ओएनजीसी ONGC

# OIL AND NATURAL GAS CORPORATION LIMITED
## COMPANY SECRETARIAT

CS/ONGC/SE/2020-21 15.09.2020

**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: **Notice of 27th Annual General Meeting and Annual Report 2019-20**

Sir / Madam,

In continuation to our Letter of even no. dated 12.09.2020, regarding the subject Notice and Annual Report, a copy of which are being filed in terms of Schedule III, Part A, Para A(12) and Regulation 34 of the Listing Regulations respectively.

Pursuant to provisions under Regulation 44 of the Listing Regulations read with rule 20 of the Companies (Management and Administration) Rules, 2014, Members are provided with the facility to cast their vote electronically through remote e-voting services of National Securities Depository Limited on all resolutions set-forth in the Notice.

- The remote e-voting period will commence on **05th day, October, 2020** (15:00 hours IST) and end **08th day, October, 2020** (17:00 hours IST).

During the aforesaid period, Members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date, i.e. **02th October, 2020**, only shall be entitled to exercise the remote e- voting. Those members, who intend to participate in the AGM through VC/OAVM facility and not cast their vote through remote e-voting, shall be eligible to vote through e-voting system during the AGM.

The said Notice and Annual Report are being hosted on the Company's website at www.ongcindia.com and on the website of e-voting Agency-NDSL at www.evoting.nsdl.com.

Thanking you,
Yours faithfully,

for Oil and Natural Gas Corporation Ltd

15/09/2020

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

**Encl.**: Copy of the Notice of 27th AGM scheduled on 09.10.2020 and Annual Report 2019-20.

# Oil and Natural Gas Corporation Limited

CIN: L74899DL1993GOI054155
Reg. Office: Plot No. 5A-5B, Nelson Mandela Marg, Vasant Kunj, New Delhi, South West Delhi - 110070
Website: www.ongcindia.com email: secretariat@ongc.co.in Tel: 011-26754073/4085

## NOTICE

**NOTICE** is hereby given that the **27th Annual General Meeting** of the Members of Oil and Natural Gas Corporation Limited will be held on **Friday,** the **09th October, 2020 at 11:00 hrs.** IST through Video Conferencing / Other Audio Visual Means to transact the following business:

### ORDINARY BUSINESS:

#### ITEM NO. 1

Consideration and adoption of Audited Financial Statements along with related documents by passing the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended on 31.03.2020, together with the Board's Report and the Auditors' Report thereon and Comments of the Comptroller and Auditor General of India, be and are hereby received, considered and adopted."

#### ITEM NO. 2

Re-appointment of Shri Subhash Kumar as a Director by passing the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Subhash Kumar (DIN: 07905656), who retires by rotation and being eligible, be and is hereby re-appointed as a Director of the Company."

#### ITEM NO. 3

Re-appointment of Shri Rajesh Shyamsunder Kakkar as a Director by passing the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Rajesh Shyamsunder Kakkar (DIN: 08029135), who retires by rotation and being eligible, be and is hereby re-appointed as a Director of the Company."

#### ITEM NO. 4

Authorisation to the Board of Directors for fixing the remuneration of the Auditors by passing the following resolution, as an Ordinary Resolution:

"RESOLVED THAT, pursuant to applicable provisions under the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorised to determine and fix the remuneration payable to Auditors of the Company as appointed by the Comptroller and Auditors General of India for the financial year 2020-21."

### SPECIAL BUSINESS:

#### ITEM NO. 5

Appointment of Shri Rajesh Madanlal Aggarwal by passing following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Rajesh Madanlal Aggarwal (DIN: 03566931), who has been appointed by the Board on 24.03.2020 as a Government Nominee Director, be and is hereby appointed as a Director of the Company in terms of Section 152(2) of the Companies Act, 2013, for a period of three years or until further orders of Government of India, whichever is earlier".

#### ITEM NO. 6

Appointment of Shri Om Prakash Singh as the Director (Technology and Field Services) by passing following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Om Prakash Singh (DIN: 08704968), who has been appointed by the Board as an Additional and Whole-time Director and also designated as the Director (Technology and Field Services) w.e.f. 01.04.2020, be and is hereby appointed as a Director of the Company in terms of Section 152(2) of the Companies Act, 2013, liable

to retire by rotation and also on such terms and conditions, remuneration and tenure as may be determined by the President of India from time to time."

**ITEM NO. 7**

Appointment of Shri Anurag Sharma as the Director (Onshore) by passing following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri Anurag Sharma (DIN: 08050719), who has been appointed by the Board as an Additional and Whole-time Director and also designated as the Director (Onshore) w.e.f. 01.06.2020, be and is hereby appointed as a Director of the Company in terms of Section 152(2) of the Companies Act, 2013, liable to retire by rotation and also on such terms and conditions, remuneration and tenure as may be determined by the President of India from time to time."

**ITEM NO. 8**

Ratification of remuneration payable to Cost Auditors by passing the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 read with applicable rules, remuneration of ₹ 5 lakh per Cost Audit Firm, plus applicable GST and out of pocket expenses, to conduct audit of the cost records of all the units of the Company to six firms of Cost Auditors as appointed by the Board of Directors for the financial year ended 31.03.2021 be and is hereby ratified."

By Order of the Board of Directors
Sd/-
M E V Selvamm
Company Secretary & Executive Director

08.09.2020
New Delhi

## NOTES:

1. In view of the prevailing Covid-19 pandemic, the Ministry of Corporate Affairs **("MCA")** has vide Circular No. 20/2020 dated 05.05.2020 and SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12.05.2020 permitted the holding of the Annual General Meeting **("AGM")** through Video Conference **(VC)**/ Other Audio Visual Means **(OAVM)**, without the physical presence of the Members at a common venue. Accordingly, AGM of the Company will be held through VC/OAVM, subject to other applicable provisions of the Companies Act, 2013 **("Act")** and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations").**

2. Since the AGM will be held through VC/OAVM, there is no requirement for appointment of proxies.

3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

4. Members seeking any information/ clarification with regard to the accounts or any matter to be dealt at the AGM, are requested to write at **secretariat@ongc.co.in** on or before 02.10.2020.

5. All the documents referred to in the Notice and Statutory Registers maintained under Section 170 and Section 189 of the Companies Act 2013, will be available for electronic inspection during the AGM.

6. The relevant details in respect of Directors seeking appointment/re-appointment at the AGM in terms of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is annexed.

7. In compliance with the aforesaid MCA and SEBI Circular, Notice of the AGM along with the Annual Report 2019-20 is being sent **only through electronic mode** at the email addresses of members as registered with the RTA/ Depositories as on 04.09.2020. Physical Copy of Notice and/or Annual Report **will not be sent** to any member.

   Members may note that the Notice and Annual Report 2019-20 will also be available at the Company's website **www.ongcindia.com**, websites of the Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited, at **www.bseindia.com** and **www.nseindia.com** respectively, and also the e-voting agency, viz. National Security Depository Limited (NSDL) website at **https://www.evoting.nsdl.com.**

8. Pursuant to Section 139 read with Section 142 of the Act, the Auditors of the Company are appointed by the Comptroller and Auditor General of India. However, the remuneration of auditors shall be fixed by the Company at the Annual General Meeting. Members may authorise the Board to determine and fix suitable remuneration payable to Auditors for the year 2020-21 (FY'21) after taking into consideration change(s), if any, in scope of assignments due to statutory requirements/ volume of work/ inflation index.

9. As per Regulation 40 of Listing Regulations, the equity share(s) of the Company can be transferred **only in dematerialized** form. In view of this and to eliminate risks associated with physical shares, members holding shares in physical form are advised to convert their holdings into dematerialized form.

10. (A) Members holding shares in **physical mode** are:

    i) required to submit their **Bank Account** details, **E-mail ID** and **PAN** to the Company/ RTA, as mandated by the Securities and Exchange Board of India (SEBI) including the change, if any;

    ii) requested to opt for the Electronic Clearing System **(ECS)** mode for instant and secured receipt of dividend in future;

    iii) advised to make nomination in respect of their shareholding in **Form SH13;**

    iv) requested to send their share certificates to RTA for **consolidation**, in case shares are held under two or more folios;

    v) informed that the shares in physical mode will **not** be accepted for transfer; and

    vi) members may refer the Public Notice to shareholders dated 11.06.2020, may be accessed at https://www.ongcindia.com/wps/wcm/connect/en/investors/notices/

(B) Members holding shares in **electronic mode** are:

i) requested to submit their address, **Bank Account** Details, **E-mail id** and **PAN** to respective DPs with whom they are maintaining their demat accounts including the change, if any, as mandated by SEBI; and

ii) advised to contact their respective DPs for availing the nomination facility.

11. Members may note that registration/ updation of their **E-mail** addresses with RTA, if shares are held in physical mode, or with their DPs, if shares are held in electronic mode would ensure delivery of all future communications from the Company including Annual Reports, Notices, Circulars, etc., **without delay** or, as the case may be, **loss in postal transit.**

12. Members are requested to note that, **dividends** not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund **("IEPF")** of the Government of India. The **shares** in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.

    In view of this, Members are requested to claim their dividend(s) from the Company, within the stipulated timeline. The Members, whose unclaimed dividend(s)/share(s) have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in prescribed Form No. IEPF-5 available on **www.iepf.gov.in**.

13. During the financial year 2019-20 (FY' 20), the Company has transferred the unpaid/unclaimed amount pertaining to 2$^{nd}$ Interim and Final dividends for the FY'12 and 1$^{st}$ Interim dividend of FY'13 to the IEPF Authority.

    Further, the unpaid/unclaimed amount of 2$^{nd}$ interim dividend for the FY'13 has also been transferred to the IEPF Authority on 22.05.2020.

    Unpaid/ Unclaimed Final Dividend FY'13 (declared on 25.09.2013) and 1$^{st}$ Interim Dividend FY'14 (declared on 06.12.2013) would complete the period of 7 years during FY'21 and thereby due for transfer to the IEPF Authority on 01.12.2020 and 11.02.2021 respectively.

    Members whose dividend(s) remained unclaimed are requested to submit their cancelled bank cheque along with copy of PAN card to the Company or RTA for claiming such dividend(s).

14. Members are requested to address all correspondence relating to the shareholding and dividend to the Registrar & Share Transfer Agent (RTA) of the Company i.e. **Alankit Assignments Ltd, Account ONGC, Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110055,** Telephone: 91-11-4254 1234/ 1960, Fax: 91- 11-42541201/ 23552001, Website: **www.alankit.com**, **E-mail: jksingla@alankit.com.**

    However, keeping in view the convenience of the Members, documents relating to shares including complaints/grievances shall also be received at the Registered Office of the Company at Plot No. 5A-5B, Nelson Mandela Marg, Vasant Kunj, New Delhi, South West Delhi - 110070, Phone No: 011-26754073/ 4085; e-mail: secretariat@ongc.co.in.

**E-Voting:**

i. In compliance with the provisions of Section 108 of the Act, the Rules made there under and Regulation 44 of the SEBI Listing Regulations, Members are provided with the facility to cast their vote electronically, through remote e-voting services provided through NSDL on all resolutions set-forth in this Notice. The instructions for e-voting are annexed herewith.

ii. The remote e-voting period will commence on 05$^{th}$ day, October, 2020 (15:00 hours IST) and end 08$^{th}$ day, October, 2020 (17:00 hours IST).

iii. During this period, Members holding shares either in physical form or in dematerialized form, as on 02$^{nd}$ day, October, 2020 i.e. cut-off date, may cast their votes electronically.

iv. Those Members, who will be attending AGM through VC/OAVM facility, if not cast their votes on the Resolutions through remote e-voting, and are otherwise not barred from voting so, shall be eligible to vote through e-voting system during the AGM.

v. The Members who have cast their votes by remote e-voting prior to the AGM may attend in the AGM through VC / OAVM but shall not be entitled to cast their votes again.

vi. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vii. Any person, who has become a Member of the Company after 04.09.2020 may obtain the login ID and password by sending a request at **evoting@nsdl.co.in**. and avail the facility of remote e-voting or voting at the AGM electronically.

viii. The Company has appointed Mrs. Ashu Gupta, (Membership No. FCS 4123, COP No. 6646) failing which Shri M. C. Jain (Membership No. FCS 10483, COP No. 22307), both Practising Company Secretaries, to act as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

## PROCEDURE FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

- Member will be provided with suitable facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may join the meeting through **https://www.evoting.nsdl.com** under shareholders/members login by using the remote e-voting user id and password. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions annexed to this notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- Members are advised to join the Meeting through Laptops for uninterrupted/better connectivity.
- Further, Members will be required to allow Camera and use Internet with a good bandwidth speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in bandwidth of network connectivity. It is therefore recommended to use Stable Wi-Fi or LAN Connection for better connectivity.
- Facility for joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first-come, first-served basis.
- Members who would wish to speak at the AGM may register themselves **as a speaker** by sending their request with below-mentioned details, from their registered email address at **secretariat@ongc.co.in.** during the period from **29.09.2020** to **02.10.2020.**

| | |
|---|---|
| **Name** | |
| **DP ID and client ID / folio No.** | |
| **Mobile No.** | |
| **Query** | |

Members who have registered as a speaker will only be allowed to speak during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Registered Members holding higher voting rights will be given preference to speak at the AGM.

- The Scrutinizer shall immediately after the conclusion of voting at the AGM count the votes cast at the AGM and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company. The Scrutinizer shall submit a consolidated Report of the e-voting, not later than 48 hours from the conclusion of the AGM, to the Chairman of the Company. The Chairman or any other person authorised by the Chairman shall declare the results of the voting forthwith.
- E-voting results along with the Scrutinizer's Report shall be placed on the Company's website **www.ongcindia.com** and also on the website of NSDL i.e. **https://www.evoting.nsdl.com** after the results so declared are communicated to the National Stock Exchange of India Limited and BSE Limited.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO.5 APPOINTMENT OF SHRI RAJESH MADANLAL AGGARWAL AS A GOVERNMENT NOMINEE DIRECTOR

Shri Rajesh Madanlal Aggarwal (DIN: 03566931), has been appointed by the Board as a Government Nominee Director of the Company w.e.f. 24.03.2020 in terms of e-mail dated 24.03.2020 received from the Ministry of Petroleum & Natural Gas (MoPNG), Government of India, for a period of three years on co-terminus basis of his present official position as Additional Secretary and Financial Advisor of MoPNG or until further orders, whichever is earlier.

The Company has received notice proposing the candidature of Shri Aggarwal as Director in terms of Section 160 of the Companies Act, 2013, from a member of the Company.

Shri Aggarwal is also Director on the Board of Bharat Petroleum Corporation Limited and Indian Strategic Petroleum Reserves Limited. He does not hold any share in the capital of the Company.

None of the Directors, Key Managerial Personnel and their relatives, except Shri Rajesh Aggarwal, is interested or concerned in the resolution.

The Board recommends the Ordinary Resolution, as set out at Item No.5, for approval of the Members.

### ITEM NOS. 6 & 7

### APPOINTMENT OF WHOLE-TIME DIRECTORS:

The Board of Directors had appointed Shri Om Prakash Singh (DIN: 08704968) and Shri Anurag Sharma (DIN: 08050719) as Additional and Whole-time Director(s) on the Board of the Company since last Annual General Meeting held on 30.08.2019 based on the orders received from the Government of India.

Further, in terms of Section 152(2) of the Companies Act, 2013 every director shall be appointed by the Company in General Meeting. Hence, necessary agenda items in respect of each of them have been placed at Item Nos. 6 and 7 respectively.

The Company has received notices from members proposing candidature of Shri O P Singh and Shri Sharma in terms of Section 160 of the Companies Act, 2013. Further, Nomination and Remuneration Committee has recommended their appointment as Whole-Time Directors of the Company.

### APPOINTMENT OF SHRI OM PRAKASH SINGH

Shri O P Singh has been appointed by the Board of Directors as the Director (Technology & Field Services) in terms of Letter No. CA-31011/7/2018PNG (27522) issued by the MoPNG, Government of India w.e.f. 01.04.2020.

Shri O P Singh, if appointed as the Director (Technology & Field Services), will be liable to retire by rotation under Section 152 of the Companies Act, 2013. He has been holding directorship in other group companies namely ONGC Tripura Power Company Limited and North East Transmission Company Limited.

None of the Directors, Key Managerial Personnel and their relatives, except Shri O P Singh, is interested or concerned in the resolution.

The Board recommends the Ordinary Resolution, as set out at item No.6, for approval of the Members.

### APPOINTMENT OF SHRI ANURAG SHARMA

Shri Sharma has been appointed by the Board as the Director (Onshore) of the Company in terms of Letter No. C- CA-31011/4/2018-PNG (25730) issued by the MoPNG, Government of India w.e.f. 01.06.2020.

Shri Sharma, if appointed as Director (Onshore), will be liable to retire by rotation under Section 152 of the Companies Act, 2013. He has also been holding directorship in other group companies namely ONGC Mangalore Petrochemicals Limited and Dahez SEZ Limited.

None of the Directors, Key Managerial Personnel and their relatives, except Shri Sharma, is interested or concerned in the resolution.

The Board recommends the Ordinary Resolution, as set out at Item No. 7, for approval of the Members.

### ITEM NO. 8

### RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2020-21

The Board of Directors have appointed (1) M/s. M. Krishnaswamy & Associates, (2) M/s. Musib & Co., (3) M/s. Chandra Wadhwa & Co.,(4) M/s. Bandopadhyaya Bhaumik & Co., (5) M/s. N. D. Birla & Co., (6) M/s. Joshi Apte & Associates as Joint Cost Auditors of the Company for the financial year 2020-21, upon the recommendation of the Audit Committee.

Further, the Board has approved the remuneration of ₹5 Lakh (Rupees Five Lakh only) to each of the aforesaid Cost Audit firms (aggregating ₹30 Lakh) plus applicable taxes and out-of-pocket expenses.

The remuneration for Cost Auditors as approved by the Board of Directors is required to be ratified by the members in terms of Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors, Key Managerial Personnel and their relatives is interested or concerned in the resolution.

The Board of Directors recommends the resolution, as set out at Item No. 8, for approval of the Members.

By Order of the Board of Directors
Sd/-
M E V Selvamm
Company Secretary & Executive Director

08.09.2020
New Delhi

## INSTRUCTIONS FOR E-VOTING

### INSTRUCTIONS FOR REMOTE E-VOTING

**The remote e-voting period begins on 05th October 2020 at 15:00 Hours and ends on 08th October 2020 at 17:00 Hours. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

**<u>How do I vote electronically using NSDL e-Voting system?</u>**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

**<u>How to Log-in to NSDL e-Voting website?</u>**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on https://www.evoting.nsdl.com

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on https://www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company by e-mail to **secratariat@ongc.co.in** with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.

3. In case you have any queries relating to e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at https://www.evoting.nsdl.com under help section or may contact Ms. Pallavi Mhatre (Manager), National Securities Depository Limited, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, at the designated e-mail id evoting@nsdl.co.in, or call on toll free no.: 1800-222-990, +91 22 2499 4200/4545.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretariat@ongc.co.in and jksingla@alankit.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretariat@ongc.co.in and jksingla@alankit.com.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the /AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## NOTICE

### ANNEXURE TO THE NOTICE DATED 08.09.2020:

### BRIEF DETAILS OF DIRECTORS RETIRING

### BY ROTATION/ SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING:

### (Pursuant to Regulation 26(4) & 36(3) of Listing Regulations, 2015)

| Name (DIN) | Date of Birth & Age | Date of Appointment | Qualifications | No. of Shares held | Experience in specific Functional Areas | Directorship held in other Public companies | Chairmanship (C) Membership (M) of Committees across all Public companies* |
|---|---|---|---|---|---|---|---|
| Shri Subhash Kumar (07905656) | 01.01.1962<br>58 years | 31.01.2018 | Fellow Member of the Institute of Cost Accountants of India and also Associate Member of the Institute of Company Secretaries of India. | 30 | He joined ONGC in 1985 as Finance & Accounts Officer (F&AO). After initially working in Jammu and Dehradun, he had a long stint at ONGC Videsh, the overseas arm of ONGC. During his tenure with ONGC Videsh, he was associated with key acquisitions and expansion of company's footprint from single asset company in 2001 into a company with global presence. He played a key role in evaluation and acquisition of many Assets abroad by ONGC Videsh. He also served a brief stint with Petronet LNG Limited as Director (Finance). Currently, he is also spearheading business development and Joint Venture activities of ONGC. | 1). ONGC Petro-additions Limited (OPaL)<br>2). ONGC Tripura Power Company Limited. (OTPC)<br>3). Mangalore Refinery and Petrochemicals Limited.(MRPL)<br>4). Hindustan Petroleum Corporation Limited. (HPCL)<br>5). Petronet MHB Limited. (PMHBL)<br>6). Mangalore SEZ Limited.(MSEZ) | 1. ONGC-SRC(M)<br>2. OPaL - AC (M)<br>3. MSEZ - AC (M)<br>4. OTPC - AC (M) |
| Shri Rajesh Shyamsunder Kakkar (08029135) | 14.04.1961<br>59 years | 19.02.2018 | Bachelors in Mechanical Engineering with Honors from Ravi Shankar University, Raipur.<br>Global Managers' program at IIM, Kolkata and Leadership Development Program at IIM, Bangaluru. | 4,758 | Shri Kakkar has more than three and a half decades of experience in the various aspects of operations and management in both offshore and onshore fields. He played a key role in reversing the production trend at Western Offshore in 2015. He has been pioneer of "field-life-cycle maximization" to enhance production from the ageing fields. Through many brownfield as well as marginal field development, he has ensured incremental production of oil and gas. | 1). ONGC Petro-additions Limited. (OPaL)<br>2). ONGC Mangalore Petrochemicals Limited. (OMPL)<br>3). Pawan Hans Limited. (PHL) | 1. PHL - AC(M) |
| Shri Rajesh Madanlal Aggarwal (03566931) | 12.11.1966<br>53 Years | 24.03.2020 | Bachelor of Technology in Computer Science & Engineering from IIT, Delhi | Nil | Shri Rajesh Madanlal Aggarwal belongs to 1989 batch (MH cadre) of IAS. Presently, he is the Additional Secretary and Financial Adviser, Ministry of Petroleum & Natural Gas and Ministry of Corporate Affairs, Government of India and on the Board of the Company. | 1). Bharat Petroleum Corporation Limited (BPCL)<br>2). Indian Strategic Petroleum Reserves Limited (ISPRL) | 1. BPCL-AC(M)<br>2. ISPRL-AC(C) |
| Shri Om Prakash Singh (08704968) | 15.12.1964<br>55 years | 01.04.2020 | Mechanical Engineering Graduate from MIT, Muzaffarpur | 6,558 | Shri Singh has built a deep industry understanding and proven management experience across the technical and commercial with more than 32 years' experience. | 1). ONGC Tripura Power Company Limited. (OTPC)<br>2). North East Transmission Company Limited. | NIL |
| Shri Anurag Sharma (08050719) | 17.02.1963<br>57 years | 01.06.2020 | Mechanical Engineering Graduate from NIT Allahabad<br>MBA from FMS Delhi | 3,618 | Shri Sharma has more than 36 years of experience in various positions including those of Asset Manager. | 1). ONGC Mangalore Petrochemicals Limited (OMPL)<br>2). Dahez SEZ Limited | 1. ONGC- AC & SRC(M)<br>2. OMPL – AC (C) |

*Audit Committee (AC) and Stakeholders Relationship Committee (SRC) details are mentioned as per regulation 26 of Listing Regulations, 2015.

