



OIL AND NATURAL GAS CORPORATION LIMITED

COMPANY SECRETARIAT

CS/ONGC/SE/2021-22

13.08.2021

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

Unaudited Financial Results for the quarter ended 30th June 2021

Madam/Sir,

This is in continuation of our even date letter 05.08.2021, it is hereby informed that the Board of Directors of the Company at its meeting held today i.e.13.08.2021 has, inter-alia, considered and approved Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30th June, 2021.

Please find enclosed herewith a copy of the Unaudited Financial Results of the Company along with limited review report of the Auditors.

Meeting of Board of Directors commenced at 14:30 hrs. and concluded at 18:30 hrs.

This for your information and records.

Thanking You,

Yours faithfully

For Oil and Natural Gas Corporation Ltd.

RAJNI
KANT JAIN

Digitally signed by
RAJNI KANT JAIN
Date: 2021.08.13
20:21:50 +05'30'

(Rajni Kant)

Company Secretary & Compliance Officer

Encl: As above (22 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, 2021

(₹ in Crore unless otherwise stated)

SL No.	Particulars	Financial results for			
		Quarter ended 30.06.2021	Quarter ended 31.03.2021	Quarter ended 30.06.2020^	Year ended 31.03.2021
		Unaudited	Audited	Unaudited	Audited
I	Revenue from operations	23,021.64	21,188.91	13,011.29	68,141.09
II	Other income	533.67	3,132.39	555.51	7,142.51
III	Total income (I+II)	23,555.31	24,321.30	13,566.80	75,283.60
IV	EXPENSES				
	Cost of materials consumed*	729.80	552.49	396.68	1,980.73
	Purchase of stock-in-trade	-	-	-	-
	Changes in inventories of finished/ semi finished goods and work in progress	(29.44)	(136.41)	(111.53)	(426.35)
	Employee benefits expense**	730.17	630.65	498.50	2,307.25
	Statutory levies	5,969.56	5,410.72	2,980.85	16,423.68
	Exploration costs written off				
	a. Survey Costs	555.77	614.02	558.99	1,724.55
	b. Exploratory well Costs	595.28	1,360.15	567.91	4,660.98
	Finance costs	619.71	568.79	609.92	2,214.54
	Depreciation, depletion, amortisation and impairment	4,165.57	4,398.57	3,822.30	16,327.38
	Other expenses	3,468.72	4,607.94	3,339.06	15,043.08
	Total expenses (IV)	16,805.14	18,006.92	12,662.68	60,255.84
V	Profit before exceptional items and tax (III-IV)	6,750.17	6,314.38	904.12	15,027.76
VI	Exceptional items	-	2,613.21	-	1,375.03
VII	Profit before tax (V+VI)	6,750.17	8,927.59	904.12	16,402.79
VIII	Tax expense:				
	(a) Current tax relating to:				
	- current year	2,286.00	232.00	336.00	3,056.00
	- earlier years	-	647.76	-	1,148.95
	(b) Deferred tax	129.42	1,313.86	71.54	951.40
	Total tax expense (VIII)	2,415.42	2,193.62	407.54	5,156.35
IX	Profit for the period (VII-VIII)	4,334.75	6,733.97	496.58	11,246.44
X	Other comprehensive income (OCI)				
	(a) Items that will not be reclassified to profit or loss				
	(i) Re-measurement of the defined benefit obligations	(13.57)	181.96	(126.86)	(51.21)
	- Deferred Tax	4.74	(63.59)	44.33	17.89
	(ii) Equity instruments through other comprehensive income	2,454.43	387.17	1,052.37	2,647.96
	- Deferred Tax	(183.40)	(28.45)	(77.70)	(195.77)
	Total other comprehensive income (X)	2,262.20	477.09	892.14	2,418.87
XI	Total comprehensive income for the period (IX+X)	6,596.95	7,211.06	1,388.72	13,665.31
XII	Paid-up Equity Share Capital (Face value of ₹ 5/- each)***	6,290.14	6,290.14	6,290.15	6,290.14
XIII	Other equity				1,98,268.43
XIV	Earnings Per Share (Face value of ₹ 5/- each) - not annualised				
	(a) Basic (₹)	3.45	5.35	0.39	8.94
	(b) Diluted (₹)	3.45	5.35	0.39	8.94

* 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. 6.

