ओएनजीसी
ONGC

OIL AND NATURAL GAS CORPORATION LIMITED
COMPANY SECRETARIAT

CS/ONGC/SE-Q3/2019-20 14.02.2020

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

Symbol-**ONGC**; Series **- EQ**

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

BSE Security Code No.**- 500312**

Sub: Financial Results for the Q-3 ended 31st December, 2019

Sir/ Madam,

Pursuant to regulation 33 read with regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit the Un-audited Financial Results (standalone and consolidated) along with Limited Review Report thereon as issued by the Auditors of the Company for the third quarter and nine months ended on 31st December, 2019, as approved by the Board of Directors at the meeting held today i.e. 14th February, 2020 at New Delhi.

The Board Meeting commenced at 12:30.hrs and concluded at 17:45 hrs.

Thanking you,

Yours faithfully,
For Oil and Natural Gas Corporation Ltd.

14/02/20
M E V Selvamm
Compliance Officer &
Company Secretary

Encl.: A/a. (17pages)

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 AND NINE MONTHS ENDED 31ST DECEMBER, 2019

(₹ in Crore unless otherwise stated)

Sl. No.	Particulars	Financial results for					
		Quarter ended 31.12.2019	**Quarter ended^ 30.09.2019**	**Quarter ended^ 31.12.2018**	**Nine Months ended 31.12.2019**	**Nine Months ended^ 31.12.2018**	**Year ended^ 31.03.2019**
		Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**
I	Revenue from operations	23,710.05	24,492.62	27,694.09	74,757.41	82,896.09	1,09,654.55
II	Other income	1,402.50	2,659.92	2,194.12	4,780.80	5,206.53	7,436.95
III	**Total income (I+II)**	**25,112.55**	**27,152.54**	**29,888.21**	**79,538.21**	**88,102.62**	**1,17,091.50**
IV	**EXPENSES**						
	Cost of materials consumed*	668.12	693.18	574.00	1,999.95	1,591.99	2,217.80
	Purchase of stock-in-trade	-	-	-	-	-	-
	Changes in inventories of finished goods, stock-in-trade and work in progress	(204.74)	(3.82)	25.13	(222.61)	(196.49)	(166.27)
	Employee benefits expense**	667.38	633.18	677.50	1,908.80	1,923.30	2,706.12
	Statutory levies	5,667.06	5,860.64	5,973.23	17,763.81	19,312.55	26,500.42
	Exploration costs written off						
	a. Survey Costs	233.05	182.00	285.94	1,292.89	904.85	1,851.39
	b. Exploratory well Costs	1,484.59	1,415.86	2,388.42	4,352.38	4,226.69	6,905.48
	Finance costs	626.36	681.76	580.73	1,954.20	1,958.46	2,492.14
	Depreciation, depletion, amortisation and impairment	5,358.22	4,632.02	3,451.90	13,788.13	10,838.41	15,702.59
	Other expenses	4,613.94	4,019.42	3,868.37	12,606.62	13,168.08	18,927.80
	Total expenses (IV)	**19,113.98**	**18,114.24**	**17,825.22**	**55,444.17**	**53,727.84**	**77,137.47**
V	**Profit before exceptional items and tax (III-IV)**	**5,998.57**	**9,038.30**	**12,062.99**	**24,094.04**	**34,374.78**	**39,954.03**
VI	Exceptional items	-	-	-	-	-	-
VII	**Profit before tax (V+VI)**	**5,998.57**	**9,038.30**	**12,062.99**	**24,094.04**	**34,374.78**	**39,954.03**
VIII	Tax expense:						
	(a) Current tax relating to:						
	- current year	1,670.00	2,665.00	3,231.00	6,672.00	9,923.00	11,142.00
	- earlier years	(459.08)	-	0.05	(472.80)	0.05	0.23
	(b) Deferred tax	636.02	110.17	569.24	1,575.83	1,780.54	2,096.01
	Total tax expense (VIII)	**1,846.94**	**2,775.17**	**3,800.29**	**7,775.03**	**11,703.59**	**13,238.24**
IX	**Profit for the period (VII-VIII)**	**4,151.63**	**6,263.13**	**8,262.70**	**16,319.01**	**22,671.19**	**26,715.79**
X	**Other comprehensive income (OCI)**						
	(a) Items that will not be reclassified to profit or loss						
	(i) Re-measurement of the defined benefit obligations	(197.50)	(221.12)	98.11	(530.24)	310.72	(452.88)
	- Deferred Tax	69.02	77.27	(34.29)	185.29	(108.58)	158.25
	(ii) Equity instruments through other comprehensive income	(3,214.77)	(1,604.38)	(2,383.31)	(6,137.31)	(4,942.91)	(1,630.66)
	- Deferred Tax	240.45	(29.10)	169.40	292.37	381.25	126.53
	Total other comprehensive income (X)	**(3,102.80)**	**(1,777.33)**	**(2,150.09)**	**(6,189.89)**	**(4,359.52)**	**(1,798.76)**
XI	**Total comprehensive income for the period (IX+X)**	**1,048.83**	**4,485.80**	**6,112.61**	**10,129.12**	**18,311.67**	**24,917.03**
XII	**Paid-up Equity Share Capital (Face value of ₹ 5/- each)**	**6,290.15**	**6,290.15**	**6,416.63**	**6,290.15**	**6,416.63**	**6,290.15**
XIII	Other equity						1,96,702.40
XIV	Earnings Per Share (Face value of ₹ 5/- each) - not annualised #						
	(a) Basic (₹)	3.30	4.98	6.44	12.97	17.67	20.86
	(b) Diluted (₹)	3.30	4.98	6.44	12.97	17.67	20.86