ओएनजीसी
ONGC

# Annual Report 2019-20

# A Strategic Move towards a New Energy Future

Energy defines life – it remains the linchpin of the modern human experience. But energy is fluid, ever changing. Much like our hopes and aspirations.

Through seven decades, ONGC has fronted the pursuit of energy in our country – our Company started off small with firm, assured steps and now is the largest domestic oil and gas producer and an internationally renowned integrated energy entity. While we are proud of our legacy, today we are more driven by the compelling promise of our future. The strategic pathway for this transition is already here – Energy Strategy 2040. And each move in that direction means a decisive change in 'what is' for achieving 'what can be'. Like a move in the beautiful game of Chess, which is replete with numerous opportunities, this deliberate strategic shift gives us the motive and space to explore our Energy Future that is brimming with rich potential and possibilities as a conscious and responsible energy provider.

For us, at ONGC, the quest for a brighter tomorrow is perpetual – a journey of touching lives, making a difference.

# ONGC at a glance

### Contribution to Country's O+OEG Production

- 76% contribution to country's oil and gas production
- 48.25 MMTOE of hydrocarbon output
- Gas production started from landmark deepwater project in KG offshore
- Drilled more than 500 wells for 4 consecutive years
- Maintained oil and gas supplies through the COVID-19 lockdown

### Exploring New Plays

- 12 hydrocarbon discoveries in FY'20
- 22 discoveries monetized during FY'20 – 4 from the same year
- 53.21 MMTOE of 2P Reserves accreted
- RRR of 1.19 (2P)

### 60+ Years of Value Creation

- Established 10 billion tonnes In-place volume of Hydrocarbon in domestic basins
- Cumulative O+OEG production of 1896 MMTOE
- Contribution to the Government stands at over ₹ 10 Lakh Crore

### Global Recognitions

- Platts Top 250 Global Energy Company Rankings 2019- Ranked 17th
- Fortune 500 List (2020) – 190th globally and 3rd in India
- Forbes Global 2000 List (2020) – 269th globally and 5th in India

### Great Place to Work

- 30,105 proud ONGCians as on 31st March, 2020
- Certified Great Place to Work organisation
- 'Excellent' rating in Corporate Governance by DPE
- Leader in CSR spends in the country (₹ 6,069.67 Million in FY'20)

# ONGC Group

## SUBSIDIARIES

### Overseas E&P

ONGC Videsh Limited

- Overseas E&P arm with 37 projects in 17 countries producing 15 MMtoe of oil and gas in FY'20
- Production growth of over 65 percent over last 5 years

### Refining and Retail Marketing

Hindustan Petroleum Corporation Limited

- India's second largest oil marketing company with over 16,000 retail outlets
- Highest ever sales volume of 39.6 MMT with a market share of 18.5 percent

### Refinery & Petrochemicals

Mangalore Refinery Petrochemicals Limited

- 15 MMTPA state of the art refinery
- During FY'20, it started production of BS-VI (Euro VI) compliant HSD and MS

ONGC Mangalore Petrochemicals Limited

- Subsidiary of MRPL and the largest single stream petrochemical unit in Asia to produce p-Xylene (9,14,000 TPA) and Benzene (2,83,000 TPA)
- Feedstock (Aromatic-rich Naphtha stream) comes from MRPL

### Service & Other

Petronet MHB Limited

PMHBL is a Joint Venture between ONGC and HPCL for transportation of petro-products from MRPL refinery

## JOINT VENTURES

### Petrochemicals

ONGC Petro-additions Limited

- Single largest dual-feed petrochemicals complex in India
- 1.1 MMTPA Ethylene cracker

### Power

ONGC Tripura Power Company Ltd. (OTPC)

- Natural Gas based 726.6 MW Combined Cycle Gas Turbine (CCGT) Thermal Power Plant and only dividend paying standalone powergen company
- Largest Indian Clean Development Mechanism (CDM) project with 1.6 million Registered CERs

### Environment

ONGC TERI Biotech Limited

- Promotes and develops technology for use of microbes in bio-remediation of soil affected by oil spill in oil field operation
- Promotes microbial based technology for enhanced oil recovery

### SEZ

Mangalore Special Economic Zone

Dahej SEZ Limited

### Gas Grid

Indradhanush Gas Grid Limited

- Extending the gas network in country's North-East region with the 1656 km long North East Gas Grid

## ASSOCIATES

### LNG

Petronet LNG Limited

Associate in LNG sector with 17.5 MMTPA LNG terminal at Dahej, Gujarat and another 5 MMTPA terminal at Kochi, Kerala.

### Logistics

Pawan Hans Limited

Rohini Heliport Limited

# Chairman's Message

**Dear Shareholders,**

As you read this, the world, more specifically humanity, is in the midst of the most severe humanitarian crisis in over a century. Since it first broke out in late 2019, COVID-19 pandemic today has drastically disrupted our life. It has invariably become the de-facto context in which all discussions of the present and most near-term planning are based. However, we in the energy industry know that every such crisis also brings an opportunity for growth and a trigger for human ingenuity and collaboration. Interestingly, the situation has accelerated the adoption of digital technologies across all facets of our operations and we, at ONGC, see that as a 'big positive'. We believe that soon the world will come out of this challenging situation stronger and wiser with sustainability and human equity as key elements of the new growth narrative.

At this hour of crisis, your Company salutes the tireless dedication and incredible courage of all the frontline workers fighting this crisis – the medical community, sanitation workers, essential service providers and law enforcement agencies.

This highly uncertain stretch offers an opportunity for individuals and organizations that excel at crafting solutions. Over the years, energy has been central to our pursuit of devising, driving and deploying those solutions at scale. As one of the country's leading energy entities and its foremost energy explorer, ONGC has been at the forefront of enabling and delivering solutions and growth to the industry. You, our valued shareholder and votary of our progress, have always been a major stakeholder in this journey. We thank you for your unstinted support through the many phases of our evolution – from solely focused on upstream oil and gas business to a diversified energy conglomerate.

The energy industry remains vital to the recovery of global economic activity. However, there is wide-ranging uncertainty on the shape of things to come within the industry as multiple forces are at play – be it global consensus on climate change and sustainability, energy efficiency improvements, growing consumer awareness, volatility in international trade relations and technological disruptions. The ongoing global pandemic has added further layers of complexity to the already dynamic environment.

As a significant player in the country's energy arena, ONGC is engaged in numerous developments that may potentially impact the sector. The focus is on building the business along pathways that will align with its core expertise areas as well as help ONGC build a portfolio that will be adaptive to the future energy ecosystem.

Prices have always been a key determinant of the economic health of the sector. Considering the prevailing lower crude oil and gas prices, it becomes imperative that we continue to grow while balancing the need to ensure all investments are value-accretive and sustainable over the long-term. **Energy Strategy 2040,** our long-term strategic blueprint, which we adopted last year clearly spells out this vision of looking at the future not merely from the standpoint of energy security but value-creation point of view as well.

On behalf of the Board of Directors of your Company, I now present to you the Company's Annual Report for the financial year 2019-20 [FY'20].

ONGC registered another robust year of performance in FY'20, notwithstanding the unpredictability in global energy markets and a turbulent final quarter marked by the onset of COVID-19. Operational performance was comparable to that in FY'19, while financials were a reflection of the low oil and gas prices in global markets.

It was another positive year in terms of reserve accretion – with more reserves being entered in the books than our annual hydrocarbon production. In all, your Company made 12 discoveries – 7 onshore and 5 offshore. 2P Reserve accretion stood at 53.21 Million tonne oil equivalent (MMTOE) with a Reserve Replacement Ratio (RRR) of 1.19. We are now equally focused on timeline of monetization as we are on the count or volume of the discoveries. We are aggressively scouting for un-appraised areas or layers within our mature Basins and focusing on near-field appraisal which will allow us to leverage nearby/ existing infrastructure for co-developing such finds.

Further as an NOC, we are also expanding our exploratory footprint in virgin or under-explored areas and data gathered from such pursuits will boost the nation's hydrocarbon prospects. To sustain the path-breaking momentum we achieved in the Vindhyans and Bengal Basins, ONGC is determinedly pursuing acquisition of areas around those areas. We were awarded 15 blocks in different OALP bidding rounds throughout FY'20 – 7 in the latest OALP-IV round. You will be happy to know that ONGC monetized 22 fresh discoveries during FY'20, out of which 4 were discovered in the fiscal year itself.

Production of oil and gas of your Company stand-alone was at 44.57 MMTOE, while the same including our share in Joint Venture projects stood at 48.25 MMTOE. Production of Value-added products stood at 3.55 MMT.

The trend of increasing onshore oil output in the past 4 years is a big positive vis-à-vis the mature fields that are driving the volumes. First gas from our deepwater gas project – Cluster 2 of KG DWN 98/2 field started in March 2020. In FY'20, your Company produced over three-quarters of the country's oil and gas output. As a Maharatna National Oil Company, your Company remains committed to augmenting production of oil and gas to boost the country's energy security.

During FY'20, three major projects (MHNRD Phase-IV, HRP-III, PRP-VI) with an investment of ₹ 64,874 Million and envisaged oil and gas gain of 13.62 MMTOE were approved. As on 01.04.2020, 17 major projects were under implementation with envisaged gain of about 121 MMTOE. We also realize the need to maximize recovery from our existing legacy fields. We envisage a cumulative gain of over 200 MMT of oil from the 31 approved Increased Oil Recovery (IOR)/Enhanced Oil Recovery (EOR) schemes. The Government's policy incentive in this regard provides a timely fillip for moving ahead with more Enhanced Recovery projects. Under this policy, ONGC has planned commercialization of 5 EOR schemes and implementation of 3 EOR pilots. Further, it has initiated process for fast-track pilot design of the Chemical EOR in 12 onshore reservoirs of 7 fields.

Our drilling performance remained impressive. We drilled 500 wells making it the fourth consecutive year that 500 or more wells were drilled in a year.

Strong operational performance consistently over the years justifies our commitment to robust capital outlays for the business. In FY'20, our capex stood at ₹ 295,385 Million. Over the last 5 years, our cumulative E&P spend is close to ₹ 1,500 Billion – a period that witnessed significant cutbacks in investments by most players in the sector – global as well as domestic – due to the uncertain price regime and a secular slowdown in economic activity. This reaffirms our belief in the long-term prospects of the domestic upstream space while delivering on our mandate as the NOC to avert build-up of large-scale strain in the energy sector on account of investment freeze.

But the current slowdown is a matter of concern. While ONGC views any price of an oil barrel in the range of $40-$50 as 'acceptable', it still poses significant cash flow risks. What further heightens this risk is the concurrent slump in domestic gas prices. Moreover, in view of the extant threat of COVID-19 and a slow economic revival, a sudden drop in prices remains a very real possibility in the near-term. Though low prices augur well for country's trade balance on the back of forex savings, it undermines the growth outlook for domestic upstream sector as commerciality of their projects comes under risk. The need to buffer our balance sheet under these circumstances is a key priority of the management. So, we are rationalizing our expenses for the current fiscal, i.e. FY'21 through various expenditure reduction measures. This ensures our core portfolio is not affected and capital is not a constraint for key ongoing projects, but commitments for projects higher on the cost curve and with longer timelines are being either deferred or optimized.

I would also like to highlight the operational preparedness of ONGC at this point. While there is no 'fail-safe' readymade template for the exceptional situation triggered by the pandemic, your Company's positive response in this testing period exemplifies its 'nation-building' character. Even as the country went under lockdown beginning last week of March, ONGC maintained critical supplies of oil and gas for the country notwithstanding the severe logistical and supply constraints while minimizing the risks faced by 'our' people (ONGCians as well as our contractual staff).

Operational revenues for FY'20 stood at ₹ 962,136 Million, while Profit-After-Tax (PAT) was ₹ 134,445 Million. The Company realized US$58.61/bbl for domestic crude in FY'20 compared to US$68.19/bbl in FY'19. While the decline in revenues is largely a factor of lower crude prices, the significant drop in net profit was on account of exceptional item towards impairment loss of about ₹ 49,000 Million in the final quarter to factor into estimated future crude oil and natural gas prices. It may be mentioned that the impairment is a temporary adjustment in the book value to reflect future price outlook and which may get reversed in future if the prices recover.

We also made a dividend pay-out of ₹ 62,901 Million

to all our shareholders with a pay-out ratio of 56% (including dividend distribution tax). Our healthy dividend record over the years is a testament of our commitment to value-creation along with business growth.

On international E&P frontier, markets have weathered a rough year on account of global trade tensions, lower demand on account of general economic slowdown, oversupplied gas markets and adverse fallout from the COVID-19 pandemic. However, our international arm and 100% subsidiary, ONGC Videsh, registered a good year in its overseas operations. ONGC Videsh produced its highest-ever 14.98 MMTOE of oil and gas in FY'20. Today, ONGC Videsh is invested in 37 projects across 17 countries.

The future looks promising for ONGC Videsh in view of the significant developments during FY'20 in some of its key investments. Notable among them are the decision to build the 6.2 MMTPA Far-East LNG project in Sakhalin-I in Russia, project commencement of Azeri-Central East project in Azerbaijan and the FID on the Rovuma Area-1 LNG project in Mozambique. Consolidated Turnover and PAT (attributable to owners) for ONGC Videsh during FY'20 stood at ₹ 155,383 Million and ₹ 4,540 Million.

Beyond E&P, performance of our business across the value-chain remained strong. HPCL, the country's second largest oil marketer and a Maharatna NOC, registered an impressive refining performance in FY'20. During FY'20, HPCL refineries achieved combined refining throughput of 17.18 Million Tonnes (MMT) with capacity utilization of 109%. Both the Refineries of HPCL were up-graded to produce BS-VI compliant transportation fuels. Lower Refinery throughput compared to FY'19 was mainly due to planned shutdowns required for upgradation of the refineries for BS-VI fuel. HPCL achieved the highest-ever sales volume of 39.6 MMT. It further consolidated its position in the domestic retail space by setting up a record 1,194 new retail outlets in the year. Gross Revenue during the financial year was ₹ 2,874,169 Million and PAT for the year stood at ₹ 26,373 Million.

MRPL, the other refinery of your Company, achieved a throughput of 14.14 MMT in FY'20. Less throughput was mainly due to unprecedented water scarcity during first quarter and minor landslide after an intense monsoon during second quarter of the year. It was also impacted by COVID-19 in the last quarter. However, MRPL also commenced production of BS-VI grade Motor Spirit and High-Speed Diesel. MRPL registered a turnover of ₹ 6,07,515 million and registered a Net Loss of ₹ 27,076 million.

In the petchem vertical, ONGC Petro additions Ltd (OPaL) operated at average 88% capacity in FY'20. It aggregated more than 1.6 Million Tonnes of polymer and chemical sales. Its total income stood at Rs 102,071 Million while incurred a Loss of ₹ 20,897 Million. Capacity utilisation at ONGC Mangalore Petrochemicals Limited (OMPL) for FY'20 stood at 80%. The petchem unit also added two products to its revenue stream - export of Paraffinic Raffinate and sale of Heavy Aromatics. However, financials were severely affected due to unprecedented fall in International prices of Para-Xylene and Benzene.

In the power segment, ONGC Tripura Power Company (OTPC) recorded total income of ₹ 12,765 Million while netting a Net Profit of ₹ 705 Million during FY'20. The largest Indian Clean Development Mechanism (CDM) project, OTPC meets 35% of all power requirements of the North-eastern states of our country.

Your Company is transforming itself to not only just reduce the exposure of our Group to sectoral pricing risks, but also position it well for the impending global Energy Transition. Our strategic blueprint for the future – Energy Strategy 2040 - clearly spells out that intent in its vision statement. Oil and gas will continue to remain mainstreamed in our plans but there is substantial scope for growth in areas beyond E&P. We are targeting scaling up our Renewables capacity to 5 GW and also plan to explore CGD/ regas through units within our Group. Energy Strategy 2040 has prioritized opportunities in core E&P business as well, such as (i) select difficult plays (HP-HT, Deep/

Ultra-deepwater), (ii) in-house EOR solutions for production maximization, (iii) plays with volume in host countries that share positive G2G relations for long-term security of supplies.

Among the emerging opportunities, we should focus more on those with shorter business cycles and lower breakeven costs. To achieve the goals, we are also considering strategic restructuring of the organization to leverage internal synergies and to respond better to new opportunities. One such ambitious project with objective of creating a **"Future Ready Organization"** is the *"Integrated Shared Service Centre and Beyond"* which will not only change the way of working but the structure of organization too. The project envisages shared & integrated services across HR, Finance & Accounts, Materials Management and Infocom functions to begin with and will be subsequently extended to field services like drilling, well services, logging, workover etc. along with high performance computing in exploration.

Beyond operations, ONGC has also stayed true to its guiding business philosophy of growth with equity and justice through its comprehensive CSR program. In FY'20, our CSR spend was ₹ 6,070 Million, making it the fourth consecutive year that our CSR expenditure has surpassed ₹ 5,000 Million. During the exceptional times of COVID-19, where people on the margins are rendered more vulnerable, ONGC has stepped in with massive efforts to support them. In addition to contributing ₹ 3,000 Million to the PM Cares Fund, we executed CSR projects worth ₹ 200 Million benefitting more than 2.6 Million fellow countrymen through distribution of food/ masks/PPE kits/sanitizers and funding of ventilators in hospitals. Employees of your Company also voluntarily contributed about ₹ 300 Million from their salaries over four months. It reflects the heart and spirit of your Company and reaffirms our enduring commitment to the 'Nation First' motto.

Your Company is committed to conduct the business in a legal, ethical and transparent manner and observes highest standards of corporate governance. Accordingly, your Company has been continously rated "Excellent" grade for its compliances with the DPE Guidelines on corporate governance.

Here, I would like to acknowledge the continuing support and guidance of the Government of India, especially our administrative Ministry of Petroleum and Natural Gas, on matters pertaining to the country's energy security as well as the sovereign development agenda. As a National Energy Company, we remain committed to developing the business and facilitating our country's progress, ensuring that the benefits of growth reach more and more people of our country.

The Company appreciates your enduring support as it navigates its way to the future energy landscape. A journey that is in its seventh decade now would not have been possible without your steadfast belief in our vision of 'Energy'. I thank you for having chosen us and remaining as valued partners in the business throughout all these years.

My final words of appreciation go for the 30,000 strong ONGCians – the bedrock – the heart and soul of the grand superstructure that we all see. They are our country's energy soldiers. Especially now, at this difficult hour of crisis, when the country contends with a pandemic, many of them went beyond their call of duty in field sites, offshore and onshore, away from family battling many struggles, to ensure ONGC continues to do what it does best – produce energy that keeps the country moving.

It is the corporate values of courage, equity and passion that inspire our march towards a tomorrow rich in energy and possibilities. We are optimistic that very soon, the world will be a better place; COVID-19 will be behind us and we will continue toward building our future with greater zeal and enthusiasm.

Jai Hind!

*Sd/-*

**Shashi Shanker**

*Chairman and Managing Director*

# Vision

To be global leader in integrated energy business through sustainable growth, knowledge excellence and exemplary governance practices.

# Mission

## World Class

- Dedicated to excellence by leveraging competitive advantages in R&D and technology with involved people.
- Imbibe high standards of business ethics and organizational values.
- Abiding commitment to safety, health and environment to enrich quality of community life.
- Foster a culture of trust, openness and mutual concern to make working a stimulating and challenging experience for our people.
- Strive for customer delight through quality products and services.

## Integrated in Energy Business

- Focus on domestic and international oil and gas exploration and production business opportunities.
- Provide value linkages in other sectors of energy business.
- Create growth opportunities and maximize shareholder value.

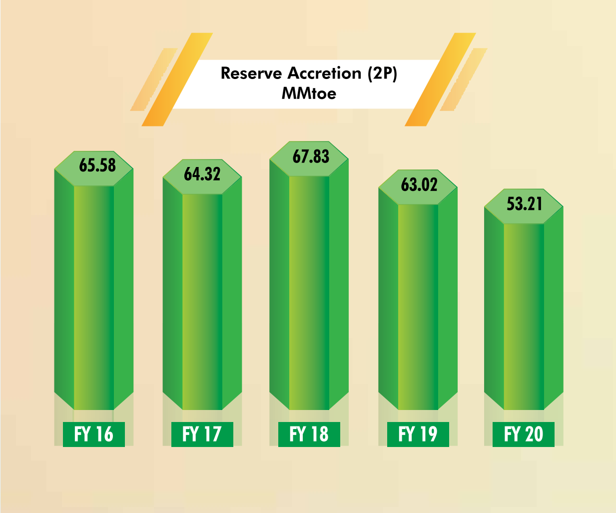
## Dominant Indian Leadership

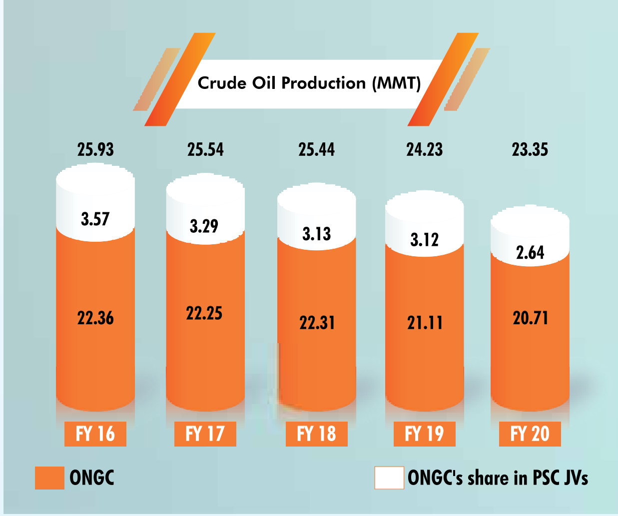
- Retain dominant position in Indian petroleum sector and enhance India's energy availability.