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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 30.06.2021	Quarter ended 31.03.2021	Quarter ended 30.06.2020^	Year ended 31.03.2021
		Unaudited	Audited	Unaudited	Audited
1	Segment Revenue				
	Revenue from Operations				
	a) Offshore	14,673.28	13,899.05	8,591.11	44,475.71
	b) Onshore	8,348.36	7,289.86	4,420.18	23,665.38
	Total	23,021.64	21,188.91	13,011.29	68,141.09
	Less: Inter Segment Operating Revenue	-	-	-	-
	Revenue from operations	23,021.64	21,188.91	13,011.29	68,141.09
2	Segment Result Profit(+)/Loss(-) before tax and interest from each segment				
	a) Offshore	6,890.74	5,295.89	1,947.98	14,075.66
	b) Onshore	624.92	2,192.03	(193.50)	1,504.50
	Total	7,515.66	7,487.92	1,754.48	15,580.16
	Less:				
	i. Finance Cost	619.71	568.79	609.92	2,214.54
	ii. Other unallocable expenditure net of unallocable income.	145.78	(2,008.46)	240.44	(3,037.17)
	Profit before Tax	6,750.17	8,927.59	904.12	16,402.79
3	Segment Assets				
	a) Offshore	1,42,582.11	1,41,591.75	1,33,462.93	1,41,591.75
	b) Onshore	68,160.55	67,735.65	63,891.35	67,735.65
	c) Other Unallocated	1,10,952.20	1,09,126.18	1,08,774.04	1,09,126.18
	Total	3,21,694.86	3,18,453.58	3,06,128.32	3,18,453.58
4	Segment Liabilities				
	a) Offshore	44,361.33	45,219.64	42,158.95	45,219.64
	b) Onshore	15,049.53	14,803.83	15,676.36	14,803.83
	c) Other Unallocated	51,128.49	53,871.54	53,809.49	53,871.54
	Total	1,10,539.35	1,13,895.01	1,11,644.80	1,13,895.01

^ Restated, refer Note No. 6

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

Notes:

1. Pursuant to completion of tenure in Office & consequential cessation of Independent Directors, the number of Independent Directors on the Board has got reduced to one (1) w.e.f. September 08, 2020 and there is no woman Independent Director on the Board. This position has been continuing even as on the date of approval of financial results for the quarter ended June 30, 2021. As per the provisions of the Listing Regulations, DPE Guidelines and the Companies Act, 2013, at least two independent directors are required for constituting valid quorum of the Audit Committee, as a result, no Audit Committee meeting could be held after September 08, 2020. In absence of the audit committee meetings since September 08, 2020, the functions of audit committee were taken up in the meeting of the Board of Directors. Accordingly, the above standalone financial results of the Company for the quarter ended June 30, 2021 have been directly reviewed and approved by the Board of Directors.
2. The financial results for the quarter ended June 30, 2021 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, 2021 are the balancing figures between audited figures in respect of the full financial year 2020-21 and the year-to-date figures upto the third quarter of 2020-21, 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 (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. 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 (BGEPIIL & RIL). MoP&NG has also stated that the Arbitral Award would be applicable to the Company also as a constituent of the Contractors for both the PSCs.

Directorate General of Hydrocarbons (DGH), vide letter 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. As informed by BGEPIIL that on issues relating to the aforesaid disputes, additional Audit Award on January 11, 2018, Agreement Case Award on October 1, 2018 and Jurisdictional Award on March 12, 2019 were pronounced. However, the details of proceedings of the FPA and other Orders are not available with the Company. DGH, vide their letters 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 Government's interpretation of the FPA (40% share of the Company amounting to US\$ 1,624.05 million, including interest up to

November 30, 2016) equivalent to ₹ 12,063 Crore (March 31, 2021: ₹ 11,935 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 Government of India (GOI) 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 before English Court. On February 12, 2020, the English Court passed a verdict favouring the challenges made by BGEPIIL and RIL and also remitted the matter in the Revised Award back to Arbitral Tribunal for reconsideration. Based on the information shared by BGEPIIL in January 2021, the Tribunal issued a verdict favouring BGEPIIL/RIL on the remitted matter, which has been challenged by the GOI before the English Court. The Challenge hearings have been delayed due to COVID-19 and are expected to be heard in the latter half of FY 2021-22.

Based on the information shared by BGEIPL, The GOI has also filed an execution petition before the Hon'ble Delhi High Court seeking enforcement and execution of the October 12, 2016 FPA. BGEIPL / RIL contend that GOI's execution petition is not maintainable and have opposed the reliefs sought by the GOI under the said petition. The matter is pending before the Hon'ble Delhi High Court and no final orders on the reliefs sought by the GOI have been passed so far.

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. The hearings for CRL increase before the Arbitral Tribunal planned in FY 2020-21 have also been rescheduled to FY 2021-22 due to COVID-19.

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.

During the financial year 2010-11, the Oil Marketing Companies, nominees of the GOI recovered US\$ 80.18 million [Share of the Company US\$ 32.07 million equivalent to ₹ 238 Crore (March 31, 2021: ₹ 236 Crore)] as per directives of GoI in respect of Joint Operation - Panna Mukta and Tapti Production Sharing Contracts (PSCs). The recovery is towards certain observations raised by auditors appointed by DGH under the two PSCs for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to GOI.

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 ₹ 12,063 Crore (March 31, 2021: ₹ 11,935 Crore) has been considered as contingent liability.