* Represents consumption of raw materials and stores & spares. ** Employee benefits expense shown above is net of allocation to different activities. ^ Refer Note No.6
\# Earnings per share for the Year ended March 31, 2019 have been computed on the basis of weighted average number of shares outstanding during the period considering buy back of 25,29,55,974 number of fully paid up equity shares completed on February 22, 2019.

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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 31.12.2019	Quarter ended^ 30.09.2019	Quarter ended^ 31.12.2018	Nine Months ended 31.12.2019	Nine Months ended^ 31.12.2018	Year ended^ 31.03.2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue**						
	Revenue from Operations						
	a) Offshore	15,764.66	16,013.85	18,955.86	49,083.45	56,036.95	73,015.47
	b) Onshore	7,945.39	8,478.77	8,738.23	25,673.96	26,859.14	36,639.08
	Total	23,710.05	24,492.62	27,694.09	74,757.41	82,896.09	1,09,654.55
	Less: Inter Segment Operating Revenue	-	-	-	-	-	-
	Revenue from operations	**23,710.05**	**24,492.62**	**27,694.09**	**74,757.41**	**82,896.09**	**1,09,654.55**
2	**Segment Result Profit(+)/Loss(-) before tax and interest from each segment**						
	a) Offshore	5,819.89	6,495.08	8,089.32	19,832.39	26,548.05	31,028.95
	b) Onshore	848.46	1,787.70	3,258.42	4,765.88	8,031.86	8,494.00
	Total	**6,668.35**	**8,282.78**	**11,347.74**	**24,598.27**	**34,579.91**	**39,522.95**
	Less:						
	i. Finance Cost	626.36	681.76	580.73	1,954.20	1,958.46	2,492.14
	ii. Other unallocable expenditure net of unallocable income.	43.42	(1,437.28)	(1,295.98)	(1,449.97)	(1,753.33)	(2,923.22)
	Profit before Tax	**5,998.57**	**9,038.30**	**12,062.99**	**24,094.04**	**34,374.78**	**39,954.03**
3	**Segment Assets**						
	a) Offshore	1,49,560.84	1,35,946.11	1,24,351.81	1,49,560.84	1,24,351.81	1,25,406.74
	b) Onshore	72,307.91	68,199.88	60,173.13	72,307.91	60,173.13	63,800.43
	c) Other Unallocated	1,08,830.43	1,08,699.70	1,08,093.88	1,08,830.43	1,08,093.88	1,12,348.12
	Total	**3,30,699.18**	**3,12,845.69**	**2,92,618.82**	**3,30,699.18**	**2,92,618.82**	**3,01,555.29**
4	**Segment Liabilities**						
	a) Offshore	54,390.62	41,311.82	29,354.88	54,390.62	29,354.88	30,328.04
	b) Onshore	19,439.39	15,793.45	11,343.34	19,439.39	11,343.34	12,877.00
	c) Other Unallocated	44,691.03	44,611.11	42,132.98	44,691.03	42,132.98	55,357.70
	Total	**1,18,521.04**	**1,01,716.38**	**82,831.20**	**1,18,521.04**	**82,831.20**	**98,562.74**

^ Refer Note No.6

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 their respective meetings held on February 14, 2020.

2. The financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases”, applied to all lease contracts existing on April 1, 2019 using modified retrospective transition method. Accordingly, the comparative information for earlier periods is not restated. On transition, the adoption of the standard resulted in recognition of Right-of-Use assets with corresponding equivalent lease liabilities amounting to ₹ 9,539 Crore as at April 1, 2019. Application of this standard has also resulted in a net decrease in Profit before tax of quarter and nine months ended December 31, 2019 by ₹ 40 Crore and ₹ 346 Crore respectively.