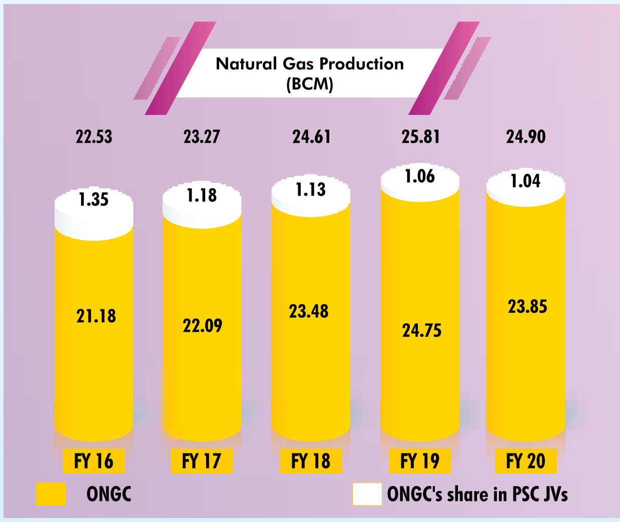
## Carbon Neutrality

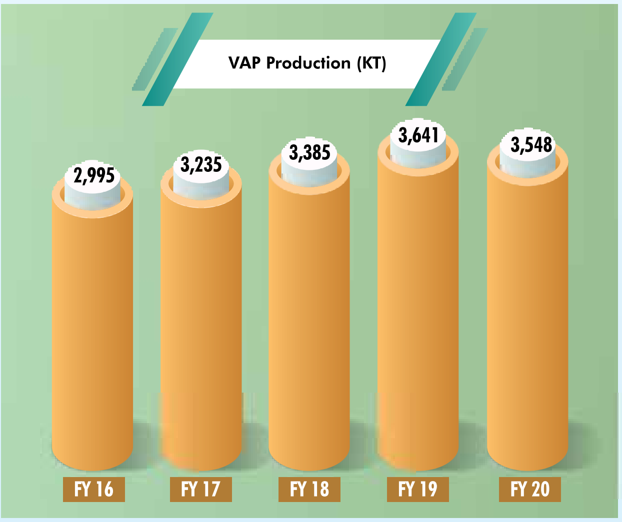
- ONGC will continually strive to reduce $CO_2$ emissions across its activity chain with the objective of achieving carbon neutrality.

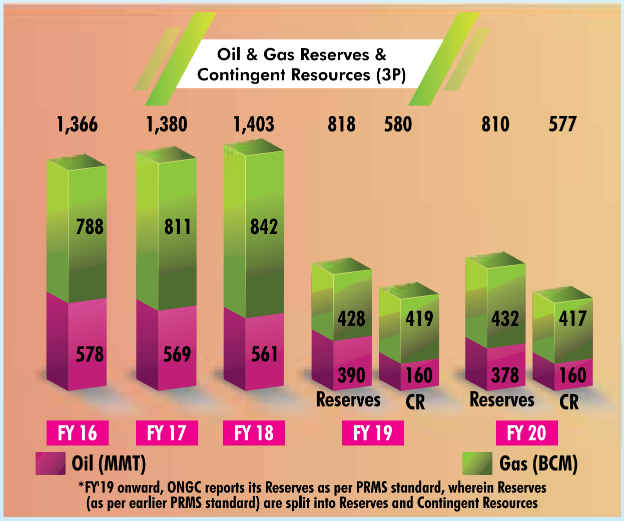
# Operational Highlights FY'20

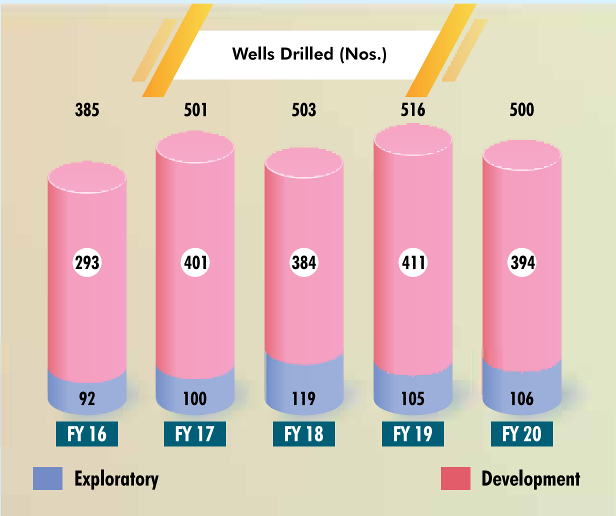


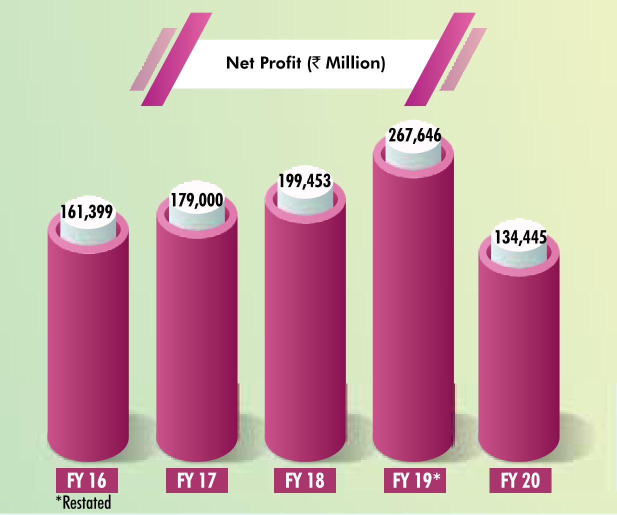



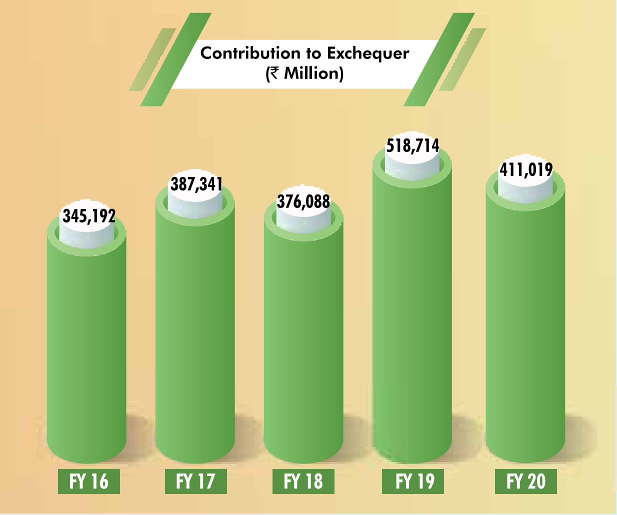



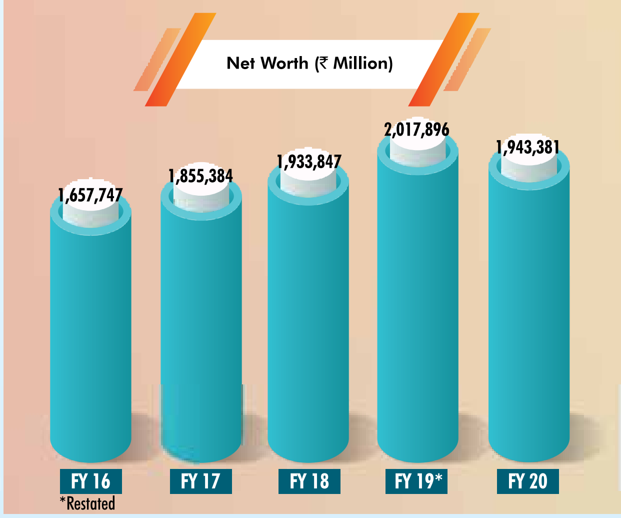



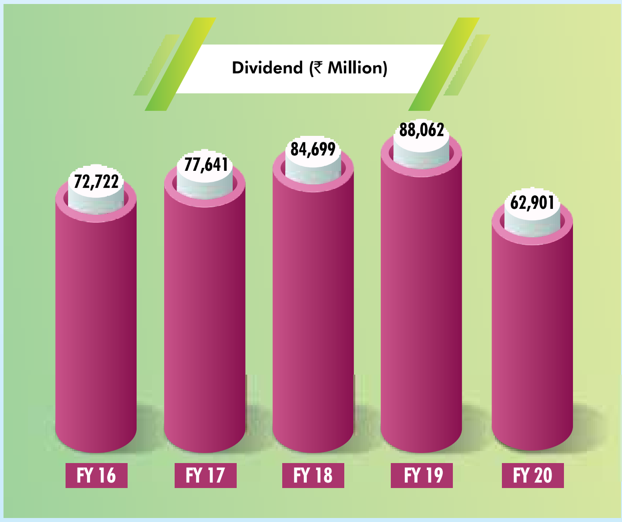



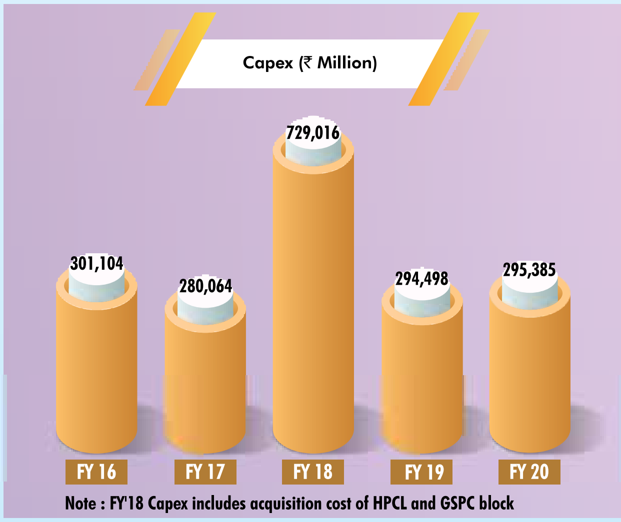
# Financial Highlights FY'20

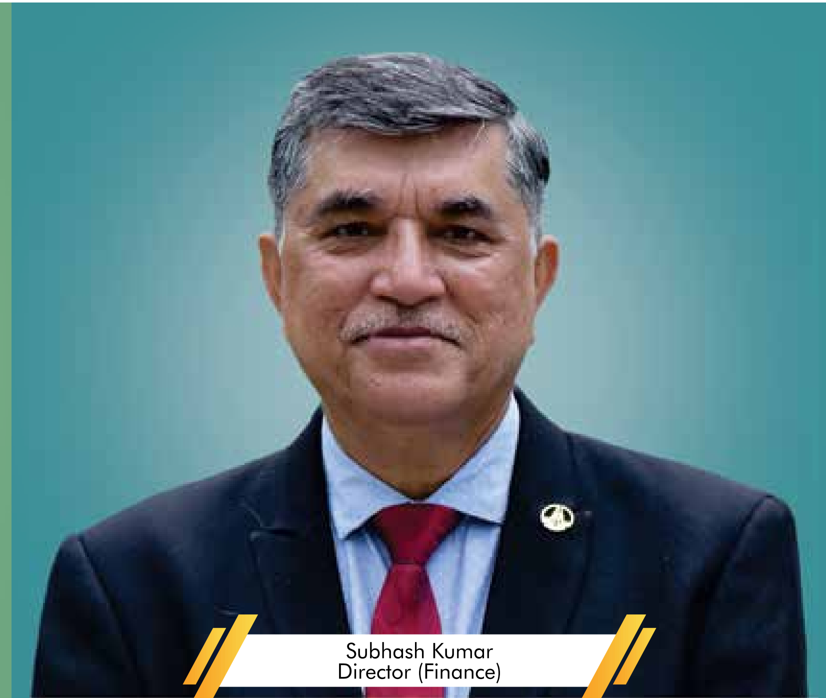



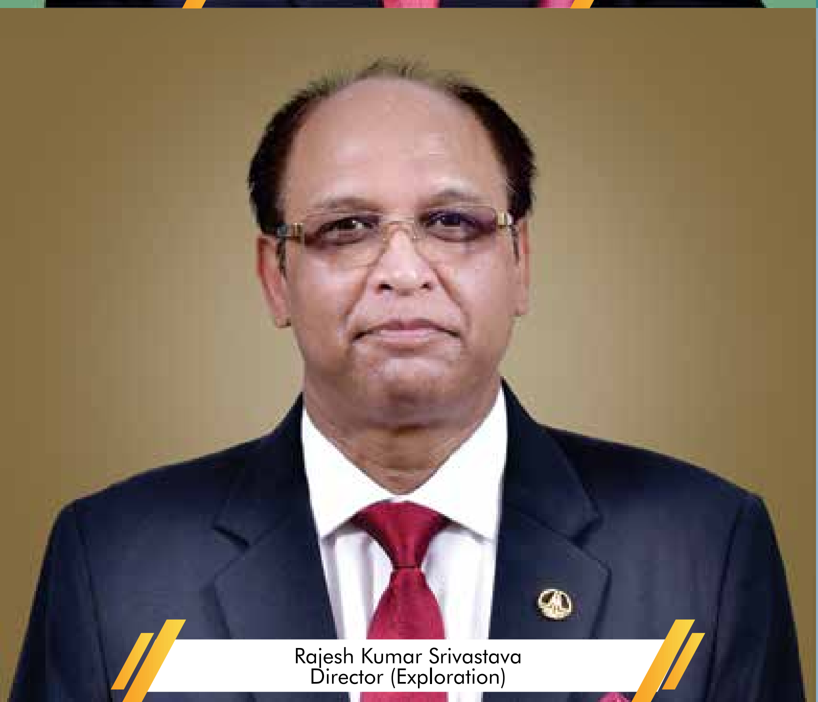



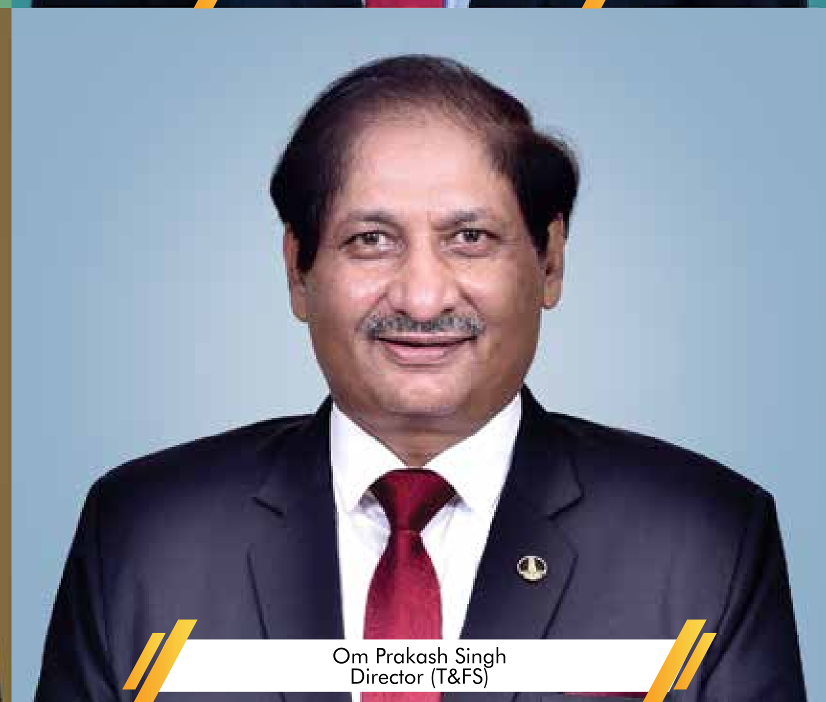

Shashi Shanker
Chairman & Managing Director

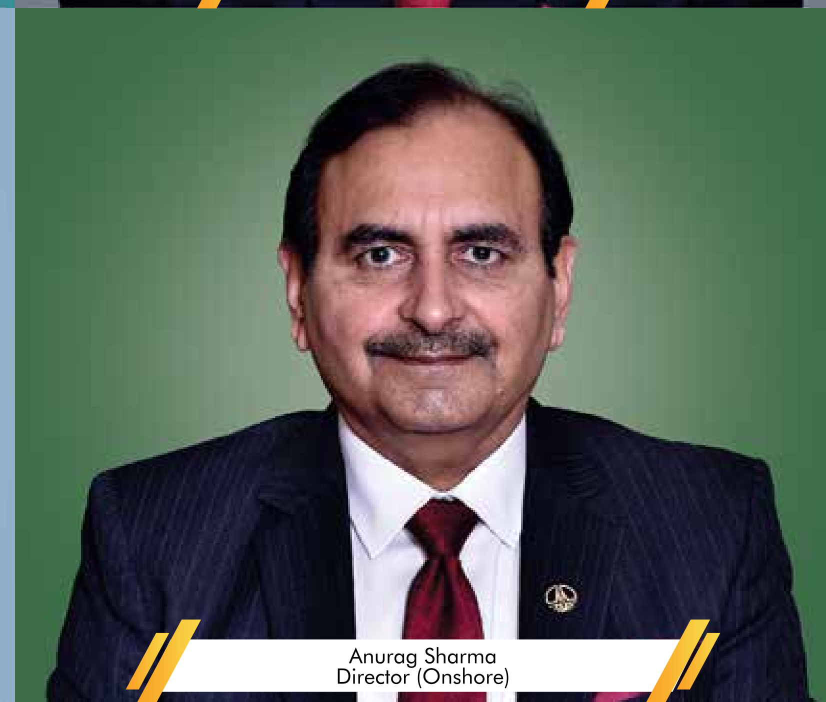

Subhash Kumar
Director (Finance)


Rajesh Kakkar
Director (Offshore)


Dr. Alka Mittal
Director (HR)


Rajesh Kumar Srivastava
Director (Exploration)


Om Prakash Singh
Director (T&FS)


Anurag Sharma
Director (Onshore)


Rajesh Madanlal Aggarwal
Additional Secretary & Financial Advisor, MoP&NG


Amar Nath
Joint Secretary (Exploration), MoP&NG


Amitava Bhattacharyya
Independent Director

# Board of Directors

# Board of Directors

## Brief Profile

### Chairman & Managing Director

Shri Shashi Shanker, Chairman and Managing Director (CMD) of ONGC, is also the Chairman of ONGC Videsh Limited (OVL), Mangalore Refinery & Petrochemicals Limited (MRPL) and ONGC Group of Joint Venture companies namely ONGC Petro additions Limited, ONGC Tripura Power Company Limited, ONGC Mangalore Petrochemicals Limited and Mangalore SEZ Limited. He is also on the Board of Petronet LNG Limited as a Director.

A Petroleum Engineer from Indian Institute of Technology (Indian School of Mines), Dhanbad, Shri Shashi Shanker also holds MBA in Finance. He has also received advanced executive education from prestigious institutes like IIM, Lucknow and ISB, Hyderabad.

As CMD of ONGC, he has set his priority towards expeditious development of the East Coast discoveries, rejuvenating the mature fields of Western Offshore and Onshore and improvement in Reservoir Management. During his tenure so far, ONGC has declared 37 discoveries with 421.88 (3P) MMTOE in-place volume accretion and 137.49 (3P) MMTOE of EUR reserves. His leadership in acquiring the 51.11% Govt. stake in HPCL has helped ONGC find strong foothold in downstream portfolio.

Under his stewardship, ONGC has adopted cutting-edge IT solutions that drive growth, streamline performance and promote efficiency. His brainchild, Project DISHA ushered in a revolution in ONGC's working-file processing system by completely replacing the age-old paper based system with a digital system- bringing in speed, accountability and efficiency and saving thousands of trees in the process. Taking the digitalization drive to the next level, he is personally steering the establishment of Integrated Shared Service Centre (ISSC), which will cater to location agnostic services paving the path for a future-ready organisation.

Shri Shashi Shanker has drawn up Energy Strategy 2040 (ES-2040), the long term strategic roadmap of the Company that reframes the vision in light of the changed environment. ES-2040 envisages ONGC to continue playing the anchor role in India's energy security till 2040 while simultaneously preparing itself for energy transition by consolidating its presence across low carbon business like Petchem & Renewables. To realize the aspirational targets of building a significant renewable portfolio, he played a stellar role in inking MoU with NTPC aimed at exploring and setting up renewable power assets including offshore wind, in India and overseas, and further exploring opportunities in the fields of sustainability, storage, e-mobility and environmental, social and governance (ESG) compliant projects.

His vision and dynamic leadership has resulted in numerous operational process and policy improvements for navigating though many turbulent times including the COVID-19 pandemic during which ONGC has not only been able to sustain its operations but as a responsible corporate it stood by the fellow countrymen through its significant supports and contributions.

## Director (Finance)

Shri Subhash Kumar is Fellow Member of the Institute of Cost Accountants of India and also Associate Member of the Institute of Company Secretaries of India. He is an alumni of Panjab University, Chandigarh, from where he obtained his Bachelor's degree and Master's degree in Commerce with Gold Medal.

Shri Kumar is a veteran in oil and gas industry with a vast experience of over 35 years in this industry. Shri Kumar started his career in ONGC in 1985 as Finance & Accounts Officer. After initially working in Jammu and Dehradun, he had a long stint at ONGC Videsh, the overseas arm of ONGC. During his tenure with ONGC Videsh, Shri Kumar was associated with key acquisitions and expansion of company's footprint from single asset company in 2001 into a company with global presence.

Shri Kumar served as Chief Financial Officer of Mansarovar Energy Colombia Limited, a 50:50 joint venture of ONGC Videsh and Sinopec of China, from September 2006 to March 2010. He worked as Head Business Development and Strategy, Finance & Budget and also as Head Treasury Planning & Portfolio Management Group at ONGC Videsh from April 2010 to June 2016. He played a key role in evaluation and acquisition of many Assets abroad by ONGC Videsh.

Shri Kumar joined back at ONGC as Chief Commercial & Head Treasury in July, 2016 where he played a key role in evaluation, negotiation, and concluding outstanding issues pertaining to the organization. Shri Kumar also served a brief stint with Petronet LNG Limited where he joined as Director (Finance) in August 2017. Shri Kumar was appointed as Director (Finance), ONGC on $31^{st}$ January, 2018.

Shri Kumar is also spearheading Business Development and Joint Venture activities of ONGC. Shri Kumar is also a Director on the Board of ONGC Group Companies viz. Mangalore Refinery And Petrochemicals Limited, Hindustan Petroleum Corporation Limited, Petronet MHB Limited, ONGC Tripura Power Company, ONGC Petro additions Limited and Mangalore SEZ Limited.