5. The Company had received demand orders from Service Tax Department at various work centres 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 the Hon'ble Gujarat High Court. In this matter, Hon'ble Gujarat High Court in the hearing held on January 04, 2021 directed the revenue authorities to file counter affidavit by January 21, 2021. The Central Government has filed counter affidavit on January 21, 2021. The next date of hearing before Hon'ble Gujarat High court is not scheduled as yet. 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 01, 2019 on account of GST on Royalty in the State of Rajasthan against which the Company filed Writ petition (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 next hearing for the writ petition is scheduled to be held on September 07, 2021. The Company also filed writ of mandamus (9961/2019) before the 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 Government and State Government. The Central Government 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 date of next hearing is not scheduled as yet.

The total estimated amount (including penalty and interest up to June 30, 2021) works out towards Service Tax is ₹ 3,973 Crore (March 31, 2021: ₹ 3,960 Crore) and GST is ₹ 8,263 Crore (March 31, 2021: ₹ 7,717 Crore). Since the Company is contesting the matter, 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, 2021: ₹ 1,352 Crore) and ₹ 6,059 Crore (March 31, 2021: ₹ 5,678 Crore) respectively.

6. Based on the Expert Advisory Committee opinion of the Institute of Chartered Accountants of India, the figures for the quarter ended 30th June 2020 have been restated, consequent to retrospective recognition of financial liabilities for the Company's share of backstopping support towards repayment of principal and a financial guarantee obligation towards cumulative coupon amount with a corresponding recognition of Deemed Investment in Step down Subsidiary ONGC Mangalore Petrochemicals Limited (OMPL) and Joint Venture ONGC Petro additions Limited in the financial statement for the year ended March 31, 2021.
7. The Company has assessed the possible impact of continuing 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. However, The revenue for the quarter ended June 30, 2020 were impacted by low crude oil and natural gas prices due to the COVID-19 pandemic and volatile global crude oil and natural gas markets. Accordingly, the same are not comparable with those for the quarter ended June 30, 2021.

8. 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 can irrevocably opt for a lower corporate tax rate subject to foregoing 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 of a lower corporate tax rate vis-à-vis the pre-existing provisions. The Company can exercise the option 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, 2021 as per the earlier provisions.
9. Previous period's figures have been regrouped by the Company, wherever necessary, to conform to current period's grouping.

By order of the Board

Subhash Kumar Digitally signed by Subhash Kumar
Date: 2021.08.13 17:42:27 +05'30'

(Subhash Kumar)
Chairman & Managing Director

Place: Dehradun
Date: August 13, 2021

In terms of our report of even date attached

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

ABHISH EK SINGH Digitally signed by ABHISH EK SINGH
DN: c=IN, st=Uttar Pradesh, 2.5.4.20=06720242f56087c159f8a1a620c3e427410411860a0c3c302004, 95ede0484, postalCode=302006, street=8, STATION ROAD, KANTI, NAGAR, JAIPUR, Rajasthan-302006, serialNumber=850e9eac3c9812b5b0c740d09923a0791680b0a030a7557734cc2b4a17c, o=KALANI & CO., cn=VIKAS GUPTA, Date: 2021.08.13 18:11:55 +05'30'

(Abhishek Singh)
Partner (M. No. 407549)
Place: New Delhi

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

VIKAS GUPTA Digitally signed by VIKAS GUPTA
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(Vikas Gupta)
Partner (M. No. 077076)
Place: Jaipur

August 13, 2021

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

SUNIL KUMAR AGARWAL Digitally signed by SUNIL KUMAR AGARWAL
DN: c=IN, o=Personal, pseudonym=4202b97752b0ffcd53c7d6ca1c131c9c2e6e8d0305d3d4f7a04773490071930a, postalCode=110016, st=DELHI, serialNumber=890077ed8edc7176390c62ad9cde160f023591d59c420215f5d78c99a10ad, cn=SUNIL KUMAR AGARWAL, Date: 2021.08.13 19:19:22 +05'30'

(Sunil Kumar Agarwal)
Partner (M. No. 093209)
Place: New Delhi

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

Rangarajan Raghavan Iyengar Digitally signed by Rangarajan Raghavan Iyengar
Date: 2021.08.13 18:55:10 +05'30'

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

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

PANKAJ SHARMA Digitally signed by PANKAJ SHARMA
Date: 2021.08.13 19:02:05 +05'30'

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

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

SUDHA JAIDEEP SHETTY Digitally signed by SUDHA JAIDEEP SHETTY
Date: 2021.08.13 18:38:12 +05'30'

(Sudha Shetty)
Partner (M. No. 047684)
Place: Mumbai

G.M. Kapadia & Co
Chartered Accountants
1007, Raheja Chambers,
213, Nariman Point,
Mumbai – 400002

R. Gopal & Associates
Chartered Accountants
1/1-A Vansittart Row,
Kolkata- 700001

SARC & ASSOCIATES
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SARC Towers, D-191,
Okhla Industrial Estate,
Phase I, New Delhi – 110020

Kalani & Co.
Chartered Accountants
703, VII Floor,
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Gandhi Nagar Crossing,
Tonk Road, Jaipur-302015

R.G.N. Price & Co.
Chartered Accountants
Simpsons Building,
861, Anna Salai,
Chennai - 600 002