4. The Company, with 40% Participating Interest (PI), was a Joint Operator in Panna-Mukta and Mid and South Tapti Fields alongwith 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 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 in case of an arbitral award, the same will 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 has informed the Company that on October 12, 2016, a Final Partial Award (FPA) was pronounced by the Tribunal in the said arbitrations. However, 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, has 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) based on demand received from DGH equivalent to ₹ 11,579 Crore. In response to the letters of DGH, the JV partners (with a copy marked to all Joint Venture Partners) have stated that demand of DGH is premature as the FPA does not make any money award in favour of Government of India as quantification of liabilities are to be determined during the final proceedings of the arbitration. Further the award has also been challenged before the English Commercial Court (London High Court). Based on the above facts, the Company has also responded to the letters of DGH stating that pending the finality of the order, the amount due and payable by the Company is not quantifiable.

MKPS & ASSOCIATES FRN 302014E CHARTERED ACCOUNTANTS

G. M. KAPADIA & CO. MUMBAI Chartered Accountants

R. GOPAL & ASSOCIATES KOLKATA Chartered Accountants

KALANI & CO. JAIPUR CHARTERED ACCOUNTANTS

SARC & ASSOCIATES NEW DELHI-20 CHARTERED ACCOUNTANTS

R.G.N. PRICE & CO. Chartered Accountants

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 Management Committee (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 have 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.

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 USD 1624.05 million equivalent to ₹ 11,579 Crore has been considered as contingent liability.

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.

5. The Company had received demand orders from Service Tax Department at various work centres on account of Service Tax on Royalty on crude oil and natural gas, appeals against such orders have been filed before the Tribunal. The Company had also obtained legal opinion as per which the Service Tax/GST on Royalty 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. On February 3, 2020, Hon. Rajasthan HC listed the matter for hearing on March 23, 2020 and directed the interim order to continue.

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. 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 Government before Hon. Madras High Court on January 24, 2020.The next date of hearing is not scheduled as yet. The total estimated amount (including penalty and interest up to December 31, 2019) works out towards Service Tax is ₹ 3,907 Crore and GST is ₹ 5,576 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 ₹ 1,373 Crore and ₹ 4,156 Crore respectively.

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6. Pursuant to the amendment in Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance' vide Companies (Indian Accounting Standards) Second Amendment Rules, 2018 (the 'Rules'), the Company has now opted to recognize the non-monetary government grant at nominal value. Accordingly the Company has changed the accounting policy of recognizing the non-monetary government grant from fair value to nominal value as it accord better presentation with certain broad concepts of accounting, viz. more accurate reflection of assets and liabilities, better matching of costs and revenues, more accurate allocation of costs of physical assets and therefore provides reliable and more relevant information about the effects of transactions and conditions on the entity's financial position, financial performance and cash flows.

This change in accounting policy has resulted in reversal of carrying value of assets received in earlier years as non-monetary grant and recognized at fair value with corresponding reversal of liabilities. There is no impact of the said change in accounting policy on the profit before tax, profit after tax, and earning per share, however, the impact on the line items of the financial results are as under:

(₹ in Crore)

Particulars	Quarter ended 30.09.2019	Quarter ended 31.12.2018	Nine months ended 31.12.2018	Year ended 31.03.2019
Assets	(624.99)	(699.37)	(699.37)	(679.52)
Liabilities	(624.99)	(699.37)	(699.37)	(679.52)
Revenue	(25.41)	(30.50)	(62.20)	(82.06)
Cost of material Consumed	-	(5.03)	(5.03)	(6.03)
Depreciation, Depletion amortization and impairment	(25.41)	(25.47)	(57.17)	(76.03)

Government of India vide letter dated 31st May, 2019 has assigned the Panna-Mukta fields w.e.f. December 22, 2019 on nomination basis to the Company on expiry of present PSC without any cost to ensure continuity of operation. Being a non-monetary grant, the Company has recorded these assets and grant at a nominal value.

7. Government of India through Taxation Laws (Amendment) Ordinance, 2019, has inserted Section 115BAA of the Income Tax Act, 1961 where by company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. The company continues to recognize the taxes on income for the quarter and nine months ended December 31, 2019 as per the earlier provisions.

8. 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)
Director (Finance)

Place: New Delhi
Date: February 14, 2020

MKPS & ASSOCIATES CHARTERED ACCOUNTANTS FRN 302014E

G. M. KAPADIA & CO. Chartered Accountants MUMBAI

R. GOPAL & ASSOCIATES Chartered Accountants KOLKATA

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Independent Auditors' Limited Review Report On Unaudited Standalone Financial Results of OIL AND NATURAL GAS CORPORATION LIMITED for the Quarter and Nine months ended on December 31, 2019 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 and nine months ended December 31, 2019 (herein after referred to as "Statement" and initialled 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 issue a report 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 thereon, 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.