Shri Kumar has championed issues relating to various JVs and group entities at Board level. He has successfully led transformation of all JV and Group Companies into a cohesive group, implemented entity specific action plan, resulting in significant increase in their contribution to the ONGC Group.

Shri Kumar was instrumental in setting up Euro Medium Term Note (EMTN) Program of ONGC/ ONGC Videsh for USD2 billion on $27^{th}$ August, 2019 which was listed on Singapore Stock Exchange and subsequently on India International Exchange (India INX). ONGC priced its maiden offering of USD bonds amounting to USD300 million at an attractive coupon of 3.375% per annum payable semi-annually which was the tightest coupon for 10 year or longer tenure offering from India ever achieved by any Indian Corporate

## Director (Offshore)

Shri Rajesh Kakkar took over charge of Director (Offshore) of Oil and Natural Gas Corporation (ONGC) on $19^{th}$ February 2018. As Director (Offshore), he is responsible for the entire gamut of Offshore Operations from ONGC's offshore fields that contribute around 70% of Oil and 78% of natural gas production of ONGC. He is also Director I/C Joint Venture Operations and is responsible for managing the Joint Venture projects of ONGC such as Ravva, CB/OS-2, RJ-ON-6 and RJ-ON-90/1.

Shri Kakkar has more than three and a half decades of experience in various aspects of operations and management in both offshore and onshore fields. He played a key role in reversing the production trend at Western Offshore in 2015. He has been pioneer of "field-life-cycle maximization" to enhance production from the ageing fields. Through many brownfield as well as marginal field development, he has ensured incremental production of oil and gas.

He has held key positions in various high-level committees and task forces concerning oil & gas development projects and played a pivotal role in ensuring health safety and environment as far as the offshore operations are concerned.

Shri Kakkar is also well-known for his people management and interpersonal skills to foster team approach to operations. He holds a Bachelor's degree in Mechanical Engineering from Ravi Shankar University, Raipur. He completed Global Managers' program at IIM, Kolkata and Leadership Development Program at IIM, Bengaluru. He was recognized as the "Young Executive of the Year" in 1991 and also received Chairman's award in 1992 for "Consistent Performance in Offshore Production Operations".

Shri Kakkar is also a Director on the Board of ONGC Group Companies namely Pawan Hans Limited, ONGC Petro additions Limited and ONGC Mangalore Petrochemicals limited.

## Director (HR)

Dr. Alka Mittal leads the human resource management function of India's largest E&P company, Oil and Natural Gas Corporation Limited. She joined the Board of ONGC as Director (HR) in November 2018 after having distinguished herself in diverse roles and challenging assignments over a period of more than 33 years in India's Maharatna Energy Major. She is the first woman Functional Director of the Company in its more than 60 years of history.

Dr. Alka Mittal has driven strategic & impactful human resource programmes and policies in ONGC, with focus on adopting best-in-class HR practices towards making ONGC the best place to work and nurturing a generation of dedicated energy soldiers in India.

A leader with a mission, Dr. Mittal has steered ONGC to become one of the top companies in the country today in the area of CSR, with focus on impactful and sustainable projects to empower the community and preserve our planet.

Dr. Mittal is on the Board of ONGC Mangalore Petrochemicals Limited (OMPL) as ONGC nominee Director since August 2015, and is a member of the Board of Governors of Indian Institute of Management, Trichy.

She is actively involved with various national and international professional forums and bodies dedicated to the cause of Human Resource Management and empowerment of women, especially in the Energy Sector. She has a special penchant for training and mentoring, and has trained more than 12000 young Graduate Trainees of ONGC since 2001.

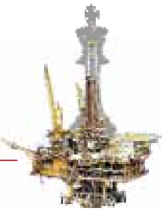
Dr. Mittal is a post graduate in Economics, MBA (HRM) and a Doctorate in Commerce and Business Studies in the area of "Corporate Governance".

## Director (Exploration)

Shri Rajesh Kumar Srivastava assumed the charge as Director (Exploration) of the Company on 2$^{nd}$ August, 2019. Shri Srivastava acquired Master of Science (Geology) from Lucknow University and Master's Degree in Engineering Geology from Indian Institute of Technology, Kanpur. Shri Srivastava joined ONGC as Geologist in 1984 at Krishna Godavari Basin, Rajahmundry.

With over 35 years of experience, Shri Srivastava is an expert in up-stream hydrocarbon exploration from well site operations, development geology, seismic data interpretation to monitoring and planning of exploration.

Shri Srivastava began his career as an Exploration Geologist from geologically complex KG-PG Basin. At Institute of Reservoir Studies, Ahmedabad he was considered as one of the best hands in the trade of Reservoir Modelling for preparation of field development plans, simulation studies for production forecasts and techno-economic evaluation of prospects. He is credited to have introduced art/ science of Geocellular Modeling in ONGC, Neelam being the first full field fine scale Geocellular Model for dynamic modelling for redevelopment.



During his tenure at Exploration and Drilling Directorate, he was closely associated with the exploration and development activities of Assam & Assam-Arakan Basin, MBA Basin and Krishna-Godavari Basin and Cauvery Basin.

He played a key role in the formulation of 'Hydrocarbon vision-2030 for North East India' driven by Ministry of Petroleum and Natural Gas. He has also evaluated several exploration and development blocks of Egypt & Sudan. As an acknowledgement for his contributions towards field development and hydrocarbon exploration, Shri Srivastava was honoured with the National Mineral Award in year 2009.

Shri Srivastava is also Chairman of ONGC TERI Biotech Limited.

## Director (Technology & Field Services)

Shri Om Prakash Singh has taken over charge as Director (T&FS) on 1st April 2020. A Mechanical Engineer with more than 32 years of experience, Shri Singh has built a deep industry understanding and proven management experience across the technical and commercial roles he undertook during his career.

Shri Singh has a distinguished track record as a drilling engineer and has demonstrated dynamic leadership and vision, as he progressed through various roles within the Company. He is well-versed with national and international Exploration & Production business and carries an extensive experience of offshore and onshore operations.

He has a vast industry knowledge and global business experience. He has played major roles in handling the challenging deep-water drilling project in India and overseas projects in Vietnam, Iran, Qatar and Brazil.

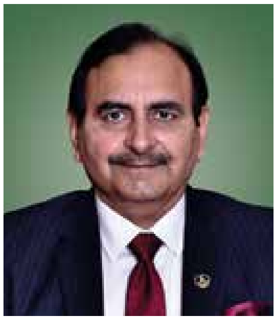
Shri Singh's tenure as Head Nhava Supply Base has been very impressive. In challenging conditions, he exhibited a leading role with enthusiasm, clarity and discipline; thereby transforming the performance of the Nhava Supply Base.

With a focus on performance metrics and a continual drive for excellence, Shri Singh spearheaded Tripura Asset as the Asset Manager. During his tenure, the Asset made significant improvements – as he was instrumental in a number of initiatives and enhanced the overall performance of the Asset by fast-tracking projects and synergizing resource mobilization and its utilization.

Shri Singh has an open-minded and forward-looking approach, with firm belief in team-work.

Shri Singh is also a Director on the Board of ONGC Tripura Power Company Limited and North East Transmission Company Limited.

## Director (Onshore)



Shri Anurag Sharma has taken over the charge of ONGC Director (Onshore) on 1st June 2020. Shri Sharma is a Mechanical Engineering graduate from NIT Allahabad and holds a Masters in Business Administration from FMS Delhi.

He has a career spanning over 36 years in the Company in various positions including that of Asset Manager of Cauvery Asset. During his tenure, the Asset made significant improvements which resulted in highest ever oil production in last two decades.

Shri Sharma has vast industry knowledge and global business experience. He has made major contributions in Business Development and Project Management for ONGC Videsh in CIS and SE Asia. He has also handled the challenging Vietnam projects and headed RIG Russia.

Shri Sharma spearheaded the flagship 'Make in India' and 'Start-up India' initiatives in ONGC. He has a distinguished track record for delivery of the projects and has contributed significantly in Ankleshwar, Jorhat and Cauvery Assets.

Shri Anurag Sharma is also Director on the Board of ONGC Mangalore Petrochemicals Limited and Dahej SEZ Ltd.

## Government Nominee Directors

Shri Rajesh Madanlal Aggarwal belongs to 1989 batch (MH cadre) of Indian Administrative Services. Presently, he is the Additional Secretary and Financial Adviser, Ministry of Petroleum & Natural Gas and Ministry of Corporate Affairs, Government of India.

He graduated from Indian Institute of Technology, Delhi as a Bachelor of Technology in Computer Science & Engineering. He worked in Central Government as Joint Secretary, Department of Financial Services and Director, Jan Dhan Mission in Tribal Affairs and Skill Development & Entrepreneurship, and earlier as Director in Election Commission of India. In State Government of Maharashtra, he has worked under various capacities including as its IT Secretary.

He served on the Boards of Punjab National Bank, IFCI Ltd and Centre for Development of Advanced Computing. He was also nominated as the Chairman & Managing Director of National Insurance Company Ltd. Presently, Shri Aggarwal is Director on the Board of Bharat Petroleum Corporation Limited and Indian Strategic Petroleum Reserves Limited.

Shri Amar Nath, is a Joint Secretary (Exploration) Ministry of Petroleum & Natural Gas, Government of India, also the Govt. nominee Director on the Board of the Company.

Shri Amar Nath, an IAS Officer (1994 AGMUT Cadre) is a Bachelor of Science (Mechanical Engineering) from National Institute of Technology, Kurukshetra, Kurukshetra University and MA (International Development Policy) from Duke University, USA.

Shri Amar Nath was Secretary to the Department of Health, Government of National Capital Territory of Delhi prior to the present assignment. He has held the positions of Administrator of Union Territory of Lakshadweep, Chief Executive Officer of Delhi Urban Shelter Improvement Board, and Chief Executive Officer of Chandigarh Housing Board in Chandigarh.

He has extensive experience of working in various Departments of Government at senior management positions such as Finance, Economic Planning, Tourism and Industrial Development in the states of Arunachal Pradesh, Pondicherry, Chandigarh and Delhi. Before joining IAS in 1994 he worked with State Bank of India and Steel Authority of India.

Shri Amar Nath is also Government Nominee Director on the Board of Oil India Limited.

## Independent Director

Shri Amitava Bhattacharyya is appointed as an Independent Director on the Board of ONGC w.e.f. 19th July, 2019. He was Central Information Commissioner during 2016-18 before he retired from the civil services as the Chairman, Staff Selection Commission, Government of India on 31.12.2015.

Shri Bhattacharyya acquired his graduation in Physics from Presidency College, Kolkata and post-graduation from University of Delhi. Later, he served in National Physical Laboratory-CSIR, before joining the Indian Administrative Service in 1980. Subsequently, he did a course in Human Resource and Public Administration from Maxwell School of Citizenship, Syracuse, USA.

He served for Government of Gujarat in various capacities both in the field as well as in the Secretariat. Later, he served for about two years in the UPSC as Secretary.

During his service, Shri Bhattacharyya was In-charge of Internal Finance Division of Ministry of Labour, Government of India and was acting as Chief Finance Officer & Financial Advisor of Employees Provident Fund (EPF). He was also on the Board of Employees' State Insurance Corporation (ESIC).

In early 90s he worked under the then Ministry of Environment & Forest, Government of India and was involved in several important issues of cross country dimensions, including Global Warming, Biodiversity Protection, Ozone Depletion. He was also the Mission Director for Water Conservation and Sanitation from 2006 to 2009.

Shri Bhattacharyya is associated with an NGO on a voluntary basis and working in the area of anti-trafficking of women and children in India and other south-east Asian countries.


Reaching out to new horizons round the clock

# CONTENTS

# Reference Information

Name : **Oil and Natural Gas Corporation Limited**
CIN : **L74899DL1993GOI054155**

**Registered Office:**
Plot No. 5A – 5B, Nelson Mandela Road, Vasant Kunj,
New Delhi, South West Delhi -110070
Website: www.ongcindia.com
Email: secretariat@ongc.co.in
Phone: 011-26754073 Fax: 011-26129081

| Board of Directors | | |
|---|---|---|
| **Functional Directors** | **Government Nominee Directors** | **Independent Director** |
| 1. Shri Shashi Shanker<br>Chairman & Managing Director<br>2. Shri Subhash Kumar, Director (Finance)<br>3. Shri Rajesh Kakkar, Director (Offshore)<br>4. Dr. Alka Mittal, Director (Human Resources)<br>5. Shri Rajesh Kumar Srivastava, Director (Exploration)<br>6. Shri Om Prakash Singh, Director (Technology & Field Services)<br>7. Shri Anurag Sharma, Director (Onshore) | 8. Shri Rajesh Madanlal Aggarwal<br>9. Shri Amar Nath | 10. Shri Amitava Bhattacharyya |
| **Company Secretary**<br>Shri M E V Selvamm | | |

| Auditors | Cost Auditors | Secretarial Auditors |
|---|---|---|
| 1. M/s MKPS & Associates, Mumbai<br>2. M/s R. Gopal & Associates, Kolkata<br>3. M/s SARC & Associates, New Delhi<br>4. M/s G M Kapadia & Co., Mumbai<br>5. M/s R.G.N. Price & Co., Chennai<br>6. M/s Kalani & Co., Rajasthan | 1. M/s M. Krishnaswamy & Associates, Chennai<br>2. M/s Musib & Co., Mumbai<br>3. M/s Chandra Wadhwa & Co., New Delhi<br>4. M/s Bandyopadhyaya Bhaumik & Co., Kolkata<br>5. M/s N. D. Birla & Co., Ahmedabad<br>6. M/s Joshi Apte & Associates, Pune | M/s Ashu Gupta & Co.,<br>New Delhi |

| Register & Share Transfer Agent | Banker |
|---|---|
| Alankit Assignment Ltd.<br>'Alankit House', 4E/2 Jhandewalan Extension,<br>New Delhi-110055<br>Phone : +91-11-4254 1234/1960,<br>Fax : +91-11-42541201/23552001<br>Website : www.alankit.com<br>Email : rta@alankit.com | State Bank of India<br>**Stock Exchanges**<br>1. BSE Ltd.<br>2. National Stock Exchange of India Ltd. |

Our energy soldiers are committed to serving the nation despite hardships, away from home for weeks together

# PERFORMANCE AT A GLANCE

## Performance at a Glance

| (₹ in million unless otherwise stated) | 2019-20* | 2018-19* | 2017-18* | 2016-17* | 2015-16* | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|---|---|---|---|---|
| **PHYSICAL** | | | | | | | | | | |
| **Quantity Sold (Other than Trading)** | | | | | | | | | | |
| -Crude Oil (MMT) | 21.34 | 22.50 | 23.67 | 23.86 | 24.15 | 24.11 | 23.61 | 23.69 | 23.09 | 22.94 |
| -Natural Gas (MMM3) | 19,423 | 20,485 | 19,494 | 17,935 | 17,100 | 17,983 | 19,633 | 20,160 | 20,202 | 20,288 |
| -LPG (000' Tonnes) | 1,011 | 1,109 | 1,186 | 1,352 | 1,191 | 1,090 | 1,073 | 1,005 | 1,033 | 1,057 |
| -Naphtha/ARN(000' Tonnes) | 1,177 | 1,154 | 1,180 | 1,087 | 1,065 | 1,124 | 1,379 | 1,520 | 1,557 | 1,600 |
| - Ethane-Propane (C2-C3)/Ethane/ Propane / Butane (000' Tonnes) | 1,225 | 1,192 | 914 | 673 | 401 | 337 | 428 | 425 | 461 | 387 |
| -Superior Kerosene Oil (000' Tonnes) | 55 | 71 | 34 | 43 | 66 | 74 | 85 | 106 | 79 | 118 |
| **FINANCIAL** | | | | | | | | | | |
| Revenue from Operations | 962,136 | 1,096,546 | 850,041 | 779,078 | 777,417 | 830,935 | 842,028 | 833,090 | 768,871 | 686,488 |
| Dividend Income | 24,664 | 31,054 | 37,810 | 16,969 | 5,712 | 4,890 | 3,744 | 4,615 | 5,266 | 5,528 |
| Other Non Operating Income | 36,386 | 41,598 | 41,026 | 59,794 | 64,382 | 48,775 | 63,388 | 49,752 | 39,263 | 28,541 |
| **Total Revenues** | 1,023,186 | 1,169,198 | 928,877 | 855,841 | 847,511 | 884,600 | 909,160 | 887,457 | 813,400 | 720,557 |
| Statutory Levies | 225,708 | 265,004 | 200,984 | 208,658 | 195,306 | 230,993 | 229,607 | 223,614 | 169,902 | 142,368 |
| Operating Expenses ^ | 243,558 | 236,852 | 208,863 | 210,345 | 202,995 | 168,176 | 167,582 | 173,925 | 139,812 | 142,379 |
| Exploration Costs written off | 86,837 | 87,569 | 70,318 | 50,545 | 56,643 | 105,224 | 78,357 | 100,431 | 93,334 | 82,490 |
| Purchases | - | - | - | 26 | 72 | 44 | 32 | 31 | 25 | 138 |
| Profit Before Interest, Depreciation & Tax (PBIDT) | 467,083 | 579,773 | 448,712 | 386,267 | 392,495 | 380,163 | 433,582 | 389,456 | 410,327 | 353,182 |
| Depreciation, Depletion, Amortisation and Impairment | 186,169 | 154,561 | 144,702 | 121,895 | 110,999 | 114,583 | 109,259 | 83,736 | 74,959 | 76,767 |
| Profit Before Interest & Tax (PBIT) | 280,914 | 425,212 | 304,010 | 264,372 | 281,496 | 265,580 | 324,323 | 305,720 | 335,368 | 276,415 |
| Finance Cost | 28,237 | 24,921 | 15,085 | 12,217 | 13,242 | 28 | 4 | 277 | 348 | 251 |
| **Profit before Tax and Exceptional Items** | 252,677 | 400,291 | 288,925 | 252,155 | 268,254 | 265,552 | 324,319 | 305,443 | 335,020 | 276,164 |
| Exceptional items | (48,990) | - | - | - | (32,266) | - | | | 31,405 | - |
| **Profit before Tax** | 203,687 | 400,291 | 288,925 | 252,155 | 235,988 | 265,552 | 324,319 | 305,443 | 366,425 | 276,164 |
| Corporate Tax | 69,242 | 132,645 | 89,472 | 73,155 | 74,589 | 88,222 | 103,371 | 96,186 | 115,196 | 86,924 |
| **Net Profit (PAT)** | 134,445 | 267,646 | 199,453 | 179,000 | 161,399 | 177,330 | 220,948 | 209,257 | 251,229 | 189,240 |
| Dividend | 72,337 | 95,952 | 77,642 | 95,180 | 49,194 | 81,277 | 81,277 | 81,277 | 83,416 | 74,861 |
| Tax on Dividend | 12,014 | 16,845 | 11,521 | 19,354 | 10,005 | 16,256 | 13,807 | 13,012 | 13,286 | 12,156 |
| Share Capital | 62,902 | 62,902 | 64,166 | 64,166 | 42,778 | 42,778 | 42,778 | 42,778 | 42,777 | 42,777 |
| Reserve & Surplus | 1,801,517 | 1,754,295 | 1,653,940 | 1,544,524 | 1,504,433 | 1,403,232 | 1,324,472 | 1,201,755 | 1,086,790 | 932,267 |
| Net Worth (Equity) | 1,943,381 | 2,017,896 | 1,933,847 | 1,855,384 | 1,657,747 | 1,436,229 | 1,356,311 | 1,229,674 | 1,117,841 | 967,084 |
| Borrowings | 139,491 | 215,936 | 255,922 | - | - | 13,930 | - | - | 45,000 | - |
| Working Capital | (135,810) | (183,718) | (278,453) | 70,395 | 98,942 | 94,232 | 104,061 | 124,714 | 97,739 | 65,392 |
| Capital Employed | 1,141,830 | 1,091,861 | 984,459 | 1,185,309 | 1,112,137 | 1,144,995 | 1,094,412 | 1,017,636 | 908,848 | 796,972 |
| Internal Resources Generation | 382,274 | 334,020 | 353,474 | 281,916 | 404,040 | 218,699 | 327,545 | 217,402 | 352,088 | 311,191 |
| Capex | 295,385 | 294,498 | 729,016 | 280,064 | 301,104 | 299,975 | 324,695 | 295,079 | 292,466 | 282,755 |

| (₹ in million unless otherwise stated) | 2019-20* | 2018-19* | 2017-18* | 2016-17* | 2015-16* | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contribution to Exchequer | 411,019 | 518,714 | 376,088 | 387,341 | 345,192 | 421,074 | 405,750 | 408,806 | 382,873 | 317,759 |
| Expenditure on Employees | 115,124 | 121,130 | 113,811 | 115,508 | 86,970 | 86,299 | 104,051 | 103,302 | 67,960 | 67,282 |
| Number of Employees | 30,105 | 31,065 | 32,265 | 33,660 | 33,927 | 33,185 | 33,911 | 32,923 | 32,909 | 33,273 |
| **FINANCIAL PERFORMANCE RATIOS** | | | | | | | | | | |
| PBIDT to Turnover (%) | 48.5 | 52.9 | 52.8 | 49.6 | 50.5 | 45.8 | 51.5 | 46.7 | 53.4 | 51.4 |
| PBDT to Turnover (%) | 45.6 | 50.6 | 51.0 | 48.0 | 48.8 | 45.7 | 51.5 | 46.7 | 53.3 | 51.4 |
| Profit Margin(%)- incl. exceptional item | 14.0 | 24.4 | 23.5 | 23.0 | 20.8 | 21.3 | 26.2 | 25.1 | 32.7 | 27.6 |
| Contribution to Exchequer to Turnover (%) | 42.7 | 47.3 | 44.2 | 49.7 | 44.4 | 50.7 | 48.2 | 49.1 | 49.8 | 46.3 |
| Return on Capital Employed (%) (ROCE) | 22.44 | 36.10 | 27.04 | 20.87 | 24.80 | 22.77 | 29.29 | 29.59 | 36.32 | 33.99 |
| Return on Capital Employed (%) (ROCE) -incl. exceptional items | 18.15 | 36.10 | 27.04 | 20.87 | 21.90 | 22.77 | 29.29 | 29.59 | 39.78 | 33.99 |
| Net Profit to Equity (%)- incl. exceptional item | 6.9 | 13.3 | 10.3 | 9.6 | 9.7 | 12.3 | 16.3 | 17.0 | 22.5 | 19.6 |
| **BALANCE SHEET RATIOS** | | | | | | | | | | |
| Current Ratio | 0.67 : 1 | 0.61 : 1 | 0.44 : 1 | 1.55:1 | 1.72:1 | 1.46:1 | 1.55:1 | 1.72:1 | 1.41:1 | 1.34:1 |
| Debt Equity Ratio | 0.07 : 1 | 0.11 : 1 | 0.13 : 1 | - | - | 0.0096:1 | - | - | 0.0398:1 | - |
| Debtors Turnover Ratio(Days) | 25 | 27 | 31 | 28 | 45 | 48 | 33 | 30 | 30 | 21 |
| **PER SHARE DATA** | | | | | | | | | | |
| Earning Per Share (₹) # | 10.69 | 20.9 | 15.54 | 13.95 | 12.58 | 13.82 | 17.22 | 16.31 | 19.58 | 14.75 |
| Dividend (%) | 100 | 140 | 132 | 121 | 170 | 190 | 190 | 190 | 195 | 175 |
| Book Value Per Share(₹)(Restated) # | 154 | 160 | 151 | 145 | 129 | 112 | 106 | 96 | 87 | 75 |

* The figures of FY 2019-20, FY 2018-19 (restated), FY 2017-18, FY 2016-17 and FY 2015-16 (restated) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956.