S. Bhandari & Co.
Chartered Accountants
P-7, Tilak Marg,
C-Scheme,
Jaipur-302005

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT ON THE UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED ON JUNE 30, 2021

**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, 2021 (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.

G.M. Kapadia & Co.
Chartered Accountants

R Gopal & Associates
Chartered Accountants

SARC & ASSOCIATES
Chartered Accountants

Kalani & Co.
Chartered Accountants

R.G.N. Price & Co.
Chartered Accountants

S. Bhandari & Co.
Chartered Accountants

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.1, which states that the Company's Board does not have the requisite number of Independent Directors and also does not have a woman Independent director from September 8, 2020, as required by the provisions of the Regulations, DPE Guidelines and the Companies Act 2013, so as to constitute proper Board of the Directors and its subcommittees, which inter alia includes the Audit Committee. As a result, in the absence of valid quorum, no Audit Committee meeting could be held after September 8, 2020, and in such circumstances, as implied from the said Note, the mandatory functions of the Audit Committee, have been directly carried out by the Board of Directors. Accordingly, the enclosed Standalone Financial Results have been directly reviewed and approved by the Board of Directors.
- (ii) 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. 12,063 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); The Government of India and JV Partners have challenged parts of the Revised Award before English Court. On February 12, 2020, the English Court passed a verdict favouring the challenges made by BGEPIIL and RIL and also remitted the matter in the Revised Award back to Arbitral Tribunal for reconsideration. In January 2021, the Tribunal issued a verdict favouring BGEPIIL/RIL on the remitted matter, which has been challenged by the GOI before the English Court. 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 has been disclosed as contingent liability.

G.M. Kapadia & Co.
Chartered Accountants

R Gopal & Associates
Chartered Accountants

SARC & ASSOCIATES
Chartered Accountants

Kalani & Co.
Chartered Accountants

R.G.N. Price & Co.
Chartered Accountants

S. Bhandari & Co.
Chartered Accountants

(iii) 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, 2021) at Rs. 3,973 crore and Rs. 8,263 crore respectively (Total Rs 12,236 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 1,352 crore and Rs 6,059 crore respectively (Total Rs 7,411 crore).

(iv) Note No. 7, 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 167 blocks under New Exploration Licensing Policy (NELPs)/ Hydrocarbon Exploration and Licensing Policy (HELPS)/ Discovered Small Fields (DSFs)/ Open Acreage Licencing Policy (OALPs) and Joint Operations (JOs) accounts for exploration and production, out of which: -
 - a. 1 NELPs/ HELPS/ JOs accounts have been certified by other Chartered Accountants. In respect of this block, the Statement includes revenue for the quarter ended June 30, 2021 amounting to Rs. 1794.19 Crore and profit before tax including other comprehensive income for the quarter ended June 30, 2021 amounting to Rs. 241.04 Crore. Our conclusion is solely based on the certificate of the other Chartered Accountants.
 - b. 17 NELPs / HELPS/ JOs have been certified by the management. In respect of these blocks, the Statement includes revenue for the quarter ended June 30, 2021 amounting to Rs. 261.11 Crore and profit/ (loss) before tax including other comprehensive income for the quarter ended June 30, 2021 amounting to Rs. 43.95 Crore respectively. Our conclusion is solely based on management certified accounts in respect of these blocks.

SARC & ASSOCIATES
Chartered Accountants

S. Bhandari & Co.
Chartered Accountants

(iv) The Statement includes comparative figures of for the quarter ended June 30, 2020, reviewed by the joint auditors of the Company, five of whom were the predecessor audit firms, where they had expressed an unmodified conclusion vide their report dated September 1, 2020 on such Standalone Financial Results.

For SARC & ASSOCIATES
Chartered Accountants
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by PANKAJ
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SHARMA Date: 2021.08.13
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(Pankaj Sharma)
Partner (M.No. 086433)
UDIN: 21086433AAAAAAQ9852
Place: New Delhi

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

SUDHA
JAIDEEP
SHETTY

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(Sudha Shetty)
Partner (M.No. 047684)
UDIN: 21047684AAAAAH3839
Place: Mumbai

Page 4 of 4

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, 2021

(₹ in Crore unless otherwise stated)