MKPS & ASSOCIATES FRN 302014E CHARTERED ACCOUNTANTS

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Emphasis of Matter

5. We draw attention to Note 4 of the Statement, 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 (BGEPIL) and Reliance Industries Limited (RIL) (together "the Claimants") and the Company towards differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractor pursuant to Government's interpretation of the Final Partial Award (40% share of the Company amounting to USD 1624.05 million equivalent to Rs. 11,579 Crore, including interest upto November 30, 2016. Subsequent to London High Court Orders dated April 16, 2018 and May 2, 2018, DGH vide letter dated May 4, 2018, May 15, 2018, June 4, 2018 and January 14, 2019 had asked for recasting 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 as of now, neither the Arbitral Tribunal nor the London High Court has passed any order or quantified any amount due and payable by the Company and in the circumstances; the demand of DGH from the Company for any sum or interest thereon is premature and not justified. In the Company's view, pending final quantification of liabilities by the Arbitration Tribunal, it is not liable to implement the Final Partial Award (FPA) being pre-mature and therefore no provision for the same has been accounted and considered as contingent liability.

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

Other Matters

6. The Statement includes the Company's proportionate share in the total value of expenditure and Income of 153 blocks under New Exploration Licensing Policy (NELP)/ Hydrocarbon Exploration and Licensing Policy (HELP)/ Joint Operations (JO) accounts for exploration and production, out of which 17 blocks have been certified by the management. In respect of these 17 blocks, the Statement includes revenue for the quarter and nine months ended December 31, 2019 amounting to Rs. 697.79 Crore and Rs. 1856.39 Crore respectively and profit/ (loss) before tax including other comprehensive income for the quarter and nine months ended December 31, 2019 amounting to Rs. 261.57 Crore and Rs. 300.91 Crore respectively. Our conclusion is solely based on management certified accounts in respect of these blocks.

7. 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) hydrocarbon reserves and depletion thereof on Oil and Gas Assets, impairment, liability for abandonment costs, liability for NELP/ HELP and nominated blocks for under performance against agreed Minimum Work Programme.

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

8. The Statement includes comparative figures corresponding quarter and nine months ended December 31, 2018, 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 February 14, 2019 on such standalone financial results.

MKPS & ASSOCIATES CHARTERED ACCOUNTANTS FRN 302014E | G. M. KAPADIA & CO. Chartered Accountants MUMBAI | R. GOPAL & ASSOCIATES Chartered Accountants KOLKATA | KALANI & CO. CHARTERED ACCOUNTANTS JAIPUR | SARC & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI-20 | R.G.N. PRICE & CO. Chartered Accountants

The Statement also includes figures for the year ended March 31, 2019, audited by the joint auditors of the Company, three of whom were the predecessor audit firms, where they had expressed an unmodified opinion on such Standalone Financial Statements vide their report dated May 30, 2019.

For MKPS & Associates
Chartered Accountants
Firm Reg. No.: 302014E

(Mahendra K. Agrawala)
Partner (M. No. 051764)
UDIN: 20051764AAAAAH5436

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

(Rajen Ashar)
Partner (M. No. 048243)
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For R. Gopal & Associates
Chartered Accountants
Firm Reg. No.: 000846C

(Sandeep Kumar Sawaria)
Partner (M. No. 061771)
UDIN: 20061771AAAAAP7499

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

(Vikas Gupta)
Partner (M. No. 077076)
UDIN: 20077076AAAAAC6635

For SARC & ASSOCIATES
Chartered Accountants
Firm Reg. No.: 006085N

(Pankaj Sharma)
Partner (M. No. 086433)
UDIN: 20086433AAAAAA9374

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

(Sanjeev D. Panchal)
Partner (M. No. 113062)
UDIN: 20113062AAAAAR4712

Place: New Delhi
Dated: February 14, 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 AND NINE MONTHS ENDED 31ST DECEMBER, 2019

(₹ in Crore)