#In accordance with Ind AS 33 'Earnings per Share', earnings per equity share have been adjusted for bonus issue and split for all years. The book value per share has also been adjusted post bonus & split.

^ Includes Accretion/ Decretion in stock, Provisions & Write-offs

**Note:**

1. Turnover = Revenue from Operations.
2. Capital Employed = Net Working Capital + Net Non Current Assets excluding Capital work in progress, Exploratory/Developments wells & Investments.
3. Equity (Net Worth)=Equity Share Capital & Other Equity attributable to Owners of the Company.
4. Borrowings= Short Term Borrowings + Long Term Borrowings.
5. Profit Margin (%) = Profit after tax for the year/Turnover.
6. Working Capital = CurrentAssets (Excluding Investment) - Current Liablities.
7. ROCE = Profit Before Interest, Dividend Income & Tax (PBIT excluding Dividend income) / Capital Employed.
8. Current Ratio = CurrentAssets (Including Current Investment) / Current Liablities.
9. Debt Equity Ratio= Total Debt (Long Term & Short Term) / Equity (Net Worth).
10. Net Profit to Equity (%) = Profit after tax for the year / Equity (Net Worth).
11. Debtor Turnover Ratio (days) =(Average Receivables/Revenue from Operaions)*365
12. Earning per share = Profit after Tax attributable to Owners of the Company / No. of Equity Shares.
13. Book vale per share = Equity (Net Worth) / No. of Equity Shares.

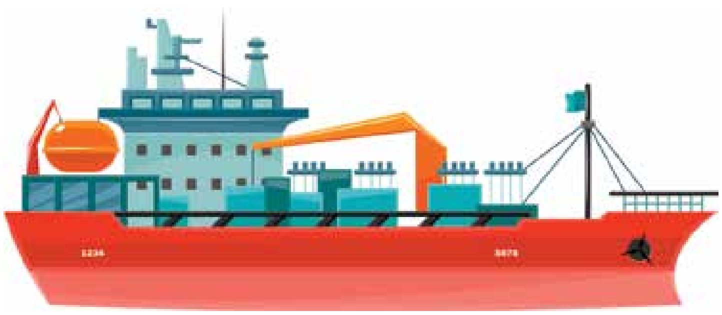
## Statement of Income and Retained Earnings

| (₹ in million) | 2019-20* | 2018-19* | 2017-18* | 2016-17* | 2015-16* | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | | | | | |
| **Sales #** | | | | | | | | | | |
| Crude Oil(Including Condensate) | 648,363 | 775,729 | 603,899 | 548,036 | 511,316 | 536,638 | 525,734 | 533,269 | 507,873 | 448,645 |
| Natural Gas (incl. Gas Marketing Margin) | 193,556 | 188,389 | 137,372 | 139,398 | 182,239 | 187,381 | 183,291 | 165,400 | 141,397 | 127,544 |
| Liquified Petroleum Gas (LPG)-Domestic Market | 36,038 | 43,490 | 40,352 | 37,276 | 34,951 | 34,380 | 30,145 | 31,484 | 23,711 | 18,369 |
| Ethane-Propane (C2-C3)/Ethane/ Propane / Butane | 32,551 | 32,590 | 24,226 | 17,264 | 9,441 | 10,064 | 14,837 | 13,440 | 12,741 | 8,796 |
| Naphtha | 39,863 | 46,861 | 38,084 | 30,455 | 30,609 | 50,835 | 75,743 | 76,804 | 72,167 | 56,342 |
| Kerosene (SKO) | 2,465 | 3,355 | 1,178 | 1,321 | 2,118 | 2,771 | 2,779 | 3,686 | 1,520 | 679 |
| HSD | 2,390 | 1,155 | - | 421 | 406 | 312 | 522 | 170 | 100 | - |
| LSHS (Low sulpher heavy stock)/ RCO (Residual Crude oil) | 747 | 694 | 482 | 562 | 412 | 705 | 1,295 | 1,063 | 1,250 | 473 |
| Aviation Turbine Fuel | 889 | 519 | - | - | - | 286 | 220 | 318 | 436 | 527 |
| Others | 152 | 217 | 209 | 131 | 76 | 56 | 87 | 38 | 62 | 3 |
| **Sub- Total** | 957,014 | 1,092,999 | 845,802 | 774,864 | 771,568 | 823,428 | 834,653 | 825,672 | 761,257 | 661,378 |
| Sale of Traded Products | - | - | - | 31 | 84 | 60 | 44 | 43 | 34 | 171 |
| Other Operating Income | 5,122 | 3,547 | 4,239 | 4,183 | 5,765 | 7,447 | 7,331 | 7,375 | 7,580 | 24,939 |
| **Revenue from Operations** | **962,136** | **1,096,546** | **850,041** | **779,078** | **777,417** | **830,935** | **842,028** | **833,090** | **768,871** | **686,488** |
| Dividend Income | 24,664 | 31,054 | 37,810 | 16,969 | 5,712 | 4,890 | 3,744 | 4,615 | 5,266 | 5,528 |
| Other Non Operating Income | 36,386 | 41,598 | 41,026 | 59,794 | 64,382 | 48,775 | 63,388 | 49,752 | 39,263 | 28,541 |
| **Total Revenues** | 1,023,186 | 1,169,198 | 928,877 | 855,841 | 847,511 | 884,600 | 909,160 | 887,457 | 813,400 | 720,557 |
| EXPENSES | | | | | | | | | | |
| Royalty | 115,076 | 134,600 | 99,090 | 115,748 | 89,591 | 116,079 | 114,890 | 108,094 | 97,745 | 71,373 |
| OIDB Cess | 107,878 | 128,568 | 99,638 | 89,045 | 101,916 | 102,535 | 99,734 | 99,971 | 57,831 | 56,963 |
| Motor Spirit Cess | - | - | - | - | - | - | 3 | - | - | - |
| Natural Calamity Contingent Duty | 1,020 | 1,063 | 1,122 | 1,129 | 1,137 | 1,123 | 1,097 | 1,101 | 1,097 | 1,114 |
| Excise Duty | 478 | 268 | 410 | 2,093 | 1,990 | 2,206 | 3,076 | 3,093 | 3,599 | 3,228 |
| Road and Infrastructure Cess | 408 | 183 | | | | | | | | |
| Sales Tax# | - | - | - | - | - | 2,586 | 3,123 | 3,834 | 3,339 | 3,113 |
| Service Tax | 502 | - | 334 | 289 | 339 | 290 | 439 | 353 | 236 | 227 |
| Education cess | - | - | - | - | - | 91 | 2,348 | 3,111 | 1,871 | 1,828 |
| Octroi and Port Trust Charges # | 346 | 322 | 390 | 354 | 333 | 6,083 | 4,897 | 4,057 | 4,184 | 4,522 |
| **Sub-total** | **225,708** | **265,004** | **200,984** | **208,658** | **195,306** | **230,993** | **229,607** | **223,614** | **169,902** | **142,368** |
| Operating Expenses | 215,840 | 226,386 | 206,602 | 210,082 | 197,672 | 163,654 | 165,833 | 153,839 | 134,110 | 136,058 |
| Exchange Loss-Net | 16,772 | 4,769 | - | - | 1,033 | 241 | 1,021 | 922 | 3,613 | - |
| Purchases | - | - | - | 26 | 72 | 44 | 32 | 31 | 25 | 138 |
| (Accretion) / Decretionin stock | 2,470 | (1,665) | (630) | (1,329) | 352 | (1,674) | 1,043 | (230) | (913) | (129) |
| **Exploration Costs written off** | | | | | | | | | | |
| -Survey Costs | 16,879 | 18,514 | 14,801 | 17,549 | 15,274 | 19,146 | 15,912 | 15,668 | 12,409 | 16,675 |
| -Exploratory well Costs | 69,958 | 69,055 | 55,517 | 32,996 | 41,369 | 86,078 | 62,445 | 84,763 | 80,925 | 65,815 |

| (₹ in million) | 2019-20* | 2018-19* | 2017-18* | 2016-17* | 2015-16* | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Depreciation, Depletion, Amortisation and Impairment** | 186,169 | 154,561 | 144,702 | 121,895 | 110,999 | 114,583 | 109,259 | 83,736 | 74,959 | 76,767 |
| Provisions and Write-offs | 8,476 | 7,362 | 2,891 | 1,592 | 3,938 | 2,116 | 2,189 | 18,863 | 3,097 | 6,114 |
| Prior Period Expenses (Net) | - | - | - | - | - | 3,839 | (2,504) | 531 | (95) | 336 |
| **Total Expenses** | **742,272** | **743,986** | **624,867** | **591,469** | **566,015** | **619,020** | **584,837** | **581,737** | **478,032** | **444,142** |
| Profit before Interest and Tax (PBIT) | 280,914 | 425,212 | 304,010 | 264,372 | 281,496 | 265,580 | 324,323 | 305,720 | 335,368 | 276,415 |
| Finance Cost | 28,237 | 24,921 | 15,085 | 12,217 | 13,242 | 28 | 4 | 277 | 348 | 251 |
| **Profit before Tax and Exceptional Items** | 252,677 | 400,291 | 288,925 | 252,155 | 268,254 | 265,552 | 324,319 | 305,443 | 335,020 | 276,164 |
| Exceptional items | (48,990) | - | - | - | (32,266) | - | - | - | 31,405 | - |
| Profit before Tax | 203,687 | 400,291 | 288,925 | 252,155 | 235,988 | 265,552 | 324,319 | 305,443 | 366,425 | 276,164 |
| **Corporate Tax ( Net)** | 69,242 | 132,645 | 89,472 | 73,155 | 74,589 | 88,222 | 103,371 | 96,186 | 115,196 | 86,924 |
| **Profit after Tax** | 134,445 | 267,646 | 199,453 | 179,000 | 161,399 | 177,330 | 220,948 | 209,257 | 251,229 | 189,240 |
| Other comprehensive income (OCI) | (124,609) | (17,988) | (31,827) | 133,171 | 6,120 | - | - | - | - | - |
| **Total Comprehensive Income for the year** | **9,836** | **249,658** | **167,626** | **312,171** | **167,519** | **177,330** | **220,948** | **209,257** | **251,229** | **189,240** |
| **Retained Earnings at beginning of the year** | 9,779 | 12,313 | 25,704 | 28,692 | (691) | - | - | - | - | - |
| Profit after tax for the year | 134,445 | 267,646 | 199,453 | 179,000 | 161,399 | 177,330 | 220,948 | 209,257 | 251,229 | 189,240 |
| Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax | (2,871) | (2,946) | (873) | (2,988) | (297) | - | - | - | - | - |
| Dividend | 72,337 | 95,952 | 77,642 | 95,180 | 49,194 | 81,277 | 81,277 | 81,277 | 83,416 | 74,861 |
| Tax on Dividend | 12,014 | 16,845 | 11,521 | 19,354 | 10,005 | 16,256 | 13,807 | 13,012 | 13,286 | 12,156 |
| Expenses relating to buyback of equity shares | - | 75 | | | | | | | | |
| Transfer to General Reserve | 50,094 | 154,362 | 110,290 | 64,466 | 72,520 | 79,797 | 125,864 | 114,968 | 154,527 | 102,223 |
| **Retained Earnings at end of the year** | 6,908 | 9,779 | 24,831 | 25,704 | 28,692 | - | - | - | - | - |

* The figures of FY 2019-20, FY 2018-19 (restated), FY 2017-18, FY 2016-17 and FY 2015-16 (restated) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956.

\# Sales are presented net of sales tax and Octroi with effect from 2015-16 as per the requirements of Indian Accounting Standards.



## Statement of Financial Position

| (₹ in million) | As at March 31, 2020* | As at March 31, 2019* | As at March 31, 2018* | As at March 31, 2017* | As at March 31, 2016* |
|---|---|---|---|---|---|
| **RESOURCES** | | | | | |
| **A. Own** (Net Worth) | | | | | |
| **1) Equity** | | | | | |
| i) Equity share capital | 62,902 | 62,902 | 64,166 | 64,166 | 42,778 |
| ii) Other Equity | | | | | |
| (a) Reserve for equity instruments through other Comprehensive income | 78,962 | 200,699 | 215,741 | 246,694 | 110,536 |
| (b) Others | 1,801,517 | 1,754,295 | 1,653,940 | 1,544,524 | 1,504,433 |
| **Total other equity** | **1,880,479** | **1,954,994** | **1,869,681** | **1,791,218** | **1,614,969** |
| **Net worth (A) #** | **1,943,381** | **2,017,896** | **1,933,847** | **1,855,384** | **1,657,747** |
| **B. Non-current Borrowings** | 22,451 | - | - | - | - |
| C. Deferred Tax Liability (net) | 263,441 | 274,261 | 262,592 | 221,632 | 192,973 |
| **TOTAL RESOURCES ( A+ B + C )** | **2,229,273** | **2,292,157** | **2,196,439** | **2,077,016** | **1,850,720** |
| **DISPOSITION OF RESOURCES** | | | | | |
| **A. Non-current assets** | | | | | |
| **1) Block Capital** | | | | | |
| a) Oil and Gas Assets ^ | 1,084,767 | 1,121,178 | 1,102,648 | 955,312 | 856,787 |
| b) Other Property, Plant and Equipment ^ | 92,216 | 96,435 | 92,507 | 91,875 | 85,339 |
| c) Intangible assets | 1,810 | 1,745 | 1,129 | 883 | 665 |
| d) Right-of-use assets | 98,198 | - | | | |
| **Total Block Capital** | **1,276,991** | **1,219,358** | **1,196,284** | **1,048,070** | **942,791** |
| **2) Financial assets** | | | | | |
| a) Loans | 11,825 | 10,461 | 21,335 | 28,071 | 41,488 |
| b) Deposit under Site Restoration Fund Scheme | 221,522 | 180,926 | 159,912 | 145,387 | 135,592 |
| c) Others | 1,504 | 2,649 | 1,647 | 1,418 | 1,486 |
| **Total Financial assets** | **234,851** | **194,036** | **182,894** | **174,876** | **178,566** |
| 3) Other non-current assets (excl, capital advances) | 7,232 | 5,667 | 6,495 | 7,349 | 6,789 |
| 4) Non-current tax assets (net) | 90,431 | 94,272 | 99,464 | 87,763 | 74,316 |
| **Subtotal (A)** | **1,609,505** | **1,513,333** | **1,485,137** | **1,318,058** | **1,202,462** |
| **B. Non-current Liabilities** | | | | | |
| 1) Financial liabilities | 52,085 | 1,181 | 1,494 | 2,583 | 2,313 |
| 2) Provisions | 279,392 | 236,247 | 213,018 | 192,852 | 186,843 |
| 3) Other non-current liabilities | 388 | 326 | 7,713 | 7,709 | 111 |
| **Subtotal (B)** | **331,865** | **237,754** | **222,225** | **203,144** | **189,267** |
| **C. Net Non Current Assets (A)-(B)** | **1,277,640** | **1,275,579** | **1,262,912** | **1,114,914** | **1,013,195** |
| **D. Working Capital** | | | | | |
| **1) Current Assets** | | | | | |
| a) Inventories | 85,666 | 77,039 | 66,889 | 61,653 | 56,256 |

| (₹ in million) | As at March 31, 2020* | As at March 31, 2019* | As at March 31, 2018* | As at March 31, 2017* | As at March 31, 2016* |
|---|---|---|---|---|---|
| **b) Financial assets** | | | | | |
| i) Trade receivables | 47,774 | 84,400 | 77,726 | 64,762 | 54,314 |
| ii) Cash and Bank Balances | 9,682 | 5,041 | 10,127 | 95,108 | 99,566 |
| iii) Loans | 5,117 | 6,339 | 14,021 | 14,269 | 10,272 |
| iv) Others | 27,739 | 46,175 | 30,418 | 11,347 | 23,202 |
| c) Other current assets | 93,881 | 63,303 | 15,984 | 15,591 | 34,113 |
| d) Assets classified as held for sale | - | 1,154 | - | - | - |
| **Subtotal (1)** | **269,859** | **283,451** | **215,165** | **262,730** | **277,723** |
| **2) Current liabilities** | | | | | |
| **a) Financial liabilities** | | | | | |
| i) Current Borrowings | 117,040 | 215,936 | 255,922 | - | - |
| ii) Trade payables | 71,136 | 88,250 | 73,345 | 51,548 | 51,264 |
| iii) Others | 187,356 | 122,472 | 122,513 | 94,969 | 95,693 |
| b) Other current liabilities | 18,663 | 24,155 | 22,893 | 18,361 | 16,390 |
| c) Short-term provisions | 10,975 | 15,857 | 12,582 | 21,328 | 7,043 |
| d) Current tax liabilities (net) | 499 | 499 | 6,363 | 6,129 | 8,391 |
| **Subtotal (2)** | **405,669** | **467,169** | **493,618** | **192,335** | **178,781** |
| **Working Capital (D)= (1)-(2)** | **(135,810)** | **(183,718)** | **(278,453)** | **70,395** | **98,942** |
| **E. CAPITAL EMPLOYED (C+D)** | **1,141,830** | **1,091,861** | **984,459** | **1,185,309** | **1,112,137** |
| **F. Investments** | | | | | |
| i) Current investments | - | - | - | 36,343 | 30,032 |
| ii) Non-current investments | 724,300 | 848,815 | 857,308 | 505,154 | 368,278 |
| **G. Capital work-in-progress (incl, capital advances)** | 151,833 | 116,253 | 113,835 | 126,122 | 132,686 |
| **H. Exploratory/Development Wells in Progress** | 211,310 | 235,228 | 240,837 | 224,088 | 207,587 |
| **TOTAL DISPOSITION (E+F+G+H)** | **2,229,273** | **2,292,157** | **2,196,439** | **2,077,016** | **1,850,720** |

* The figures of FY 2019-20, FY 2018-19 (restated), FY 2017-18, FY 2016-17 and FY 2015-16 (restated) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956.

# Includes reserve for equity instruments through other comprehensive income

^ Note: As on transition date 1st April 2015, carrying value of assets pertaining to production & allied facilities have been regrouped from other Property Plant and Equipment to "Oil and Gas Assets" to reflect the aggregate amount of Oil and Gas Assets.