Sl. NO.	Particulars	Financial results for			
		Quarter ended 30.06.2021	Quarter ended 31.03.2021	Quarter ended 30.06.2020^	Year ended 31.03.2021
		Unaudited	Audited	Unaudited	Audited
I	Revenue from operations	108,135.63	114,168.26	62,496.06	360,572.31
II	Other income	1,166.19	4,037.90	1,198.08	9,323.02
III	Total income (I+II)	109,301.82	118,206.16	63,694.14	369,895.33
IV	Expenses				
	(a) Cost of materials consumed*	16,157.19	21,567.62	7,657.71	56,663.68
	(b) Purchase of Stock-in-Trade	47,015.07	44,194.42	21,565.46	144,561.83
	(c) Changes in inventories of finished goods, stock-in-trade and work-in progress	2,212.21	(4,305.54)	772.36	(9,916.66)
	(d) Employee benefits expense **	1,765.73	1,294.60	1,559.61	6,313.72
	(e) Statutory levies	15,707.23	23,477.04	14,083.06	74,530.92
	(f) Exploration costs written off				
	(i) Survey costs	648.50	758.08	594.61	1,967.72
	(ii) Exploration well costs	598.06	1,629.13	568.67	5,167.82
	(g) Finance costs	1,440.06	1,115.57	1,626.87	5,079.03
	(h) Depreciation, depletion, amortisation and impairment	6,422.93	7,572.03	5,847.94	25,538.47
	(i) Other expenses	7,744.97	10,075.04	6,855.29	31,817.28
	Total expenses (IV)	99,711.95	107,377.99	61,131.58	341,723.81
	Profit before share of profit/(loss) of associates and joint ventures, exceptional items and tax (III - IV)	9,589.87	10,828.17	2,562.56	28,171.52
V	Share of profit of associates & joint ventures	604.50	678.97	(560.88)	1,019.36
VI	Profit before exceptional items (V+VI)	10,194.37	11,507.14	2,001.68	29,190.88
VII	Exceptional items - Income/(expenses)	-	2,156.96	-	918.77
VIII	Profit before tax (VII+VIII)	10,194.37	13,664.10	2,001.68	30,109.65
IX	Tax expense				
	(a) Current tax relating to:				
	- current year	3,105.47	1,820.29	1,397.83	8,081.52
	- earlier years	-	615.28	-	982.03
	(b) Deferred tax	242.17	282.30	(481.20)	(297.35)
X	Total tax expense (X)	3,347.64	2,717.87	916.63	8,766.20
XI	Profit for the period (IX-X)	6,846.73	10,946.23	1,085.05	21,343.45
XII	Other comprehensive income (OCI)				
	A Items that will not be reclassified to profit or loss				
	(a) Remeasurement of the defined benefit plans	(13.94)	79.93	(132.70)	(181.07)
	- Deferred tax	4.18	(38.20)	46.58	47.81
	(b) Equity instruments through other comprehensive income	2,546.99	427.96	1,081.80	2,754.84
	- Deferred tax	(183.40)	(28.45)	(77.70)	(195.77)
	(c) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss	1.16	1.48	0.14	1.14
	- Deferred tax	-	0.55	-	0.55
	B Items that will be reclassified to profit or loss				
	(a) Exchange differences in translating the financial statement of foreign operation	1,303.58	405.67	(650.13)	(1,062.60)
	- Deferred tax	(458.24)	(141.53)	227.82	379.05
	(b) Effective portion of gains (losses) on hedging instruments in cash flow hedges	(13.32)	60.94	(40.85)	(1.09)
	- Deferred tax	3.35	(15.34)	10.28	0.27
	(c) Share of other comprehensive income in associates and joint ventures, to the extent to be reclassified to profit or loss	(36.30)	24.09	(4.70)	121.59
	Total Other Comprehensive Income (XII)	3,154.06	777.10	460.54	1,864.72
XIII	Total Comprehensive Income for the period (XI+XII)	10,000.79	11,723.33	1,545.59	23,208.17
XIV	Profit for the period attributable to:				
	- Owners of the Company	5,985.16	9,404.16	115.89	16,248.69
	- Non-controlling interests	861.57	1,542.07	969.16	5,094.76
		6,846.73	10,946.23	1,085.05	21,343.45
XV	Other comprehensive income attributable to:				
	- Owners of the Company	3,135.45	762.71	465.10	1,789.42
	- Non-controlling interests	18.61	14.39	(4.56)	75.30
		3,154.06	777.10	460.54	1,864.72
XVI	Total comprehensive income attributable to:				
	- Owners of the Company	9,120.61	10,166.87	580.99	18,038.11
	- Non-controlling interests	880.18	1,556.46	964.60	5,170.06
		10,000.79	11,723.33	1,545.59	23,208.17
XVII	Paid up equity share capital (Face value of ₹5/- each)#	6,290.14	6,290.14	6,290.15	6,290.14
XVIII	Other Equity				214,690.85
	Earnings per equity share: (Face value of ₹5/- each) - not annualised				
	(a) Basic (₹)	4.76	7.48	0.09	12.92
	(b) Diluted (₹)	4.76	7.48	0.09	12.92