	Particulars	Quarter ended 31.12.2019	Quarter ended 30.09.2019 ^	Quarter ended 31.12.2018 ^	Nine Months ended 31.12.2019	Nine Months ^ ended 31.12.2018	Year ended 31.03.2019 ^
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	109,443.39	101,554.26	117,305.75	320,512.47	341,144.12	453,460.57
II	Other income	1,744.44	1,690.43	2,638.17	5,007.59	5,532.88	8,066.70
III	**Total income (I+II)**	**111,187.83**	**103,244.69**	**119,943.92**	**325,520.06**	**346,677.00**	**461,527.27**
IV	**Expenses**						
	(a) Cost of materials consumed*	24,856.95	22,806.85	28,695.02	67,419.57	80,531.01	104,866.94
	(b) Purchase of Stock-in-Trade	42,435.09	38,558.52	40,694.01	129,755.30	122,123.78	165,342.23
	(c) Changes in inventories of finished goods, stock-in-trade and work-in	1,769.26	(1,544.90)	6,236.67	308.01	495.50	(3,094.73)
	(d) Employee benefits expense **	1,638.42	1,612.62	1,628.17	4,887.52	4,679.49	6,445.16
	(e) Statutory levies	12,544.75	14,083.93	13,816.76	38,837.31	45,122.92	60,361.00
	(f) Exploration costs written off						
	(i) Survey costs	265.15	264.45	333.83	1,481.67	1,011.01	1,960.70
	(ii) Exploration well costs	1,489.98	1,438.42	2,390.41	4,396.95	4,640.67	7,259.95
	(g) Finance costs	1,536.55	1,751.69	1,348.24	4,808.43	4,393.11	5,836.72
	(h) Depreciation,depletion, amortisation and impairment	7,514.45	6,699.58	6,021.58	20,032.99	17,637.38	23,950.19
	(i) Other expenses	8,788.33	8,369.25	6,010.55	24,917.68	25,296.30	35,669.21
	Total expenses (IV)	**102,838.93**	**94,040.41**	**107,175.24**	**296,845.43**	**305,931.17**	**408,597.37**
V	**Profit before share of profit/(loss) of associates and joint ventures, exceptional items and tax (III - IV)**	**8,348.90**	**9,204.28**	**12,768.68**	**28,674.63**	**40,745.83**	**52,929.90**
VI	Share of profit of associates & joint ventures	485.12	0.58	711.01	755.81	2,527.62	3,428.26
VII	**Profit before exceptional items (V+VI)**	**8,834.02**	**9,204.86**	**13,479.69**	**29,430.44**	**43,273.45**	**56,358.16**
VIII	Exceptional items	-	-	(10.26)	-	(11.36)	(1,591.01)
IX	**Profit before tax (VII+VIII)**	**8,834.02**	**9,204.86**	**13,469.43**	**29,430.44**	**43,262.09**	**54,767.15**
X	**Tax expense**						
	(a) Current tax	2,617.43	3,596.29	3,753.34	9,512.75	12,779.63	15,912.06
	(b) Earlier Years	(463.81)	(0.07)	(271.92)	(477.60)	7.49	(38.12)
	(c) Deferred tax	1,296.60	122.09	426.28	2,482.25	2,864.75	5,006.28
	Total tax expense (X)	**3,450.22**	**3,718.31**	**3,907.70**	**11,517.40**	**15,651.87**	**20,880.22**
XI	**Profit for the period (IX-X)**	**5,383.80**	**5,486.55**	**9,561.73**	**17,913.04**	**27,610.22**	**33,886.93**
XII	**Other comprehensive income (OCI)**						
	A Items that will not be reclassified to profit or loss						
	(a) Remeasurement of the defined benefit plans	(198.77)	(222.14)	100.14	(534.09)	316.52	(437.22)
	- Deferred tax	69.52	77.73	(34.73)	186.81	(109.91)	152.97
	(b) Equity instruments through other comprehensive income	(3,194.44)	(1,690.79)	(2,499.54)	(6,223.72)	(5,051.00)	(1,710.81)
	- Deferred tax	240.45	(29.10)	169.39	292.37	381.25	126.53
	(c) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss	0.14	(0.88)	0.05	(1.24)	(1.25)	(1.87)
	- Deferred tax	-	-	-	-	-	-
	(d) Effective portion of gains (losses) on hedging instruments in cash flow hedges	-	(0.03)	0.06	-	-	0.02
	B Items that will be reclassified to profit or loss						
	(a) Exchange differences in translating the financial statement of foreign operation	1,021.71	1,029.14	(2,500.37)	2,196.96	1,547.46	1,455.38
	- Deferred tax	(323.67)	(301.81)	884.33	(665.12)	(529.98)	(481.53)
	Total Other Comprehensive Income (XII)	**(2,385.06)**	**(1,137.88)**	**(3,880.67)**	**(4,748.03)**	**(3,446.91)**	**(896.53)**
XIII	**Total Comprehensive Income for the period (XI+XII)**	**2,998.74**	**4,348.67**	**5,681.06**	**13,165.01**	**24,163.31**	**32,990.40**
XIV	Profit for the year attributable to:						
	- Owners of the Company	4,903.68	5,275.51	9,383.00	16,872.80	25,940.76	30,494.96
	- Non-controlling interests	480.12	211.04	178.73	1,040.24	1,669.46	3,391.97
		5,383.80	**5,486.55**	**9,561.73**	**17,913.04**	**27,610.22**	**33,886.93**
XV	Other comprehensive income attributable to:						
	- Owners of the Company	(2,393.35)	(1,090.16)	(3,829.76)	(4,698.35)	(3,383.13)	(853.10)
	- Non-controlling interests	8.29	(47.72)	(50.91)	(49.68)	(63.78)	(43.43)
		(2,385.06)	**(1,137.88)**	**(3,880.67)**	**(4,748.03)**	**(3,446.91)**	**(896.53)**
XVI	Total comprehensive income attributable to:						
	- Owners of the Company	2,510.33	4,185.35	5,553.24	12,174.45	22,557.63	29,641.86
	- Non-controlling interests	488.41	163.32	127.82	990.56	1,605.69	3,348.54
		2,998.74	**4,348.67**	**5,681.06**	**13,165.01**	**24,163.32**	**32,990.40**
XVII	**Paid up equity share capital (Face value of ₹5/- each)**	**6,290.15**	**6,290.15**	**6,416.63**	**6,290.15**	**6,416.63**	**6,290.15**
XVIII	**Other Equity**						**211,850.61**
	Earnings per equity share: (Face value of ₹5/- each) #						
	(a) Basic (₹)	**3.90**	**4.19**	**7.31**	**13.41**	**20.21**	**23.81**
	(b) Diluted (₹)	**3.90**	**4.19**	**7.31**	**13.41**	**20.21**	**23.81**