## Statement of Financial Position

| (₹ in million) | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2013 | As at March 31, 2012 | As at March 31, 2011 |
|---|---|---|---|---|---|
| **RESOURCES** | | | | | |
| **A. Own** | | | | | |
| 1. Net Worth | | | | | |
| (a) Equity | | | | | |
| i)Share Capital | 42,778 | 42,778 | 42,778 | 42,777 | 42,777 |
| ii)Reserves & Surplus | 1,403,232 | 1,324,472 | 1,201,755 | 1,086,790 | 932,267 |
| **Sub-Total (a)** | **1,446,010** | **1,367,250** | **1,244,533** | **1,129,567** | **975,044** |
| (b) Less Deferred Revenue Expenditure | 9,781 | 10,939 | 14,859 | 11,726 | 7,960 |
| **Net Worth (a)-(b)** | **1,436,229** | **1,356,311** | **1,229,674** | **1,117,841** | **967,084** |
| B. Deferred Tax Liability | 177,332 | 165,787 | 128,880 | 111,979 | 99,504 |
| **TOTAL RESOURCES ( A+ B )** | **1,613,561** | **1,522,098** | **1,358,554** | **1,229,820** | **1,066,588** |
| **DISPOSITION OF RESOURCES** | | | | | |
| A. Non-current assets | | | | | |
| **1) Block Capital** | | | | | |
| a). Fixed Assets (Net)* | 314,907 | 302,792 | 274,835 | 216,801 | 186,395 |
| b).Producing Properties (Net)/Oil and Gas Assets* | 667,110 | 657,833 | 524,407 | 463,768 | 435,757 |
| **Total Block Capital** | **982,017** | **960,625** | **799,242** | **680,569** | **622,152** |
| **2) Long-term loans and advances (excl, capital advances)** | **193,177** | **181,718** | **221,454** | **254,482** | **239,392** |
| **3) Deposit under Site Restoration Fund Scheme** | **125,444** | **113,102** | **101,331** | **91,826** | **81,155** |
| **4) Other non-current assets (excl. DRE)** | **4,397** | **3,956** | **4,011** | **2,983** | **2,941** |
| Subtotal (A) | **1,305,035** | **1,259,400** | **1,126,037** | **1,029,860** | **945,640** |
| B. Non-current Liabilities | | | | | |
| 1) Long-term provisions: | | | | | |
| a) Provision for Abandonment | 227,138 | 228,022 | 177,052 | 176,477 | 175,608 |
| b) Other Long Term provisions | 26,494 | 29,178 | 44,823 | 36,654 | 32,627 |
| 2) Other Non-current liabilities | 640 | 11,850 | 11,242 | 5,620 | 5,825 |
| **Subtotal (B)** | **254,272** | **269,050** | **233,116** | **218,751** | **214,060** |
| C. Net Non Current Assets (A)-(B) | **1,050,764** | **990,350** | **892,921** | **811,109** | **731,580** |
| **D. Working Capital** | | | | | |
| a) Current Assets | | | | | |
| i) Inventories | 59,623 | 58,825 | 57,044 | 51,654 | 41,190 |
| ii) Trade receivables | 135,783 | 81,657 | 68,637 | 61,948 | 39,947 |
| iii) Cash and Bank Balances | 27,601 | 107,989 | 132,186 | 201,246 | 144,811 |
| iv) Short-term loans and advances | 69,477 | 43,670 | 37,021 | 31,237 | 26,734 |
| v) Other current assets (excl. DRE) | 4,933 | 2,718 | 4,565 | 8,633 | 4,276 |
| Subtotal (a) | **297,417** | **294,859** | **299,453** | **354,718** | **256,958** |
| b) Current liabilities | | | | | |
| i) Short-term borrowings | 13,930 | - | - | 45,000 | - |
| ii) Trade payables | 55,611 | 63,725 | 53,410 | 52,612 | 52,253 |
| iii) Other current liabilities | 112,867 | 119,262 | 112,227 | 136,941 | 130,055 |
| iv) Short-term provisions | 20,777 | 7,811 | 9,102 | 22,426 | 9,258 |
| Subtotal (b) | **203,185** | **190,798** | **174,739** | **256,979** | **191,566** |
| Working Capital (D )= (a)-(b) | **94,232** | **104,061** | **124,715** | **97,739** | **65,392** |
| **E. CAPITAL EMPLOYED (C+D)** | **1,144,996** | **1,094,411** | **1,017,636** | **908,848** | **796,972** |
| **F. Investments** | | | | | |
| i) Current investments | | - | - | 8,519 | 1 |
| ii) Non-current investments | **181,244** | 172,042 | 91,731 | 43,644 | 51,827 |
| G. Capital work-in-progress (incl, capital advances) | **128,437** | 116,516 | 144,429 | 182,997 | 140,316 |
| H. Exploratory/Development Wells in Progress | **158,885** | 139,128 | 104,759 | 85,812 | 77,472 |
| **TOTAL DISPOSITION (E+F+G+H)** | **1,613,562** | **1,522,096** | **1,358,554** | **1,229,820** | **1,066,588** |

## Depreciation and Contribution to Exchequer

| (₹ in million) | 2019-20* | 2018-19* | 2017-18* | 2016-17* | 2015-16* | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|---|---|---|---|---|
| **DETAILS OF DEPRECIATION ALLOCATED TO:** | | | | | | | | | | |
| Survey | 1,107 | 783 | 550 | 430 | 433 | 589 | 448 | 567 | 756 | 1,052 |
| Exploratory Drilling | 15,891 | 2,646 | 4,894 | 4,111 | 2,729 | 3,284 | 2,506 | 1,335 | 4,844 | 5,415 |
| Development | 17,516 | 2,947 | 2,317 | 3,586 | 3,216 | 36,774 | 66,628 | 62,584 | 52,782 | 41,734 |
| Profit & Loss Account | 33,285 | 14,171 | 13,293 | 11,971 | 13,785 | 14,367 | 20,518 | 14,620 | 13,395 | 19,993 |
| Others | 530 | 308 | 389 | 768 | 535 | 298 | 162 | 114 | 16 | 156 |
| **Total** | **68,329** | **20,855** | **21,443** | **20,866** | **20,698** | **55,312** | **90,262** | **79,220** | **71,793** | **68,350** |
| **CONTRIBUTION TO EXCHEQUER** | | | | | | | | | | |
| **CENTRAL** | | | | | | | | | | |
| 1. Excise Duty | 478 | 268 | 411 | 2,093 | 1,990 | 2,207 | 3,076 | 3,093 | 3,599 | 3,228 |
| 2. Road and Infrastructure Cess | 408 | 183 | | | | | | | | |
| 3. OID Cess | 107,880 | 128,568 | 99,639 | 89,053 | 101,928 | 102,550 | 99,740 | 99,993 | 57,852 | 57,005 |
| 4. Natural Calamity Contingent Duty | 1,020 | 1,063 | 1,122 | 1,129 | 1,137 | 1,123 | 1,097 | 1,101 | 1,098 | 1,115 |
| 5. Royalty | 52,127 | 58,765 | 45,797 | 43,783 | 45,974 | 35,870 | 41,965 | 39,407 | 36,144 | 36,519 |
| 6. Education Cess | - | - | - | - | - | 91 | 2,349 | 3,112 | 1,872 | 1,830 |
| 7. Corporate Tax | | | | | | | | | | |
| a) On ONGC's Account | 70,487 | 111,423 | 61,331 | 42,915 | 55,843 | 76,152 | 67,646 | 79,285 | 102,722 | 76,628 |
| b) For Foreign Contractors | 20 | 14 | 8 | (7) | (38) | 25 | 36 | 11 | 73 | 27 |
| 8. Dividend # | 43,940 | 62,900 | 52,748 | 65,439 | 33,912 | 56,029 | 56,153 | 56,268 | 60,372 | 55,502 |
| 9. Tax on Dividend # | 12,014 | 16,845 | 11,521 | 19,354 | 10,005 | 16,256 | 13,807 | 13,012 | 13,286 | 12,156 |
| 10. Customs Duties | 1,514 | 1,096 | 636 | 2,200 | 151 | 77 | 87 | 75 | 96 | 44 |
| 11. Port Trust Charges | 914 | 970 | 1,219 | 1,148 | 1,062 | 984 | 884 | 923 | 855 | 891 |
| 12. Central Goods and Services Tax (CGST) | 3,128 | 3,292 | 2,054 | | | | | | | |
| 13. Integrated Goods and Services Tax (IGST) | 2,519 | 3,842 | 2,411 | | | | | | | |
| **Sub Total** | **296,449** | **389,229** | **278,897** | **267,107** | **251,964** | **291,364** | **286,840** | **296,280** | **277,969** | **244,945** |
| **STATE** | | | | | | | | | | |
| 1. Sales Tax/VAT | 46,942 | 50,180 | 39,117 | 40,212 | 44,006 | 43,765 | 41,344 | 40,144 | 39,393 | 33,711 |
| 2. Royalty | 62,983 | 75,839 | 53,298 | 72,007 | 43,639 | 80,194 | 72,971 | 68,699 | 61,648 | 34,890 |
| 3. Octroi Duties etc. | - | - | 2,424 | 8,015 | 5,583 | 5,751 | 4,592 | 3,683 | 3,863 | 4,213 |
| 4. Motor Sprit -CESS | 66 | 15 | - | - | - | - | 3 | - | - | - |
| 5. State Goods and Services Tax (SGST) | 3,431 | 3,292 | 2,352 | | | | | | | |
| 6. Tripura Road Development Cess | 1,148 | 159 | | | | | | | | |
| **Sub Total** | **114,570** | **129,485** | **97,191** | **120,234** | **93,228** | **129,710** | **118,910** | **112,526** | **104,904** | **72,814** |
| **Grand Total** | **411,019** | **518,714** | **376,088** | **387,341** | **345,192** | **421,074** | **405,750** | **408,806** | **382,873** | **317,759** |

* The figures of FY 2019-20, FY 2018-19 (restated), FY 2017-18, FY 2016-17 and FY 2015-16 (restated) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013, figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956.

# As per Indian Accounting Standards the dividends declared after the balance sheet date is not recognised as a liability at the balance sheet date. Accordingly, the final proposed dividend and tax on dividend thereon has not been included for 2019-20, 2018-19, 2017-18, 2016-17 and 2015-16.

## Glossary of Energy & Financial Terms

### A. Energy Terms

**Appraisal Well:** A well drilled as part of an appraisal drilling programme, which is carried out to determine the physical extent of oil and gas reserves & characteristics thereof and the quantity of recoverable Petroleum therein.

**Condensates:** Liquid hydrocarbons produced with natural gas, separated by cooling and other means.

**Development:** Following discovery, drilling and related activities necessary to begin production of oil or natural gas.

**Development Well:** A well drilled within the proved area of an Oil and Gas reservoir to the depth of a horizon known to be productive.

**Enhanced Recovery:** Techniques used to increase or prolong production from oil and natural gas fields.

**Exploration:** Searching for oil and/or natural gas, including topographical surveys, geologic studies, geophysical surveys, seismic surveys and drilling wells.

**Exploratory Well:** A well drilled for the purpose of obtaining information pertaining to a specific geological condition and drilled in an unproven area for establishing oil and gas deposits.

**Heavy Cut:** These are heavier hydrocarbons obtained in fractionation unit of Kerosene Recovery Process, where NGL is processed to yield Aromatic Rich Naphtha and Superior Kerosene Oil.

**Integrated Petroleum Company:** A company engaged in all aspects of the industry from exploration and production of crude oil and natural gas (upstream) to refining, marketing and transportation products (downstream).

**Liquefied Natural Gas (LNG):** Gas that is liquefied under extremely cold temperatures and high pressure to facilitate storage or transportation in specially designed vessels.

**Liquefied Petroleum Gas (LPG):** Light gases, such as butane and propane that can be maintained as liquids while under pressure.

**Mining Lease:** The license issued for offshore and onshore properties for conducting development and production activity.

**Natural Gas Liquids (NGL):** Separated from natural gas, these include ethane, propane, butane and natural gasoline.

**Oil Equivalent Gas (OEG):** The volume of natural gas that can be burnt to give the same amount of heat as a barrel of oil (6,000 cubic feet of gas equals one barrel of oil).

**Petroleum Exploration License:** The license issued for offshore and onshore properties for conducting exploration activity.

**Reserves:** Oil and Natural Gas contained in underground rock formations called reservoirs. Proved reserves are the estimated quantities that geologic and engineering data demonstrate can be produced with reasonable certainty from known reservoirs under existing economic and operating conditions. Reserve estimates change as additional information becomes available. Recoverable reserves are those that can be produced using all known primary and enhanced recovery methods.

**Service well:** A service well, also known as utility well, is drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for injection of gas, water, steam, air, polymer, salt-water, $CO_2$, effluent disposal etc.

**Unit Of Production Method:** The method of depreciation (depletion) under which depreciation (depletion) is calculated on the basis of the number of production or similar units expected to be obtained from the asset by the enterprise.

**Work-Over:** The process of performing major maintenance or remedial treatments on a well to increase flow of oil and gas.

### B. Financial Terms

**Accounting Policies:** The specific accounting principles and the methods of applying those principles adopted by an enterprise in the preparation and presentation of financial statements.

**Accrual Basis of Accounting:** The method of recording transactions by which revenues, expenses, assets and liabilities are reflected in the accounts in the period in which they accrue. The 'accrual basis of accounting' includes considerations relating to deferrals, allocations, depreciation and amortization. This basis is also referred to as mercantile basis of accounting.

**Acquisition Costs:** These cover all costs incurred to purchase, lease or otherwise acquire a property or mineral right proved or unproved. These include lease/ signature bonus, brokers' fees, legal costs, cost of temporary occupation of the land including crop compensation paid to farmers, consideration for firm-in arrangements and all other costs incurred in acquiring these rights. Acquisition Costs are recognized in the accounts note no. 3.10 (ii) in Significant Accounting Policies under Notes to Financial Statements.

**Absorption Costing:** A method whereby the cost is determined so as to include the appropriate share of both variable and fixed costs.

**Balance Sheet:** A statement of the financial position of an enterprise as at a given date, which exhibits its assets, liabilities, capital, reserves and other account balances at their respective book values.

**Book Value:** The amount at which an item appears in the books of account or financial statements. It does not refer to any particular basis on which the amount is determined e.g. cost, replacement value etc.

**Business Combination under Common control:** A business combination involving entities or businesses under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

**Capital Commitment:** Future liability for capital expenditure in respect of which contracts have been made.

**Capital Employed:** The finances deployed by an enterprise in its net fixed assets, investments and working capital. Capital employed in an operation may, however, exclude investments made outside that operation.

**Capital Reserve:** A reserve of a corporate enterprise which is not available for distribution as dividend.

**Contingent Asset** is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

**Contingent Liability** is a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

**Current Asset:** An asset shall be classified as current when:

(a) it is expected to realise the asset, or intended to sell or consume it, in its normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) it is expected to realise the asset within twelve months after the reporting period; or

(d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

**Current Liability:** A liability shall be classified as current when:

(a) it is expected to settle the liability in its normal operating cycle;

(b) it is held primarily for the purpose of trading;

(c) the liability is due to be settled within twelve months after the reporting period; or

(d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

**Cess:** It is a levy imposed under The Oil Industry (Development) Act, 1974 on Crude oil acknowledged & received in the refinery and payable to the Central Government.

**Decommissioning, restoration costs / provision:** These are the costs incurred on discontinuation of all operations and surrendering the property back to the owner. These costs relate to plugging and abandoning of wells, dismantling of wellheads, production and transport facilities and to restoration of producing areas. Decommissioning Costs are recognized in the accounts as per note no.3.13 in Significant Accounting Policies under Notes to Financial Statements. Where the effect of the time value of money is material, these costs are required to be recognised at the present value of the expenditures expected to settle the obligation.

**Development Costs:** Costs incurred in preparing proved reserves for production i.e. costs incurred to obtain access to prove reserves and to provide facilities for extracting, treating, gathering and storing oil and gas.

**Depreciation method:** The depreciation method used reflects the pattern in which the asset's future economic benefits are expected to be consumed. A variety of depreciation methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method, the diminishing balance method and the units of production method.

**Dividend:** A distribution to shareholders out of profits or reserves available for this purpose.

**Effective interest rate method:** It is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

**Expenditure:** Incurring a liability, disbursement of cash or transfer of property for the purpose of obtaining assets, goods and services.

**Expense:** A cost relating to the operations of an accounting period or to the revenue earned during the period or the benefits of which do not extend beyond that period.

**Exploration Costs:** Costs incurred in exploring property. Exploration involves identifying areas that may warrant examination and examining specific areas, including drilling exploratory wells.

**Exploration Costs written off:** It refers to the Survey expenditure and Dry wells expensed in the accounts in line with note no.3.8 (ii) and 3.10 (iii) in Significant Accounting Policies under Notes to Financial Statements.

**Fair value:** The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**First In, First Out (FIFO):** Computation of the cost of items sold or consumed during a period as though they were sold or consumed in order of their acquisition.

**Financial asset** is an asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or a contract that will or may be settled in the entity's own equity instruments and is non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or other financial asset for a fixed number of the entity's equity instruments.

**Financial Instruments:** A "financial instrument" is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Liability** is any liability that is a contractual obligation to deliver cash or another financial asset to another entity (e.g. a payable), to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or a contract that will or may be settled in the entity's own equity instruments and is a non-derivative contract for which the entity is or may be obliged to deliver a variable number of its own equity instruments (e.g. an instrument that is redeemable in own shares to the value of the carrying amount of the instrument).

**Fixed Cost:** The cost of production which, by its very nature, remains relatively unaffected in a

defined period of time by variations in the volume of production.

**Fundamental Accounting Assumptions:** Basic accounting assumption which underline the preparation and presentation of financial statements. They are going concern, consistency and accrual. Usually, they are not specifically stated because their acceptance and use are assumed. Disclosure is necessary if they are not followed.

**Inventory:** Tangible property held for sale in the ordinary course of business, or in the process of production for such sale, or for consumption in the production of goods or services for sale, including maintenance supplies and consumables other than machinery spares.

**Investment:** Expenditure on assets held to earn interest, income, profit or other benefits.

**Impairment of Doubtful Debts:** A provision made for debts considered doubtful of recovery.

**Lease:** A contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration

**Liability:** A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

**Materiality:** An accounting concept according to which all relatively important and relevant items, i.e., items the knowledge of which individually or collectively; influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

**Net Assets:** The excess of the book value of assets of an enterprise over its liabilities. This is also referred to as net worth or shareholders' funds.

**Net Profit:** The excess of revenue over expenses during a particular accounting period. When the result of this computation is negative, it is referred to as net loss. The net profit may be shown before or after tax. The net profit / loss do not include other comprehensive income.

**Net Realisable Value:** The actual/ estimated selling price of an asset in the ordinary course of the business less cost of completion and cost necessarily to be incurred in order to make the sale.

**Non Current Asset:** All assets other than Current assets are classified as Non Current asset.

**Non Current Liability:** All liabilities other than Current liabilities are classified as non-current liability.

**Non-controlling interests:** Equity in a subsidiary not attributable, directly or indirectly, to a parent. It represents the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders.

**Net Present Value (NPV):** NPV is the present (discounted) value of future cash inflows minus the present value of the cash outflows.

**Oil & Gas Assets:** These are created in respect of an area/field having proved developed oil and gas reserves. Oil & Gas Assets consist of successful Exploratory Wells, all Development Wells, Service Wells, Production facilities and estimated decommissioning cost.

**Obsolescence:** Diminution in the value of an asset by reason of its becoming out-of-date or less useful due to technological changes, improvement in production methods, change in market demand for the product or service output of the asset, or legal or other restrictions.

**Operating Cycle:** An Operating cycle is the time between the acquisition of assets for processing and their realization in cash or Cash equivalents.

**Other comprehensive income (OCI):** OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. These are in effect unrealized gain or loss on long term assets or liabilities. The components of OCI include: changes in revaluation surplus, re-measurements of defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation, gains and losses from items designated / measured at fair value through other comprehensive income etc.

**Property, Plant and Equipment (Fixed Assets):** Assets held for the purpose of providing or producing goods or services and that is not held for resale in the normal course of business

**Provision:** A provision is a liability of uncertain timing or amount which cannot be determined with substantial accuracy.

**Participating Interest:** The share expressed as a percentage in the rights and obligations of each party to a Production Sharing Contract (PSC).

**Production Costs:** Costs incurred in lifting the oil and gas to the surface and in gathering, treating and storing the oil and gas.

**Right of use asset:** An asset that represents a lessee's right to use an underlying asset for the lease term.

**Royalty:** It is a levy imposed under The Petroleum and Natural Gas Rules, 1959 payable to the respective State or Central Government granting the lease (Central Government in case of offshore) on crude oil and natural gas.

**Recouped Cost:** It refers to Depreciation, Depletion, Impairment and Amortization charged in accounts. These are non-cash costs.

a) **Depreciation:** It is the systematic allocation of the depreciable amount of an asset over its useful life. It is provided for and allocated as mentioned in note no. 3.7 in Significant Accounting Policies under Notes to Financial Statements.

b) **Depletion:** A measure of exhaustion of Oil & Gas Assets represented by periodic write off of cost. It is computed with reference to the amortization base by taking the related capital cost incurred divided by hydrocarbon reserves and multiplied by production. It is recognised in the accounts as per note no. 3.11 in Significant Accounting Policies under Notes to Financial Statements.

c) **Impairment:** An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. Impairment Loss is recognized in the accounts as per note no. 3.9 in Significant Accounting Policies under Notes to Financial Statements.

d) **Amortization:** It refers to the amount amortized in respect of Intangible Assets in line with note no. 3.8 (i) in Significant Accounting Policies under Notes to Financial Statements.

**Statement of Profit and Loss:** A financial statement which presents the revenues and expenses of an enterprise for an accounting period and shown the excess of revenues over expenses (or vice versa). It is also known as Statement of Profit and Loss.

**Total comprehensive income (TCI):** TCI is the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income comprises all components of 'profit or loss' and of 'other comprehensive income'.

**Trade Receivable:** A Receivable is classified as "Trade Receivable" if it is in respect of amount due for goods sold or services rendered in the normal course of business.

**Trade Payable:** A payable is classified as "trade payable" if it is in respect of amount due on account of goods purchased or services received in normal course of business.

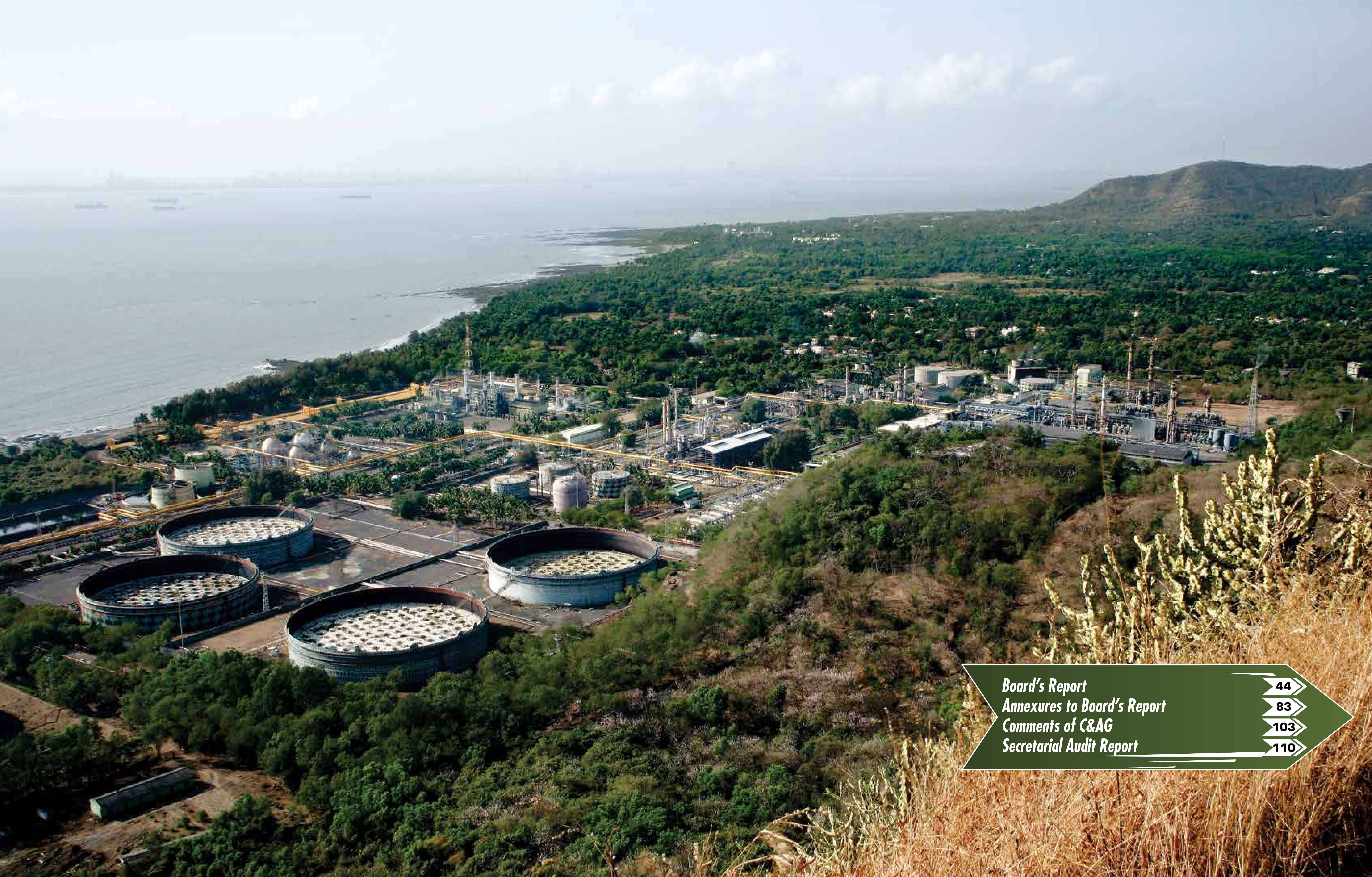
**Useful life:** Life which is either (i) the period over which a depreciable asset is expected to be used by the enterprise; or (ii) the number of production or similar units expected to be obtained from the use of the asset by the enterprise.