* 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. 6

<p align="center">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</p> <p align="center">CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS & LIABILITIES</p> <p align="right">(₹ in Crore)</p>					
Sl. No.	Particulars	Quarter ended 30.06.2021	Quarter ended 31.03.2021	Quarter ended 30.06.2020 ^a	Year ended 31.03.2021
		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	 14,673.27 8,296.89 92,780.64 3,674.19 19.03 119,444.02 11,308.39 108,135.63	 13,899.05 7,254.26 106,127.92 3,530.71 28.18 130,840.12 16,671.86 114,168.26	 8,591.11 4,399.52 52,507.97 2,241.07 9.89 67,749.56 5,253.50 62,496.06	 44,475.71 23,519.26 321,619.31 11,965.17 77.37 401,656.82 41,084.51 360,572.31
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	 6,225.29 669.72 2,704.36 1,249.71 10,849.08 1,440.06 (180.85) 275.67 (3.46) 332.29 10,194.37	 5,221.16 2,241.05 4,364.81 124.15 11,951.17 1,115.57 (2,149.52) 30.22 270.53 378.23 13,664.10	 1,557.20 (185.32) 2,498.33 226.37 4,096.58 1,626.87 (92.85) (375.32) (238.13) 52.57 2,001.68	 13,745.67 1,483.28 13,170.35 2,681.39 31,080.69 5,079.03 (3,088.62) 267.43 42.15 709.79 30,109.65
3	Segment Assets A. In India (i) E&P a) Offshore b) Onshore (ii) Refining & Marketing B. Outside India C. Others Unallocated Total	 140,862.21 68,140.86 166,461.93 120,266.12 53,828.17 549,559.29	 139,676.35 67,719.58 166,532.09 117,318.28 52,018.31 543,264.61	 132,336.86 63,876.99 150,488.09 119,131.95 50,503.55 516,337.44	 139,676.35 67,719.58 166,532.09 117,318.28 52,018.31 543,264.61
4	Segment Liabilities A. In India (i) E&P a) Offshore b) Onshore (ii) Refining & Marketing B. Outside India C. Others Unallocated Total	 44,249.65 15,031.77 122,696.33 64,699.75 50,884.92 297,562.42	 45,148.50 14,794.13 123,196.44 63,867.98 53,660.77 300,667.82	 42,070.11 15,663.08 111,605.74 68,163.26 53,586.53 291,088.72	 45,148.50 14,794.13 123,196.44 63,867.98 53,660.77 300,667.82
^a Restated, 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. Pursuant to completion of tenure in Office & consequential cessation of Independent Directors, the number of Independent Directors on the Board has got reduced to one (1) w.e.f. September 08, 2020 and there is no woman Independent Director on the Board. This position has been continuing even as on the date of approval of financial results for the quarter ended June 30, 2021. As per the provisions of the Listing Regulations, DPE Guidelines and the Companies Act, 2013, at least two independent directors are required for constituting valid quorum of the Audit Committee. As a result, no Audit Committee meeting could be held after September 08, 2020. In absence of the audit committee meetings since September 08, 2020, the functions of audit committee were taken up in the meeting of the Board of Directors. Accordingly, the above consolidated financial results of the Holding Company for the quarter ended June 30, 2021 have been directly reviewed and approved by the Board of Directors.
2. The consolidated financial results of the Group [The Holding Company(the Company) and its subsidiaries] for the quarter ended June 30, 2021 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, 2021 are the balancing figures between audited figures in respect of the full financial year 2020-21 and the year-to-date figures upto the third quarter of 2020-21 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 (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. 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 (BGEPIIL & RIL). MoP&NG has also stated that the Arbitral Award would be applicable to the Company also as a constituent of the Contractors for both the PSCs.

Directorate General of Hydrocarbons (DGH), vide letter 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. As informed by BGEPIIL that on issues relating to the aforesaid disputes, additional Audit Award on January 11, 2018, Agreement Case Award on October 1, 2018 and Jurisdictional Award on March 12, 2019 were pronounced. However, the details of proceedings of the FPA and other Orders are not available with the Company. DGH, vide their letters 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 Government’s interpretation of the

FPA (40% share of the Company amounting to US\$ 1,624.05 million, including interest up to November 30, 2016) equivalent to ₹ 12,063 Crore (March 31, 2021: ₹ 11,935 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 Government of India (GOI) 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 before English Court. On February 12, 2020, the English Court passed a verdict favouring the challenges made by BGEPL and RIL and also remitted the matter in the Revised Award back to Arbitral Tribunal for reconsideration. Based on the information shared by BGEPL in January 2021, the Tribunal issued a verdict favouring BGEPL/RIL on the remitted matter, which has been challenged by the GOI before the English Court. The Challenge hearings have been delayed due to COVID-19 and are expected to be heard in the latter half of FY 2021-22.

Based on the information shared by BGEPL, The GOI has also filed an execution petition before the Hon'ble Delhi High Court seeking enforcement and execution of the October 12, 2016 FPA. BGEPL / RIL contend that GOI's execution petition is not maintainable and have opposed the reliefs sought by the GOI under the said petition. The matter is pending before the Hon'ble Delhi High Court and no final orders on the reliefs sought by the GOI have been passed so far.

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. The hearings for CRL increase before the Arbitral Tribunal planned in FY 2020-21 have also been rescheduled to FY 2021-22 due to COVID-19.

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.

During the financial year 2010-11, the Oil Marketing Companies, nominees of the GOI recovered US\$ 80.18 million [Share of the Company US\$ 32.07 million equivalent to ₹ 238 Crore (March 31, 2021: ₹ 236 Crore)] as per directives of GoI in respect of Joint Operation - Panna Mukta and Tapti Production Sharing Contracts (PSCs). The recovery is towards certain observations raised by auditors appointed by DGH under the two PSCs for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to GOI.