* Represents consumption of raw materials and stores & spares. ** Employee benefits expense shown above is net of allocation to different activities. ^ Refer note no. 6

\# Earnings per share for the year ended March 31, 2019 have been computed on the basis of weighted average number of shares outstanding during the period considering buy back of 25,29,55,974 fully paid up equity shares completed on February 22, 2019.

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CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS & LIABILITIES

(₹ in Crore)

Sl. No.	Particulars	Quarter ended 31.12.2019	Quarter ended 30.09.2019 ^	Quarter ended 31.12.2018 ^	Nine Months ended 31.12.2019	Nine Months ended 31.12.2018 ^	Year ended 31.03.2019 ^
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue**						
	A. In India						
	(i) E&P						
	a) Offshore	15,764.66	16,013.85	18,955.86	49,083.45	56,036.95	73,015.47
	b) Onshore	7,890.85	8,403.92	8,698.61	25,489.18	26,721.40	36,453.73
	(ii) Refining & Marketing	91,141.52	81,648.03	97,737.27	258,894.72	279,335.75	370,884.46
	B. Outside India	4,281.91	3,668.04	3,395.25	12,235.15	10,971.37	14,633.62
	c) Others Unallocated	23.40	24.98	33.35	78.19	99.86	158.44
	Total	**119,102.34**	**109,758.82**	**128,820.34**	**345,780.69**	**373,165.33**	**495,145.72**
	Less: Inter Segment Revenue	9,658.95	8,204.56	11,514.58	25,268.22	32,021.20	41,685.15
	Revenue from operations	**109,443.39**	**101,554.26**	**117,305.75**	**320,512.47**	**341,144.12**	**453,460.57**
2	**Segment Result Profit(+)/Loss(-) before tax and interest from each segment**						
	A. In India						
	(i) E&P						
	a) Offshore	5,772.76	6,559.95	8,009.97	19,850.13	27,026.41	31,028.94
	b) Onshore	787.54	1,851.52	3,175.45	4,760.47	8,126.27	8,464.56
	(ii) Refining & Marketing	1,236.21	870.36	516.64	2,495.86	4,979.16	11,284.54
	B. Outside India	1,883.89	1,333.62	842.63	5,349.01	3,352.51	3,671.34
	Total	**9,680.40**	**10,615.45**	**12,544.69**	**32,455.47**	**43,484.35**	**54,449.38**
	Less:						
	i. Finance Cost	1,536.55	1,751.69	1,348.24	4,808.43	4,393.11	5,836.73
	ii. Other unallocable expenditure net of unallocable income	(205.05)	(340.52)	(1,561.97)	(1,027.59)	(1,643.23)	(2,726.24)
	Add: Share of profit/(loss) of joint ventures and associates:						
	A. In India						
	(i) Refining & Marketing	192.07	(38.20)	212.10	323.48	537.10	834.60
	(ii) Unallocated	(111.52)	(29.09)	(46.34)	(518.94)	(260.24)	(208.94)
	B. Outside India-E&P	404.57	67.87	545.25	951.27	2,250.76	2,802.60
	Profit before Tax	**8,834.02**	**9,204.86**	**13,469.43**	**29,430.44**	**43,262.09**	**54,767.15**
3	**Segment Assets**						
	A. In India						
	(i) E&P						
	a) Offshore	146,204.87	133,541.53	121,928.90	146,204.87	121,928.90	122,960.79
	b) Onshore	72,300.40	68,190.54	60,160.34	72,300.40	60,160.30	63,775.61
	c) Other Unallocated	51,256.91	51,282.74	51,588.27	51,256.91	51,588.27	55,825.38
	(ii) Refining & Marketing	149,282.71	144,033.25	132,772.22	149,282.71	132,772.22	139,353.93
	B. Outside India	120,356.10	116,913.05	115,962.82	120,356.10	115,962.82	113,106.82
	Total	**539,401.00**	**513,961.11**	**482,412.55**	**539,401.00**	**482,412.55**	**495,022.53**
4	**Segment Liabilities**						
	A. In India						
	(i) E&P						
	a) Offshore	54,390.61	41,311.82	29,354.88	54,390.61	29,354.88	30,328.04
	b) Onshore	19,428.86	15,782.13	11,332.54	19,428.86	11,332.54	12,865.45
	c) Other Unallocated	44,868.30	44,777.71	[illegible]	44,868.30	[illegible]	55,511.46
	(ii) Refining & Marketing	107,061.40	[illegible]	[illegible]	107,061.40	[illegible]	97,100.98
	B. Outside India	66,756.33	[illegible]	64,813.51	66,756.33	[illegible]	62,969.63
	Total	**292,505.51**	**[illegible]**	**[illegible]**	**292,505.51**	**[illegible]**	**258,775.56**

^ Refer note no. 6

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 14th February, 2020.

