The financial results for the quarter and nine months ended December 31, 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 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 (BGEPIIL) 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 the pre-existing liability.

In December 2010, RIL & BGEPIIL (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 ₹ 11,891 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 view of the Company, if any changes are approved 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 and JV Partners 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 ₹ 11,891 Crore (March 31, 2020: ₹ 12,258 Crore) has been considered as contingent liability.

4. 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 Hon. Gujarat High Court. In this matter, Hon. Gujarat High Court in the hearing held on January 4, 2021 directed the revenue to file counter affidavit by January 21, 2021. The Central Government has filed counter affidavit on January 20, 2021. The next date of hearing before Hon. Gujarat High court is not scheduled as yet. The Company had also obtained legal opinions from domain experts, as per which, the Service Tax/GST on Royalty specified under the Oilfields (Regulation and development) Act, 1948 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. High Court of Rajasthan. The Hon. 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 on March 03, 2021 before Hon. High Court of Rajasthan.

The Company also filed writ of mandamus (9961/2019) before Hon. High Court of Madras seeking stay on the levy of GST on Royalty. The Hon. 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 before Hon. High Court of Madras is not scheduled as yet.

The total estimated amount (including penalty and interest up to December 31, 2020) towards Service Tax is ₹ 3,946 Crore (March 31, 2020: ₹ 3,900 Crore) and GST is ₹ 7,230 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 ₹ 1,352 Crore (March 31, 2020: ₹ 1,351 Crore) and ₹ 5,360 Crore (March 31, 2020: ₹ 4,553 Crore) respectively.

5. The financial results for the quarter and nine months ended December 31, 2020 are impacted by low realised crude oil and natural gas prices due to the COVID-19 pandemic and volatile global crude oil and natural gas markets. Accordingly, the results for the quarter / nine months are not comparable with those for the previous quarter and corresponding quarter / nine months of the previous year.

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.

6. Considering the possible effects of low crude oil and natural gas prices on the recoverability of its Cash Generating Units in accordance with Ind AS, the Company had considered the business conditions to make an assessment of the implications of the Pandemic, estimate of future crude oil and natural gas prices, production, reserves volumes on the basis of internal and external information / indicators of future economic conditions. Based on the assessment, the Company had recorded an impairment of ₹ 1,238 Crore, to the extent the carrying amount exceeds the value in use, and had disclosed the same as an exceptional item in the quarter ended September 30, 2020. Consequentially, profit before tax for the nine months ended December 31, 2020 is lower by ₹ 1,238 Crore.

7. The Board of directors in its meeting held on November 6, 2020 considered and approved sale of 1,24,66,53,746 equity shares of Rs.10/- each representing 48.998% equity stake in its step subsidiary company ONGC Mangalore Petrochemicals Ltd (OMPL) at a value per share of ₹ 9.76 each, to Mangalore Refinery & Petrochemicals Limited (MRPL), a subsidiary of the Company. As per the Share Purchase Agreement (SPA) between ONGC and MRPL, consideration of ₹1,217 crore was received on December 29, 2020 and the shares were transferred to MRPL on January 1, 2021. Accordingly, with the exit of Company, w.e.f January 1, 2021 the above transaction has been closed.

8. Government of India has enacted Direct Tax Vivad Se Vishwas Act, 2020, providing a mechanism for settlement of disputes related to Direct Tax matters, which is optional and can be availed up to January 31, 2021. The company has opted to settle certain Income-tax disputes and accordingly, has filed application before the designated authority as prescribed under the Act. After considering existing provision, an amount of ₹ 506 Crore payable under the said Act has been charged as earlier year tax in the Statement of Profit and Loss during the quarter and nine months ended December 31, 2020.

9. The 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 December 31, 2020 as per the earlier provisions.

10. The figures for the quarter and nine months ended December 31, 2019 have been restated consequent to change in accounting policy during FY 2019-20 in respect of accounting of excess decommissioning provision written back based on the opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India.
11. The Company has maintained 100% Assets cover for all the debt securities issued.
12. The Board of Directors in its meeting held on 13<sup>th</sup> February, 2021 has declared an interim dividend of ₹ 1.75 per share (35%).
13. 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  
Date: 2021.02.13 12:52:56  
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**(Subhash Kumar)**  
Director (Finance)

Place: New Delhi  
Date: February 13, 2021

**In terms of our report of even date attached**

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

Rajen  
Ratansi  
Ashar

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Rajen Ratansi Ashar  
Date: 2021.02.13  
13:43:19 +05'30'

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

**For Kalani & Co.**  
Chartered Accountants  
Firm Reg. No: 000722C

VIKAS  
GUPTA

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ou=VIKAS GUPTA, email=VIKAS.GUPTA@KALANI.COM,  
serial=13118917, c=INDIA

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

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

SANDEEP  
KUMAR  
SAWARIA

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SAWARIA  
DN: cn=Sandeep Kumar Sawaria, o=Sandeep Kumar Sawaria,  
ou=Sandeep Kumar Sawaria, email=sandeep.kumar@sawaria.com,  
postalCode=700005, st=West Bengal,  
serialNumbers=368730550073755114656546,  
c=IN, cn=SANDEEP KUMAR SAWARIA  
Date: 2021.02.13 14:03:21 +05'30'

(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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Iyengar  
Date: 2021.02.13 14:19:23  
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(Rangarajan Raghavan Iyengar)  
Partner (M. No. 041883)  
Place: Mumbai

**For SARC & Associates**  
Chartered Accountants  
Firm Reg. No. 006085N

PANKAJ  
SHARMA

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SHARMA  
Date: 2021.02.13  
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(Pankaj Sharma)  
Partner (M. No. 086433)  
Place: New Delhi

**For S Bhandari & Co.**  
Chartered Accountants  
Firm Reg. No.000560C

Prabhu  
Dayal  
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Baid  
Date: 2021.02.13  
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(P.D. Baid)  
Partner (M.No.072625 )  
Place: Jaipur

February 13, 2021