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 ₹ 12,063 Crore (March 31, 2021: ₹ 11,935 Crore) has been considered as contingent liability.

5. The Company had received demand orders from Service Tax Department at various work centres 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 the Hon'ble Gujarat High Court. In this matter, Hon'ble Gujarat High Court in the hearing held on January 04, 2021 directed the revenue authorities to file counter affidavit by January 21, 2021. The Central Government has filed counter affidavit on January 21, 2021. The next date of hearing before Hon'ble Gujarat High court is not scheduled as yet. 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 01, 2019 on account of GST on Royalty in the State of Rajasthan against which the Company filed Writ petition (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 next hearing for the writ petition is scheduled to be held on September 07, 2021. The Company also filed writ of mandamus (9961/2019) before the 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 Government and State Government. The Central Government 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 date of next hearing is not scheduled as yet.

The total estimated amount (including penalty and interest up to June 30, 2021) works out towards Service Tax is ₹ 3,973 Crore (March 31, 2021: ₹ 3,960 Crore) and GST is ₹ 8,263 Crore (March 31, 2021: ₹ 7,717 Crore). Since the Company is contesting the matter, 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, 2021: ₹ 1,352 Crore) and ₹ 6,059 Crore (March 31, 2021: ₹ 5,678 Crore) respectively.

6. Based on the Expert Advisory Committee opinion of the Institute of Chartered Accountants of India, the figures for the quarter ended 30th June 2020 have been restated, consequent to retrospective recognition of financial liabilities for the Holding Company's share of backstopping support towards repayment of principal and a financial guarantee obligation towards cumulative coupon amount with a corresponding recognition of Deemed Investment in Step down Subsidiary ONGC Mangalore Petrochemicals Limited (OMPL) and Joint Venture ONGC Petro additions Limited in the Financial Statement for the year ended 31st March, 2021. Similar restatement has been carried out by subsidiary Mangalore Refinery and Petrochemicals Limited (MRPL), which is the co-sponsor of the backstopping support with reference to the Compulsory Convertible debentures (CCDs) issued by OMPL.

Furthermore, Subsidiary ONGC Videsh Limited (OVL) in its consolidated financial statements presented the Deemed Capital Contribution, pertaining to the Non-Controlling interest of Beas Rovuma Energy Mozambique Limited, as the company's Deemed Capital Contribution upto the year ended March 31, 2020. During the year 2020-21, OVL Group

reassessed such presentation, and reclassified the Deemed Capital Contribution that is owned by the Non-Controlling interest.

As a result of the above restatement as at March 31, 2020, corresponding figures as at June 30, 2020 have also been restated.

7. The management of the holding Company has assessed the possible impact of continuing COVID-19 on the group based on the 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. However, the revenue for the quarter ended June 30, 2020 were impacted by low crude oil and natural gas prices due to the COVID-19 pandemic and volatile global crude oil and natural gas markets. Accordingly, the same are not comparable with those for the quarter ended June 30, 2021.

As regards subsidiaries, the situation of COVID-19 pandemic has no significant impact on operations of Hindustan Petroleum Corporation Limited (HPCL) during the quarter. However the crude throughput of Mangalore Refinery and Petrochemicals Limited (MRPL), has been adversely impacted during the current quarter on account of reduction in demand arising out of COVID-19 situation. The revenue of the Group for the quarter ended June 30, 2020 were impacted by lower demand for petroleum petroducts due to nation-wide lockdown pursuant to outbreak of COVID-19 pandemic.

The 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.

8. 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 can irrevocably opt for a lower corporate tax rate subject to foregoing 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 of a lower corporate tax rate vis-à-vis the pre-existing provisions. The Company can exercise the option 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, 2021 as per the earlier provisions.

Furthermore, 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, 2021 as per the earlier provisions.

9. The shares buy-back program of Company’s Subsidiary Hindustan Petroleum Corporation Limited (HPCL) which commenced on November 17, 2020 has concluded on May 14, 2021. During the entire buy-back period, a total 10,52,74,280 shares, representing 6.91% of paid up Share Capital (prior to commencement of buy-back) having a face value of ₹105,27,42,800 have been bought back and extinguished. Consequently Company’s shareholding in the subsidiary HPCL has increased from 53.64% as on March 31, 2021 to 54.90 % as on May 14, 2021.

10. Previous period's figures have been regrouped by the Company, wherever necessary, to conform to current period's grouping.