2. The Consolidated financial results for the quarter and nine months ended December 31, 2019 have been reviewed by the Statutory Auditors as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using modified prospective transition method. Accordingly, the comparative information for earlier periods is not restated. On transition, the adoption of the standard resulted in recognition of Right-of-Use assets with corresponding equivalent lease liabilities amounting to ₹ 11,300 Crore as at April 1, 2019. Application of this standard has also resulted in a net decrease in Profit before tax of quarter and nine months ended 31st December, 2019 by ₹ 56 Crore and ₹ 405 Crore respectively.

4. The Company, with 40% Participating Interest (PI), was a Joint Operator in Panna-Mukta and Mid and South Tapti Fields alongwith 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 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 in case of an arbitral award, the same will 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 has informed the Company that on October 12, 2016, a Final Partial Award (FPA) was pronounced by the Tribunal in the said arbitrations. However, 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, has 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) based on demand received from DGH equivalent to ₹ 11,579 Crore. In response to the letters of DGH, the JV partners (with a copy marked to all Joint Venture Partners) have stated that demand of DGH is premature as the FPA does not make any money award in favour of Government of India as quantification of liabilities are to be determined during the final proceedings of the arbitration. Further the award has also been challenged before the English Commercial Court (London High Court). Based on the above facts, the Company has also responded to the letters of DGH stating that pending the finality of the order, the amount due and payable by the Company is not quantifiable.

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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 Management Committee (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 have 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.

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 USD 1624.05 million equivalent to ₹ 11,579 Crore has been considered as contingent liability.

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.

5. The Company had received demand orders from Service Tax Department at various work centres on account of Service Tax on Royalty payments, appeals against such orders have been filed before the Tribunal. The Company had also obtained legal opinion as per which the Service Tax/GST on Royalty 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. On February 3, 2020, Hon. Rajasthan HC listed the matter for hearing on March 23, 2020 and directed the interim order to continue.

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. 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 Government before Hon. Madras High Court on January 24, 2020.The next date of hearing is not scheduled as yet. The total estimated amount (including penalty and interest up to December 31, 2019) works out towards Service Tax is ₹ 3,907 Crore and GST is ₹ 5,576 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 ₹ 1,373 Crore and ₹ 4,156 Crore respectively.

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6. Pursuant to the amendment in Ind AS 20 'Accounting for Government Grants and Disclosure of Government Assistance' vide Companies (Indian Accounting Standards) Second Amendment Rules, 2018 (the 'Rules'), the Company has now opted to recognize the non-monetary government grant at nominal value. Accordingly the Company has changed the accounting policy of recognizing the non-monetary government grant from fair value to nominal value as it accord better presentation with certain broad concepts of accounting, viz. more accurate reflection of assets and liabilities, better matching of costs and revenues, more accurate allocation of costs of physical assets and therefore provides reliable and more relevant information about the effects of transactions and conditions on the entity's financial position, financial performance and cash flows.

This change in accounting policy has resulted in reversal of carrying value of assets received in earlier years as non-monetary grant and recognized at fair value with corresponding reversal of liabilities. There is no impact of the said change in accounting policy on the group profit before tax, group profit after tax, and earning per share, however, the impact on the line items of the financial results are as under:

(₹ in Crore)

Particulars	Quarter ended 30.09.2019	Quarter ended 31.12.2018	Nine months ended 31.12.2018	Year ended 31.03.2019
Assets	(624.99)	(699.37)	(699.37)	(679.52)
Liabilities	(624.99)	(699.37)	(699.37)	(679.52)
Revenue	(25.41)	(30.50)	(62.20)	(82.06)
Cost of material Consumed	-	(5.03)	(5.03)	(6.03)
Depreciation, Depletion amortization and impairment	(25.41)	(25.47)	(57.17)	(76.03)

7. Government of India through Taxation Laws (Amendment) Ordinance, 2019, has inserted Section 115BAA of the Income Tax Act, 1961 where by company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. The Group continues to recognize the taxes on income for the quarter and nine months ended December 31, 2019 as per the earlier provisions.