**Working Capital:** The funds available for conducting day-to-day operations of an enterprise. Also it is represented by the excess of current assets over current liabilities including short-term loans.

**Work in Process:** Work in Process includes all materials which have undergone manufacturing or processing operations, but upon which further operations are necessary before the product is ready for sale.


Mr Dharmendra Pradhan, Minister P&NG and Steel (left) chairing an interactive session with ONGC at Mehsana in the presence of Mr Shashi Shanker, CMD, ONGC

ONGC signed a MoU with EXXON-Mobil in October 2019 for study in PEL offshore blocks and open acreage areas



# Board's Report

It gives me great pleasure to present, on behalf of the Board of Directors of your Company, the **27th Annual Report** on the business and operations of Oil and Natural Gas Corporation Limited (ONGC/the Company) and the Audited Statements of Accounts for the financial year ended **31.03.2020** (FY'20), together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India.

Despite massive and unprecedented disruption due to COVID-19 during the end of the FY'20 and resultant adverse socio-economic environment, your Company along with its group companies, sustained performance, recorded success and growth not only in its core activities of Exploration and Production (E&P) of crude oil and natural gas but also in other areas of our business.

Crude oil and natural gas production by the Company, including its share in Joint Ventures (PSC JVs) during FY'20 was 48.25 MMTOE (Million Tons of Oil Equivalent) which is about 3.6 per cent less than the production during FY'19 (50.04 MMTOE). Your Company has been making all efforts to arrest the decline in the production from its matured fields through various measures like Improved Oil Recovery (IOR) and Enhanced Oil Recovery (EOR) methods and other production enhancement methods. Further, your Company has made commendable performance in the core area of exploration by registering Reserve Replacement Ratio of 1.19. All efforts are being made to enhance production.

During FY'20, the accretion to In-place Hydrocarbons from Company operated domestic fields has been 100.22 MMTOE in 2P and Estimated Ultimate Reserve (EUR) was 53.21 MMTOE in 2P. In terms of 3P category, in-place hydrocarbon accretion was 98.99 MMTOE and EUR was 40.74 MMTOE on account of exploratory efforts from the Company-operated areas in India.

- 55.26 MMTOE (about 56% of total 3P In-place volume) has been accreted from New Discoveries.
- 43.73 MMTOE (about 44% of total 3P In-place volume) has been accreted as an outcome of Field growth.

Your Company's share in In-place volume of accretion in the Joint Venture (JV) fields in India, where it is not the operator, have been estimated to the extent of 7.14 MMT O+OEG (3P) and 1.59 MMT O+OEG in EUR (3P).

Your Company had four direct subsidiaries, namely ONGC Videsh Limited (OVL), Mangalore Refinery and Petrochemicals Limited (MRPL), Hindustan Petroleum Corporation Limited (HPCL) and Petronet MHB Limited (PMHBL).

Your Company also has nine Associates/ Joint Ventures, namely ONGC Petro additions Limited (OPaL), ONGC Tripura Power Company Limited (OTPC), ONGC TERI Biotech Limited (OTBL), Dahej SEZ Limited (DSL), Mangalore SEZ Limited (MSEZL), Indradhanush Gas Grid Limited (IGGL), Pawan Hans Helicopters Limited (PHL), Petronet LNG Limited (PLL) and Rohini Heliport Limited (RHL).

## 1. Major Highlights: FY'20

The major highlights of your Company during FY'20 are:

a) Standalone production has been 44.57 MMTOE against 45.86 MMTOE during FY'19.

b) Value Added Products (VAP) production was 3,548 (Thousand Tones) KT as compared to 3,641 KT during FY'19 - mainly due to less receipt of condensate.

c) Your Company drilled 500 wells (Exploratory wells: 106, Development and Side Track wells: 394) in spite of less Rig Months and lockdown due to COVID-19. FY'20 is the fourth consecutive year when your Company has drilled 500 or more wells.

d) During the year gas production commenced from the Offshore Deep-water Project

'Cluster-2 Development of KG-DWN-98/2', in East Coast on 05.03.2020 from the well #U3B.

e) Your Company declared total 12 discoveries (7 New Prospects and 5 New Pools) in its operated acreages.

f) Reserve Replacement Ratio (RRR) from domestic fields was 1.19 with respect to 2P reserves. With this, the Company achieved Reserve Replacement Ratio (2P) of more than 1 for the $14^{th}$ consecutive year.

g) Your Company monetized 22 discoveries. Out of these, 4 discoveries at Vanjiyur, Billakurru, Nandigamma North and Sundulbari, were made in the current year and remaining 18 pertain to preceding years.

h) Buoyed by the path-breaking successes in well Hatta-2 in Vindhyan and Asokenagar-1 in Bengal on-land Basin last year, a conscious effort was undertaken for acquisition of open acreage areas around these discoveries.

i) Panna-Mukta operations were handed over back to the Company by the current operator on 21.12.2019 post expiry of PSC contract with JV partners. Your Company has taken over these fields after 25 years. Your Company has taken over operations of these fields seamlessly and revived production.

j) Your Company was awarded 15 blocks in different rounds under Open Acreage Licensing Policy (OALP) bidding.

The Company also bagged all seven Oil and Gas Blocks offered in the fourth bid round of the OALP of the Ministry of Petroleum and Natural Gas (MoPNG).

k) Under the Policy Framework to promote and incentivize EOR method for oil and gas, Government of India (GoI) presented an opportunity to your Company to further expand its EOR portfolio. Under this policy, 22 onshore and 5 offshore fields qualified for EOR Screening. Four onshore fields (Balol, Santhal, Sanand and Gandhar) have already been put under commercial EOR applications. Further, commercial EOR schemes have been implemented in two onshore fields (Viraj and North Kadi) after ER policy.

l) Eleven major projects, costing around ₹ 218,822 Million, were completed during the year. Further, as on 31.03.2020, a total of 17 major projects (Development-10, Infrastructure-7) were under various stages of implementation.

m) Three major projects (MHNRD Phase-IV, HRP-III, PRP-VI) with an investment of ₹ 64,870 Million and envisaged oil and gas gain of 13.62 MMTOE were approved.

n) Your Company announced Notice Inviting Offer (NIO) in June, 2019 seeking paricipation for enhancement of oil and gas production from its 64 marginal nomination fields by infusion of new technology. Notice of Award (NOA) were issued on 14.05.2020 to seven successful bidders, in 13 contract areas, for 49 of these marginal nomination fields.

o) Hazira Dahej Naphtha Pipeline (HDNPL), to facilitate direct supply of Naphtha from the Company's Hazira Plant to OPaL, commissioned in Nov'2019, resulting in substantial cost savings in transportation of Naptha to OPaL.

p) Hazira Plant has been successful in production of special grade of High Flash High Speed Diesel (HFHSD) – viz. NATO grade HFHSD, for specific use of Indian Navy being supplied through Indian Oil Corporation Limited (IOCL). Supply of NATO grade HFHSD started from Hazira Plant from August 2019.

q) Your Company has obtained 9 patents and also filed for another 9 patents.

r) Your Company raised USD 300 Million 10-year bond at coupon rate of 3.375% in International Market, lowest by any Indian Issuer for 10 year or longer tenure, which further demonstrates the credentials of your Company as an integrated energy major in international investor community.

s) Revenue from operations stood at ₹ 962,136 Million against ₹ 1,096,546 Million (restated) in FY'19.

t) Net profit was ₹ 134,445 Million against ₹ 267,646 Million during FY'19 (restated) mainly due to lower realisation on crude and exceptional item towards impairment.

## 2. Global Recognitions

Your Company has been ranked at 17th among global energy majors in the world by Platt's Top 250 Global Energy Company Rankings-2019 based on assets, revenues, profits and return on invested capital. Among Indian companies, your Company has been ranked at No. 1. The leading international business journal Forbes in its 2020 list has ranked your Company 5th largest in India and 269th worldwide based on sales, profit, assets and market value. Further, your Company is ranked 190th globally and 3rd in India in 2020 ranking update of **Fortune Global 500 list.**

## 3. Details of discoveries

Your Company has declared following twelve new discoveries during FY'20 in its operated acreages, which resulted in accretion of 55.26 MMTOE In-place volume and 7.76 MMTOE of EUR.

***Prospect discoveries:***

1) Vanjiyur oil discovery #3 in Cauvery On land (L-II Petroleum Mining Lease - PML);

2) Billakurru gas discovery #1 in KG On land (Godavari Mining Lease -ML);

3) Nandigama North oil discovery #1 in KG On land (West Godavari PML);

4) B-218 oil discovery in Mumbai Offshore (Shallow Water - SW) in extension of NW-MH PML;

5) B-219 oil discovery in Mumbai Offshore (SW) in extension of NW-MH PML;

6) R-12-6 oil discovery in Mumbai Offshore (SW) in Ratna & R-series PML; and

7) YS-6-2 gas discovery in KG offshore (Yanam PML).

***Pool discoveries:***

8) SDP-55 Pay (Mid. Bhuban) gas discovery in SD#12 in Sundulbari-Agartala Dome in Assam and Assam Arakan (A&AA) basin;

9) SDP-22 and 23 pays (Upper Bhuban) gas discovery in SD#15 in West Tripura PML in A&AA basin;

10) SD-6 Pay gas discovery in Gummaturu-1 (GMTAA) in Raghavapuram Formation in Kavitam Additional PML in KG Onshore;

11) SD-4 Pay gas discovery in Penugonda-5 (PGAE) in Raghavapuram Formation in Kavitam Additional PML in KG Onshore; and

12) L-II Pay (Bandra Formation) in WO-24-10 (SW WO-24 field), in NW-MH PML in Western offshore Basin.

Out of 12 discoveries made during FY'20, four discoveries i.e. Vanjiyur, Billakurru, Nandigama North and SDP-55 of well SD-12 were monetized during the same year. Total 22 discoveries were monetized during FY'20, in addition to above18 discoveries of the earlier periods were also monetized during the year.

## 4. Award of E&P Blocks

Your Company was awarded 15 Blocks under OALP Rounds (OALP-II, OALP-III, and OALP-IV), with an area of 32,117 Km² of exploration acreage in different sedimentary basins of the country - 23,732 Km² of the acreage in onshore while 8,385 Km² in offshore (Shallow Water

(SW): 5,894 Km²; Deep Water (DW): 2,491 Km²). Your Company has already started exploratory activities in few of the awarded blocks and has acquired 1,432.14 Square Kilometer (SKM) of 3D data in MN-DWHP-2018/1 block (Mahanadi deep-water) and 310 Line Kilometer (LKM) of 2D and 88.22 SKM of 3D seismic data in MB-OSHP-2018/1 block (Mumbai Offshore-SW).

## 5. Reserve Position and Reserve Accretion

Your Company adopted Petroleum Resource Management System (PRMS) for estimation of hydrocarbon reserves. With this approach, as on 01.04.2020, accretion of In-Place Hydrocarbons (3P) from the Company operated fields stood at 98.99 MMTOE due to exploratory efforts, out of which 56 per cent accretion were on account of New Discoveries.

Total In-Place Reserve Accretion during FY'20 in domestic basins was 106.14 MMTOE, including 7.14 MMTOE from the Company's share in PSC JVs.

As on 01.04.2020, total In-Place Hydrocarbon Volume (3P) of the Company Operated and JV Fields stood at 9,997.22 MMTOE against 10,002.63 MMTOE as on 01.04.2019. The Estimated Ultimate Recovery (3P) at the end of FY'20 was assessed at 3,286.63 MMTOE against 3251.60 MMTOE estimated as on 01.04.2019.

During the year, the Estimated Ultimate Recovery (EUR) accretion in 2P category from the Company operated areas in India was 53.21 MMTOE.

Accretion of In-Place Hydrocarbons and Estimated Ultimate Recovery (EUR) by the Company in its operated areas and in Non-Operated areas (JV Share) during FY'20 and position of In-Place Hydrocarbons and Estimated Ultimate Recovery (EUR) as on 01.04.2020 were as below:

*Units in MMTOE*

| In-place Hydrocarbon volumes and Estimated Ultimate Recovery (EUR) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Accretion during the year 2019-20 | | | | | Position as on 01.04.2020 | | |
| Reserve Type | | Company Operated | JV Operated | Total | Company Operated | JV Operated | Total |
| In-place Hydrocarbon | 2P | 100.22 | 2.71 | 102.93 | 8,150.16 | 667.82 | 8,817.98 |
| | 3P | 98.99 | 7.14 | 106.14 | 9,305.04 | 692.18 | 9,997.22 |
| EUR | 2P | 53.21 | 1.74 | 54.95 | 2,939.78 | 119.68 | 3,059.45 |
| | 3P | 40.74 | 1.59 | 42.33 | 3,166.74 | 119.89 | 3,286.63 |

Note: EUR position as on 01.04.2020 (EUR=Cumulative Production + Reserves + Contingent Resources).

*Units in MMTOE*

| Position of Reserves and Contingent Resources as on 01.04.2020 | | | | |
|---|---|---|---|---|
| As per PRMS# | Category | Company Operated | JV Operated | Total |
| Reserves | 2P | 751.72 | 20.64 | 772.35 |
| | 3P | 810.38 | 20.85 | 831.23 |
| Contingent Resources | 2C | 408.38 | - | 408.38 |
| | 3C | 576.68 | - | 576.68 |

Note: # as per PRMS adopted w.e.f. 01.04. 2019.

*Units in MMTOE*

| The details of Reserve Accretion (2P-Proved and Probable) for the last five years in Company's basins is given in the table below. | | | |
|---|---|---|---|
| **Year** | **Company Assets (1)** | **Company's share in JVs (2)** | **Total (3)=(1)+(2)** |
| 2015-16 | 65.58 | 0.80 | 66.38 |
| 2016-17 | 64.32 | 0.22 | 64.54 |
| 2017-18 | 67.83 | 1.02 | 68.85 |
| 2018-19 | 63.02 | 11.45 | 74.47 |
| *2019-20* | *53.21* | *1.74* | *54.95* |

Note: Reserve Accretion reported in terms of 2P reserves.

## 6. Drilling of Wells

Your Company drilled 500 wells during FY'20, including 5 exploratory and 10 development wells in KG deep-water block, as against 516 drilled during FY'19, as given under:

| Well Description | FY'19 | FY'20 |
|---|---|---|
| Exploratory (including shale) | 105 | *106* |
| Development | 373 | *357* |
| Side Tracks | 38 | *37* |
| *Total* | *516* | *500* |

## 7. Oil, Gas and VAP Production

Crude oil and natural gas production of the Company along with its share in the PSC JVs during FY'20 was 48.25 MMTOE (23.35 MMT of crude oil and 24.90 BCM of gas) which was ~3.58% less than production during FY'19 (50.04 MMTOE).

On standalone basis, Company's production during the year was 44.57 MMTOE; with a decrease of 2.82% (45.86 MMTOE in FY'19).

On standalone basis, production from Company operated fields was 20.71 MMT of crude oil (21.11 MMT in FY'19) and 23.85 BCM (Billion cubic meters) of Natural gas (24.75 BCM in FY'19).

Your Company's share of production through JV operations was 2.64 MMT of crude oil (3.12 MMT in FY'19) and 1.04 BCM of natural gas (1.06 BCM during FY'19).

Production of VAP was 3.548 MMT against 3.640 MMT in FY'19 – (decreased by 2.6%).

Detaitls of production, sales quantity and value, productwise during FY'20 with comparision of FY'19 is as under:

| Description | Unit | Production Qty | | Sales Qty | | Value (₹ in Million) | |
|---|---|---|---|---|---|---|---|
| | | FY'20 | FY'19 | FY'20 | FY'19 | FY'20 | FY'19 |
| Crude Oil | (MMT) | 23.35 | 24.23 | 21.34 | 22.50 | 6,48,363 | 775,729 |
| Natural Gas | (BCM) | 24.90 | 25.81 | 19.40 | 20.48 | 1,93,556 | 188,389 |
| **Value Added Products (VAP)** | | | | | | | |
| Liquefied Petroleum Gas | 000 MT | 1,013 | 1,107 | 1,011 | 1,109 | 36,038 | 43,490 |
| Naphtha | 000 MT | 1,115 | 1,175 | 1,177 | 1,154 | 39,863 | 46,861 |
| Ethane-Propane | 000 MT | 345 | 414 | 346 | 414 | 8,155 | 10,063 |
| Ethane | 000 MT | 536 | 455 | 535 | 456 | 12,937 | 10,109 |
| Propane | 000 MT | 224 | 210 | 219 | 207 | 7,251 | 7,948 |
| Butane | 000 MT | 125 | 114 | 125 | 115 | 4,208 | 4,470 |
| Superior Kerosene Oil | 000 MT | 54 | 66 | 55 | 71 | 2,465 | 3,355 |
| Others* | 000 MT | 135 | 99 | 91 | 58 | 4,178 | 2,585 |
| *Sub Total (VAP)* | *000 MT* | *3,548* | *3,640* | *3,559* | *3,584* | *1,15,095* | *128,881* |
| *Total* | | | | | | *9,57,014* | *1,092,999* |

*Others include ATF, Sulphur-P, Sulphur-C, LSHS, HSD, LDO and MTO

**Production from Overseas Assets - ONGC Videsh Ltd**

Your Company's overseas operations are carried out exclusively through ONGC Videsh Limited (OVL), the wholly owned subsidiary. OVL in turn conducts its operations either directly or through its subsidiaries. Production from overseas assets during FY'20 was 14.981 MMOE in comparison to 14.833 MMTOE during FY'19; an increase of approx.1%. The oil production during FY'20 was 9.755 MMT; 3.4% less compared to the production (10.097 MMT) during FY'19. The reduction is mainly because of exit from the Greater Nile Petroleum Operating Company (GNPOC), Sudan in August 2019, and lesser than anticipated production from Vankor field in Russia, San Cristobal and Carabobo fields in Venezuela, and ACG, Azerbaijan. The gas production of 5.226 BCM during the year was 10.3% higher compared to FY'19 production of 4.736 BCM with better performance of Block 6.1 in Vietnam and A1&A3 projects in Myanmar.

Oil and Gas production of your Company including contribution from JVs and Overseas assets for FY'20 was 63.23 MMTOE (against 64.88 MMTOE in FY'19).

## 8. COVID-19 and ONGC's response

The COVID-19 pandemic, which originated in late-2019, has now assumed substantial global proportions with significant human, societal and economic impact. Radical lockdown measures that were executed, early on, across several countries, accounting for more than half of the global population and energy consumption, to contain the spread of the disease brought the world to a standstill like never-seen before.

While lockdown measures still continue in some form in different countries based on the current severity of the pandemic, the economic impact of the lockdown was particularly pronounced in the month of April, 2020. Like any other sector of the economy, oil and gas industry too has been adversely affected by the fallout of the COVID-19 pandemic.

Oil and gas counts among the country's essential and strategic resources and sustaining hydrocarbon operations becomes even more critical under exceptional circumstances such as this. Your Company has taken cognition of its role as the country's leading upstream player and stands well equipped to sustain this kind of emergency situation. Based on the perceived threat posed by the pandemic and in anticipation of a possible disruption in future, the Company has prepared itself operationally to ensure critical supplies of oil and gas without compromising the health and safety of its valued workforce including contract workers.

However, the challenges posed by COVID-19 are multi-layered, complex and evolving on a daily basis – a situation that is unprecedented for our times. Your Company's COVID-19 response is premised on preserving 'People, Material and Resources', and continuously reassessing its efficacy and effectiveness and also revisiting the strategies based on regular updates from operations teams, channel partners, and in-house HSE, Risk and Medical teams. For better coordination and information dissemination, OCAY Desk (ONGC Covid19 Assistance for You), a 24x7 Helpdesk for Covid19 has been established. Further, your Company has maintained its average production levels throughout the period as the country has been under a state of lockdown notwithstanding the supply and logistical constraints imposed by the situation. Furthermore, your Company embarked upon a massive country wide well-coordinated crew change operation named **'Operation Nishtha'**, to ensure safe return of operational crews, who had been performing extended duty for 50-60 days against their normal duty pattern of 14 days at various location of field operations.

As a responsible corporate, your Company contributed ₹ 3,000 Million to PM CARES fund and around ₹ 242 Million worth of CSR projects have so far been undertaken countrywide benefitting more than 43 lakh fellow countrymen through distribution of food supplies, masks, PPE kits, sanitizers and funding of ventilators in hospitals. ONGCians, on their part, donated two days' salary in the month of April'20; and one day salary during May and June 2020 amounting to about ₹ 255 Million to PM CARES Fund.