By order of the Board

**Subhash
Kumar**

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(Subhash Kumar)

Chairman & Managing Director

Place: Dehradun
Date: August 13, 2021

In terms of our report of even date attached

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

**ABHISH
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SINGH**

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SECTOR-42, GAUTAM BUDDHA NAGAR,
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(Abhishek Singh)
Partner (M. No. 407549)
Place: New Delhi

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

**SANDEEP
KUMAR
SAWARIA**

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(Sandeep Kumar Sawaria)
Partner (M. No. 061771)
Place: Kolkata

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

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

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

**VIKAS
GUPTA**

VIKAS GUPTA
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street=B, STATION ROAD, KANTI
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o=KALANI & CO, cn=VIKAS GUPTA,
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(Vikas Gupta)
Partner (M. No. 077076)
Place: Jaipur

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

**Rangarajan
Raghavan
Iyengar**

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

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

**SUDHA
JAIDEEP
SHETTY**

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JAIDEEP SHETTY
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(Sudha Shetty)
Partner (M. No. 047684)
Place: Mumbai

August 13, 2021

G.M. Kapadia & Co
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Chartered Accountants
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Jaipur-302005

**INDEPENDENT AUDITORS' LIMITED REVIEW REPORT ON THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED ON JUNE 30, 2021**

**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, 2021 (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 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 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 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 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.
4. 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. 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

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 12 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. 1 which states that the Holding Company's Board does not have the requisite number of Independent Directors and also does not have a woman Independent director from September 8, 2020, as required by the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, Department of Public Enterprises (DPE) Guidelines and the provisions of

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Chartered Accountants

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Chartered Accountants

S Bhandari & Co.
Chartered Accountants

the Act, so as to constitute proper Board of the Directors and its sub-committees, which inter alia includes the Audit Committee. As a result, in the absence of valid quorum, no Audit Committee's meetings have been convened after September 8, 2020, and in such circumstances, as implied from the said Note, the mandatory functions of the Audit Committee, have been directly carried out by the Board of Directors of the Holding Company. Accordingly, the enclosed Unaudited Consolidated Financial Results have been directly approved by the Holding Company's Board of Directors.

7. 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 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. 12,063 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 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); The Government of India and JV Partners have challenged parts of the Revised Award before English Court. On February 12, 2020, the English Court passed a verdict favouring the challenges made by BGEPIIL and RIL and also remitted the matter in the Revised Award back to Arbitral Tribunal for reconsideration. In January 2021, the Tribunal issued a verdict favouring BGEPIIL/RIL on the remitted matter, which has been challenged by the GOI before the English Court. Pending finalization of the decision of the Arbitral Tribunal, the Holding 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 has been disclosed as contingent liability.
8. 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, 2021) at Rs. 3,973 crore and Rs. 8,263 crore respectively (Total Rs 12,236 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 1,352 crore and Rs 6,059 crore respectively (Total Rs 7,411 crore).
9. Note No. 7, 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 the above matters.

G.M. Kapadia & Co.
Chartered Accountants

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Chartered Accountants

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Chartered Accountants

S Bhandari & Co.
Chartered Accountants

Other Matters

10. 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.
11. The Statement includes the Holding Company's proportionate share in the total value of expenditure and Income of 167 blocks under New Exploration Licensing Policy (NELPs)/ Hydrocarbon Exploration and Licensing Policy (HELPS)/ Discovered Small Fields (DSFs)/ Open Acreage Licencing Policy (OALPs) and Joint Operations (JOs) accounts for exploration and production, out of which: -
 - a. 1 NELPs/ HELPS/ JOs accounts have been certified by other Chartered Accountants. In respect of this block, the Statement includes revenue for the quarter ended June 30, 2021 amounting to Rs. 1794.19 Crore and profit before tax including other comprehensive income for the quarter ended June 30, 2021 amounting to Rs. 241.04 Crore. Our conclusion is solely based on the certificate of the other Chartered Accountants.
 - b. 17 NELPs / HELPS/ JOs have been certified by the management. In respect of these blocks, the Statement includes revenue for the quarter ended June 30, 2021 amounting to Rs. 261.11 Crore and profit/ (loss) before tax including other comprehensive income for the quarter ended June 30, 2021 amounting to Rs. 43.95 Crore respectively. Our conclusion is solely based on management certified accounts in respect of these blocks.
12. 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. 96,422.39 Crores, total net profit/(loss) after tax of Rs. 2,699.86 Crores and total comprehensive income of Rs. 3,592.20 Crores for the quarter ended June 30, 2021 as considered in the Statement. The Statement also include the Group's share of net profit/(loss) after tax of Rs. 20.19 Crores and total comprehensive income of Rs. 20.38 Crores for the quarter ended June 30, 2021, as considered in the Statement, in respect of six Joint Ventures, 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 and joint ventures 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. 71.52 Crores and total comprehensive income of Rs. 71.52 Crores for the quarter ended June 30, 2021, as considered in the Statement, in respect of three 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.

SARC & Associates
Chartered Accountants

S Bhandari & Co.
Chartered Accountants

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

For SARC & ASSOCIATES

Chartered Accountants

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by PANKAJ
SHARMA
Date: 2021.08.13
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(Pankaj Sharma)

Partner (M. No. 086433)

UDIN: 21086433AAAAAR7131

Place: New Delhi

For S. Bhandari & Co.

Chartered Accountants

Firm Reg. No.: 000560C

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by SUDHA
JAIDEEP SHETTY
Date: 2021.08.13
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(Sudha Shetty)

Partner (M.No. 047684)

UDIN: 21047684AAAAAI5568

Place: Mumbai

Page 5 of 5