8. Previous period's figures have been regrouped, wherever necessary, to conform to current quarter's classification.

By order of the Board

(Subhash Kumar)
Director (Finance)

Place: New Delhi
Date : February 14, 2020

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Simpsons Buildings,
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Independent Auditor's Limited Review Report on Unaudited Consolidated Financial Results of OIL AND NATURAL GAS CORPORATION LIMITED for the Quarter and Nine Months ended December 31, 2019 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 associates and joint ventures for the quarter and nine months ended December 31, 2019 (herein after referred to as "Statement" and initialled for the purpose of identification), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter and nine months ended December 31, 2018, as reported in the Statement have been approved by the Holding Company's Board of Directors but have not been subjected to review.

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", issued by the Institute of Chartered Accountants of India and also considering the requirement of Standard on Auditing (SA 600) on "Using the Work of Another Auditor" including materiality. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, 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 8 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.

MKPS & ASSOCIATES CHARTERED ACCOUNTANTS FRN 302014E

G. M. KAPADIA & CO. Chartered Accountants MUMBAI

R. GOPAL & ASSOCIATES Chartered Accountants KOLKATA

KALANI & CO. CHARTERED ACCOUNTANTS JAIPUR

SARC & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI-20

R.G.N. PRICE & CO. Chartered Accountants

Emphasis of Matter

6. We draw attention to Note 4 of the Statement, 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 (BGEPIL) and Reliance Industries Limited (RIL) (together "the Claimants") and the Company towards differential GOI share of Profit Petroleum and Royalty alleged to be payable by contractor pursuant to Government's interpretation of the Final Partial Award (40% share of the Company amounting to USD 1624.05 million equivalent to Rs. 11,579 Crore, including interest upto November 30, 2016. Subsequent to London High Court Orders dated April 16, 2018 and May 2, 2018, DGH vide letter dated May 4, 2018, May 15, 2018, June 4, 2018 and January 14, 2019 had asked for recasting 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 as of now, neither the Arbitral Tribunal nor the London High Court has passed any order or quantified any amount due and payable by the Company and in the circumstances; the demand of DGH from the Company for any sum or interest thereon is premature and not justified. In the Company's view, pending final quantification of liabilities by the Arbitration Tribunal, it is not liable to implement the Final Partial Award (FPA) being pre-mature and therefore no provision for the same has been accounted and considered as contingent liability.

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

Other Matters

7. 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) hydrocarbon reserves and depletion thereof on Oil and Gas Assets, impairment, liability for abandonment costs, liability for NELP/ HELP and nominated blocks for under performance against agreed Minimum Work Programme.

8. We did not review the interim financial information of 17 out of 153 New exploration licensing policy (NELP)/ Hydrocarbon Exploration and Licensing Policy (HELP)/ Joint Operations (JO) accounts for exploration and production blocks included in the standalone unaudited financial results of the Holding Company as included in the Group, whose results reflect total revenues of Rs 697.79 Crore and Rs 1856.39 Crore and profit/ (loss) before tax including other comprehensive Income of Rs 261.57 Crore and Rs 300.91 Crore for the quarter and nine months ended December 31, 2019 respectively. This interim financial information has been certified by the management.

   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 85,733.35 Crore and Rs 2,45,755.06 Crore, total net profit/(loss) after tax of Rs 1445.26 Crore and Rs 2342.13 Crore and total comprehensive income of Rs 2,162.92 Crore and Rs 3,783.77 Crore for the quarter and nine months ended December 31, 2019 respectively, as considered in the Statement. The Statement also include the Group's share of net profit /(loss) after tax of (Rs 213.09) Crore and (Rs 748.08) Crore and total comprehensive income of (Rs 212.99 Crore) and (Rs 747.86 Crore) for the quarter and nine months ended December 31, 2019 respectively, as

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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 associate 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. 10.54 Crores) and (Rs. 40.85 Crores) and total comprehensive income of (Rs. 10.54 Crores) and (Rs. 40.85 Crores) for the quarter and nine months ended December 31, 2019 respectively, 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. 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.

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

9. The Statement also includes figures for the year ended March 31, 2019, audited by the joint auditors of the Company, three of whom were the predecessor audit firms, where they had expressed an unmodified opinion on such consolidated financial statements vide their report dated May 30, 2019.

For MKPS & Associates
Chartered Accountants
Firm Reg. No: 302014E

(Mahendra K. Agrawala)
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For G. M. Kapadia & Co.
Chartered Accountants
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For R Gopal & Associates
Chartered Accountants
Firm Reg. No: 000846C

(Sandeep Kumar Sawaria)
Partner (M. No. 061771)
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For Kalani & Co.
Chartered Accountants
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For R.G.N. Price & Co.
Chartered Accountants
Firm Reg. No.: 002785S

(Sanjeev D. Panchal)
Partner (M. No. 113062)
UDIN: 20113062AAAAAS9433

Place: New Delhi
Date: February 14, 2020