## 9. Technology induction/up-gradation

Technology induction/up-gradation in various areas of operations is a continuous process in your Company to remain effective and competitive. The following technologies were evaluated/ inducted during FY'20:

a. **Remote sensing image processing software suite with extensions/add-ins for physics-based atmospheric correction. Software: ERDAS Imagine, Extension/ Plug-in: ATCOR:** Software would help in basic and advanced raster image data processing and pre-processing of multispectral/hyper-spectral visible-shortwave infrared as well as thermal infrared image data with built-in extension for radioactive-transfer physics-based absolute atmospheric and in spectral mapping of lithology and identifications of micro-seeps, thus providing an interpretative edge over existing verticals. This would also support batch processing of large data volumes dedicated with built-in spatial modelling functionality to integrate spatial and non-spatial data. It is useful for 3D geospatial rendering and geoprocessing, topographic analysis and manipulation of DEM/ DSM/ DTM data derived from stereo-photogrammetry, SAR or LiDAR for hydrographic and geomorphic derivatives.

b. **CUDA FORTRAN** Compiler Graphic Processing units (GPUs) have evolved into programmable, highly parallel computational units with very high memory bandwidth. GPU designs are optimized for the computations found in graphics rendering, but are general enough to be useful in many data-parallel, compute-intensive programs common in high-performance computing. The compiler has been inducted with the intent of developing specialized software applications as a part of R&D activities.

c. **CRAM (Common Reflection Angle Migration):** A new depth migration software which is a multi-arrival depth domain solution which works in local angle domain and outputs angle gathers in depth. This is a highly compute (computational) intensive and resource intensive application. CRAM is designed for detailed velocity model building and for precise imaging in areas with complex structure and velocity for 3D onshore and offshore data.

d. **Big Data analytics:** The Company has successfully implemented big data analytics using Machine learning approach. This technology can be employed to handle large datasets for analysing seismic and micro-seismic data, improving reservoir characterization and simulation etc. The approach was successfully implemented in the prediction of reservoir properties in B-12/ C26 area of western offshore basin during FY'20.

e. **Broadband processing technology:** In-house capability for Broadband processing technology of broadband data has been developed, which helped in increasing image resolutions with its analysis on Amplitude Versus Offset, leading to substantial savings of foreign exchange.

f. **E-line Well Intervention Services:** The first E-line Intervention job was carried out in well HSC-2ZH of Heera field in Western Offshore Basin. Rig-less well intervention services were deployed with the objective to retrieve Grating Light Valve (GLVs) and set these GLVs in the deviated zone (angle: 68°) to maximize production. In the past, there had been various constraints to retrieve and reinstall GLV in high deviation wells with other intervention technologies that were deployed in the field. The GLV change job was successfully completed in this well.

g. **Dual Zone Testing (DST):** DST has added immense value during testing in the Well B189#A by saving significant Rig-days (six days) and by providing real time data, opening a new chapter for future dual zone testing in a single DST run. Use of dual zone DST helped the Company in improving operational efficiency and also maintaining the highest level of operational standards along with safety in the offshore environment.

h. **GEOTEST1000.** A new state-of-the-art technology GEOTEST-Triaxial Rock testing laboratory from Vinci Technology, France was inducted in June 2019 and will be helpful in determining the varied range of geo-mechanical properties.

i. **Up-gradation of processing system for genomic analysis:** Technology up-gradation of processing system to amplify the target 16s rRNA gene of bacteria for identification of oil degrading bacteria through Polymerize Chain Reaction was successfully completed during the year. This technological up-gradation will help in isolating and finding potent Polycyclic Aromatic Hydrocarbon (PAH) degrading bacteria for bioremediation of soil and effluents contaminated with high concentration of PAH and will be useful in field implementation project for bioremediation of crude oil contaminant soil and effluents.

j. **Under the Make in India campaign** Your Company, in collaboration with IOCL, has developed the following materials for operational requirements:

   1. Base Oils suitable for Drilling Fluids for Low Toxicity Oil Base Mud; and

   2. High Pressure Extreme Pressure lubes for Drilling Fluids.

### 10. Technology developed/ tested in-house and absorbed for IOR/ EOR processes:

a. **North Kadi polymer flood:** The chemical EOR technology i.e. polymer flood in North Kadi field was conceptualised for commercialization. The scheme was commissioned on 17.01.2020 ahead of its target schedule of August, 2021. The target STOIIP of the scheme is approximately 18 MMT and the envisaged incremental oil in polymer flood at end of 15 years will be approximately 0.769 MMT over base case.

b. **Bechraji Polymer flood pilot:** Feasibility Report for polymer flood in Bechraji heavy oil field of Mehsana Asset was approved. This is for the first time that polymer flood is planned in heavy oil. The Pilot started on 06.05.2019.

c. **Commercialization of ASP Flood in Viraj (K-IX+X):** Field scale Alkali-Surfactant-Polymer flooding (ASP) scheme consists of four phases of chemical injection followed by chase water injection. The implementation of the ASP project commenced in July'19.

   The commercialization of ASP injection in K-IV sand of Viraj field envisages ASP injection @1,120 $m^3$/d through fourteen injectors in inverted 5-spot pattern. It envisaged oil recovery of 0.3 to 0.6 MMT.

d. **Cyclic Steam Stimulation (CSS) Pilot in Lanwa Field:** Lanwa CSS pilot is being taken up with an envisaged incremental gain of 0.312 MMT. The scheme is likely to commence during FY'21.

e. **Immiscible Gas Injection in Borholla Field:** Immiscible gas injection EOR initiatiated on pilot scale in Borholla Field, Jorhat from January 2017. Positive results observe in terms of increase in reservoir pressure and arrest of production decline. Based on success of pilot scheme, full field development scheme has been prepared with envisaged incremental oil gain of 0.3 MMT and recovery of 35.6% by 2030. Field Report (FR) has been approved and scheme is under implementation.

f. **Gas Assisted Gravity Drainage (GAGD) in Kasomarigaon Field:** GAGD EOR scheme in Kasomarigaon Field, Jorhat envisaged incremental oil gain of 0.31 MMT with recovery of 33% by 2030. FR has been approved and the project is under implementation.

g. **Immiscible Gas Injection in Bokabil pay of Khoraghat Field:** The immiscible gas injection EOR scheme envisaged incremental oil gain of 0.153 MMT and recovery of 22.7% by 2035. FR has been approved and the project is under implementation.

h. **Miscible $CO_2$ in Gandhar Field:** Simulation for GS-9 and GS-11 layers were studied and incremental oil gain of 8-10% is expected by 2042 with 75 new injector wells. Lab studies and simulation were completed and EOR implementation has been planned by injecting $CO_2$ captured from IOCL's Koyali refinery. In this regard, Memorandum of Understanding was signed with IOCL on 01.07.2019.

i. **LoSal water flood in Mumbai High Field:** As a step towards solution search for offshore EOR, single well micro pilot for Low Salinity (LoSal) water flood was carried out in January 2017 in Mumbai High South field. Based on laboratory and field results, multi-well pilot application of Low Salinity Water Flood (LSWF) in western periphery of Mumbai High Field is currently under implementation which envisages incremental oil gain of 0.846 MMT by 2035. The project is likely to commence during FY'21.

j. During FY'20, the following technologies were developed by the Institute of Oil and Gas Production technology (IOGPT), Panvel:

   i. **"Enzyme Application for Wellbore Cleaning to Remove Mud Cake in Oil/ Gas Wells to Enhance the Productivity"** - The patented formulation is useful for effective degradation of mud polymer cake formed in horizontal section of well bore during drilling operations.

   ii. **"Gelled Emulsified Acid System for Stimulation of Carbonate Reservoirs".**

The patent formulation is a Gelled Emulsified Acid System with dual properties of high viscosity and reaction retardation for effective matrix acidization and acid fracturing of carbonate reservoirs.

iii. **"Composition and Process for Preparation of a Fracturing Fluid".** The patent relates to a formulation and process for preparation of a polymer-free fracturing fluid comprising of visco-elastic surfactant.

iv. **"Method for Recovering Heavier Hydrocarbons from Liquefied Natural Gas".** The patented process offers high efficiency in cold energy utilization, minimizes infrastructure requirements and maximizes recovery of heavier hydrocarbons. It also reduces utility requirements and can be easily integrated with existing LNG regasification terminals.

v. **'Novel Demulsifiers for Separation of Water from Oil and Preparation thereof"** jointly with M/s. National Chemical Laboratory, Pune, Maharashtra. The patent relates to a low temperature process for demulsification of crude oil using novel crude oil demulsifier with greater than 95% efficiency.

vi. **Copyright for "Software i-Procal v-1",** developed on Visual Basic Platform for Sizing and Rating of Various Process Equipment.

vii. **Identification of Suitable Diverters for Improving Diversion Efficiency for Fracturing Operation in more than one Perforated Interval:** With comprehensive laboratory experimentations and studies, IOGPT has developed a Novel, eco-friendly, biodegradable particulate Poly Lactic Acid Pill for application in fluid diversion in hydraulic fracturing operations.

viii. **Work-over Fluid for Sub Hydrostatic Gas Wells:** An innovative eco-friendly Polylactide based Self-degradable Loss Control Particulate Pill could be developed by IOGPT after extensive laboratory studies to address fluid loss in sub-hydrostatic gas wells.

ix. **$H_2S$ Reduction in Dispatched Oil from B-193 Platform:** IOGPT recommended scheme of use of sweet gas as stripper gas in a stripper column was successfully implemented in B-193 process complex to sweeten the crude oil.

x. **Wax removal by Exothermic Chemical Reaction:** A technology developed by IOGPT utilizes the heat liberated through controlled exothermic chemical between aqueous nitrogenous salts for melting the paraffin deposits. The technology was successfully implemented in wells of Mehsana and Cambay Asset.

## 11. Other Exploration Initiatives and Activities

### a. National Seismic Programme (NSP):

Towards complying with the mandate of 2D seismic Acquisition, Processing and Interpretation (API) of 42,211 LKM assigned by GoI in un-appraised areas of Indian sedimentary basins grouped in 11 on-land sectors, your Company, as on 31.03.2020, has completed data acquisition of 40,137.38 LKM (95.1%) and processed about 35,422.38 LKM (83.9%) of complete seismic lines. The interpretation of data is also being carried out and at the end of FY'20, your Company completed the interpretation of about 22,003.97 LKM (52.1%). This data in turn would contribute in augmenting domestic production of oil and gas. The entire assignment of the on-going API Project would be completed during FY'21.

### b. Basement Exploration:

To continue with the efforts towards Basement Exploration, your Company has characterized basement reservoirs in different basins during FY'20. It adopted various initiatives including fracture characterization and fracture distribution modelling. This included drilling of 22 wells together with 11 exploratory wells with Basement as a main objective in different acreages of the Company falling in A&AA, Cambay, Cauvery, KG and Western Offshore Basins. An innovative work flow has been adopted for the first time in Fracture Characterization of intrusive bodies within Mesozoic Sequence in different blocks viz. GK-28/42, GK-OSN-2009/1, GK-OSN-2010/1, GS-OSN-2004/1, falling in Kutch-Saurashtra area in Western Offshore. The entire study was carried out on facies model of Trap by preparing General Circulation Models and fracture modelling supplemented with stochastic porosity mapping and calibrations. The study helped in identification of five prospects in GK-28/42 area for future exploration. Basement prospectivity analysis based on Automatic Fault Extraction and Vector Analysis around B-45, B-192 and WO-24 fields, south west of Mumbai High area has also been completed during the year with identification of two more prospects. Your Company has been involved in successful planning and monitoring of basement reservoir in Thirunagari, Pundi and Panadanallur fields of Cauvery Basin. During FY'20 Padra-132,135,136 wells in Cambay basin produced oil and gas; and in totality the Production curve has shown a sharp rise in the Trap section in last five years in the Padra area due to optimal placement of wells in the fractured zones. Twenty three new locations have been firmed up in Padra area for targeting specific fractures.

**c. HP-HT Exploration:**

High Pressure-High Temperature (HP-HT) and tight reservoirs are known to have typical challenges in the form of bore-hole complications, fluid design, high-cost drilling technology, HP-HT cementing, well construction and other reservoir engineering problems. Despite these challenges, your Company has successfully established hydrocarbon in HP-HT reservoirs like, - Bhuvnagiri, Malleswaram, Periyakudi, Kottalanka, Bantimulli South, Yanam shallow Offshore, GS-OSN-2004,G-4-6 and certain areas of Assam Arakan Fold Belt.

During FY'20, HP-HT and tight gas plays had a mixed bag of successes and failure. Exploration in Yanam shallow offshore in KG basin has led to discovery of gaseous hydrocarbons from the lower synrift sequence in the well YS-6-2 sub (drilled in FY'19) indicating development of sweet spots. Your Company has notified YS-6-2 sub-gas discovery as a new prospect. The successful testing of the well using state-of-the-art technologies and testing fluids proved the capabilities of the Company. On the other front, the wells in Deendayal block in East Coast, where testing with multiple HP-HT hydro-fracturing did not yield the desired results, continue to be a challenge in developing the complex HP-HT reservoirs.

Geo-cellular Modelling, dynamic modeling and reservoir simulation studies of Nagyalanka field in Andhra Pradesh were undertaken, based on which nine development locations were identified and three locations are prioritized for drilling and multistage hydro-fracturing where an incremental oil production from these locations is around 300 $m^3$. Multiple hydro-fracturing in the Eastern Offshore field DDW-D5 has been completed and during the year two wells DDW-D6 and DDW-D7, in the same area, have been taken up for drilling. Another well B-41-2 in Mumbai Offshore basin was drilled, which on testing did not give any encouraging results.

Presently, your Company has been producing from four HP-HT fields viz. Periyakudi in Cauvery Basin, Bantumilli South and Nagayalanka fields in KG Onland and Deen Dayal West field in KG Offshore.

## 12. Exploration and Production from Unconventional Sources

### a. Coal Bed Methane (CBM):

Currently your Company is operating four CBM blocks in Jharia, Bokaro and North Karanpura in Jharkhand and Raniganj in West Bengal. Exploration activities have been completed in these blocks and developmental activities are at an advanced stage in three of these blocks viz. Bokaro, Jharia and North Karanpura.

During FY'20, in Bokaro CBM block, 26 wells (18 vertical and 8 inclined) were drilled and 17 wells were tested. Dewatering has been taken up by lowering artificial lifts. Gas break-in was observed in 13 wells.

In North Karanpura CBM Block, total 26 wells were taken up for drilling; out of which 18 wells have already been drilled. In addition, Hydro-fracturing has been carried out in 19 wells and gas break-in was observed in four of these wells.

### b. Shale Gas:

Your Company has assessed shale gas/oil potential in 24 blocks from 50 nomination PML blocks identified for shale gas/oil exploration in the country. As on 31.03.2020, drilling of 29 wells (including 10 exclusive wells and 19 dual objective wells) were completed in four basins viz. A&AA, Cambay, Cauvery and KG Basins. Further, two exclusive shale wells (NJSGA in Cambay Basin and MDSGA in KG Basin) and one dual objective well PGAE (KG Basin) were drilled.

Currently, one dual objective well LKEAA in KG Basin is under drilling. Efforts are on to establish the shale gas/oil potential in the identified blocks. Indications of presence of shale oil have been recorded in wells like - JMSGA, NSGB and NJSGA in Cambay Basin and WGSGA in KG Basin during activation after hydro-fracturing. One zone within Nawagam Middle Pay (Tight Reservoir) of shale well NGSGA of Cambay Basin was hydro-fractured and on activation produced oil. The shale well WGSGA in KG Basin, requires further activation whereas in another well GNSGC in Cambay Basin hydro-fracturing job is to be carried out.

### c. Underground Coal Gasification:

Your Company had taken an initiative to test the Underground Coal Gasification (UCG) technology in India for which all the ground work has been completed with obligatory inputs for construction and implementation of UCG R&D Pilot Project at Vastan Mine block site belonging to GIPCL in Naninaroli, Surat district, Gujarat to establish UCG technology. However, there is not much progress as all state PSUs of Gujarat, including MOU partner, Gujarat Industries Power Company Limited, backed out of the UCG project due to the low calorific value of the Syngas.

Additionally, processing of gas at surface shall be a challenge as Syngas has many impurities and contamination, and also non-availability of business partners from Coal/ Chemical/ Power sectors for business ease during pilot/ commercialization. Considering all the factors and current gas price scenario, your Company might not commit further in this line of business.

### d. Gas Hydrate Exploration Program

Your Company has been an active contributor to gas hydrates exploratory research under National Gas Hydrate Program (NGHP) of GoI since its inception in the year 1997. So far, your Company has played a significant role in successful execution of NGHP-01 and NGHP R&D Expedition-02. With the focus on the pilot production testing, the gas hydrate reservoirs discovered during NGHP-02 (Block KG-DWN-98/5) have been delineated and Geo-cellular modelling for the gas hydrate rich reservoir has been completed to get detailed cell-wise geophysical/reservoir parameters around the proposed site for pilot production test during next NGHP-03 expedition.

Potential exploitation methodologies like sand control measures, well design, well bore completions and depressurization techniques, various production simulation modelling and other studies have been carried out in collaboration with USA.

Gas Hydrate Research & Technology Centre (GHRTC) of your Company is involved in R&D activities in exploration for gas hydrate prospects in Indian deep waters and potential exploitation methodologies for gas hydrates through in-house efforts and PAN-IIT collaborations. This institute will also contribute to GoI's plan to commercialize Gas Hydrates as energy resource, at the earliest.

Presently, your Company has been working on identification of gas hydrate prospective areas in part of CY-DWN-2004/1 and MNDWN-2002/1 blocks in Cauvery and Mahanadi Basin respectively for future field expeditions. Besides, your Company has also been working on pre-stack seismic data analysis for Gas hydrates characterization/ delineation in part of KGDWN 98/2 Block in KG offshore.

## 13. Oil & Gas Projects

### Projects completed during FY'20

Following eleven major projects (9 development and 2 Infrastructure) costing around ₹ 218,822 Million were completed during the year:

| Sl No | Project Name | Completion Date | Project Cost (₹ in Million) | Oil gain* (MMT) | Gas Gain (BCM) |
|---|---|---|---|---|---|
| ***Development Projects*** | | | | | |
| 1 | NW B-173A Development Plan | 03.05.2019 | 3,655 | 0.76 | 0.213 |
| 2 | Field Development Plan of NELP Block KG-ONN-2003/1-NAGYALANKA-KG ONLAND | 10.09.2019 | 2,850 | 0.83 | 0.343 |
| 3 | Development of BSE-11 Block | 13.10.2019 | 5,442 | 0.57 | 0.568 |
| 4 | 4th Phase Development NBP Field | 03.10.2019 | 11,136 | 2.08 | - |
| 5 | Daman Development Project | 31.10.2019 | 47,972 | 3.811 | 26.93 |
| 6 | MH South Redevelopment Ph-III | 31.03.2020 | 49,539 | 7.547 | 3.864 |
| 7 | Integrated Development of B-127 Cluster Fields(including B-55 field) | 31.03.2020 | 20,209 | 1.992 | 4.68 |
| 8 | Enhanced Recovery of Bassien field through Mukta, Panna formations | 31.03.2020 | 46,549 | 1.729 | 18.83 |
| 9 | Development of B-147 Field | 31.03.2020 | 5,271 | 0.489 | 0.708 |
| **Infrastructure Projects** | | | | | |
| 10 | Assam Renewal Project | 26.12.2019 | 23,842 | - | - |
| 11 | Construction of one ETP and three ETPs with WIPs | 30.11.2019 | 2,357 | - | - |
| | *Total* | | *218,822* | *19.808* | *56.136* |

** Oil gain includes condensate*

**Project under implementation:**

As on 01.04.2020, seventeen major projects were under implementation with a total projected cost of around ₹ 625,925 Million with envisaged oil and gas gain of ~121 MMTOE.

**Projects approved for implementation**

During FY'20, the following three offshore projects were approved for implementation:

1) **Pipeline Replacement Project-VI:** Project was approved on 30.05.2019 with an investment of ₹ 7,639.20 Million. Project envisages laying of 11 pipeline segments in Mumbai High, Neelam & Heera and B&S Assets. The project is expected to be completed by December 2020.

2) **Mumbai High North Redevelopment Phase-IV:** Project was approved on 22.04.2019 with an investment of ₹ 32,288 Million. The scheme envisages one Conventional platform, new living quarter and revamp/ replacement work and drilling of 43 wells. The scheme envisages incremental gain of 4.249 MMT oil and 0.49 BCM gas by March 2035. The project is expected to be completed by March 2022.

3) **Heera Re-development Phase-III Project:** The project was approved on 31.05.2019 with an investment of ₹ 24,947 Million. The scheme envisages installation of two New Well platform (HM & HN), laying nine pipeline segment of total length 48.5 Kms, Top-side modifications at Heera Complex, Neelam Complex and seven well platforms and drilling of 26 wells. The scheme envisages incremental production of 3.06 MMT oil and 5.82 BCM gas by March 2035. The project is expected to be completed by May 2022.

In addition, the Company's mega offshore deep-water project in East Coast i.e. **Cluster-2 Development of KG-DWN-98/2,** was in advanced stage of completion. **First gas achieved on 05.03.2020** after completing tie-back of one Gas Well [U-3-B] to the existing Vashishta facility at water depth of 1,300 meters.

## 14. Financial Highlights:

Your Company earned Profit After Tax (PAT) of ₹ 134,445 Million, down by 49.77% over FY'19 (₹ 267,646 Million - restated) and registered Revenue from Operations of ₹ 962,136 Million, down by 12.26% over FY'19 (₹ 1,096,546 Million).

**Highlights – Standalone Financial Statements**

- Revenue from Operations : ₹ 962,136 Million
- Profit After Tax (PAT) : ₹ 134,445 Million
- Contribution to Exchequer : ₹ 411,019 Million
- Return on Capital Employed : 22.44%
- Debt-Equity Ratio : 0.07:1
- Earnings/ Share : ₹ 10.69
- Book Value/ Share : ₹ 154

| Particulars | ₹ in Million | |
|---|---|---|
| | 2019-20 | 2018-19* |
| Revenue from operations | 962,136 | 1,096,546 |
| Other Income | 61,050 | 72,652 |
| **Total Revenue** | **1,023,186** | **1,169,198** |
| Profit Before Interest Depreciation & Tax (PBIDT) | 467,083 | 579,773 |
| Profit Before Tax (PBT) | 203,687 | 400,291 |
| **Profit After Tax (PAT)** | **134,445** | **267,646** |
| Transfer to General Reserves | 50,094 | 154,362 |

* re-stated figures.

## 15. Change in Share Capital:

There is no change in capital structure of the Company.

## 16. Dividend

Your Company has paid interim dividend of ₹5 per share of ₹5 each (100%) in March 2020 amounting to ₹62,901.40 Million besides ₹12,929.40 Million applicable Dividend Distribution Tax.

The Board of Directors has not recommended any final dividend with a view to conserve cash for investments in business operations.

The Dividend Distribution policy as formulated by the Company, may be accessed at the web link https://www.ongcindia.com/wps/wcm/connect/en/investors/policies.

## 17. Management Discussion and Analysis Report

As per the terms of regulations 34(2)(e) of the SEBI Listing Regulations, the Management Discussion and Analysis Report (MDAR) as appended, forms part of this Report.

## 18. Financial Accounting

The Financial Statements of the Company for FY'20 have been prepared in compliance with the applicable provisions of the Companies Act, 2013 including Indian Accounting Standards (Ind AS) and Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.

The Company has issued two series of Non-Convertible Debentures (NCDs) with issue size of ₹ 5,000 Million and ₹ 10,000 Million on 31.07.2020 and 11.08.2020 respectively. Both series of NCDs have been listed on Bombay Stock Exchange.

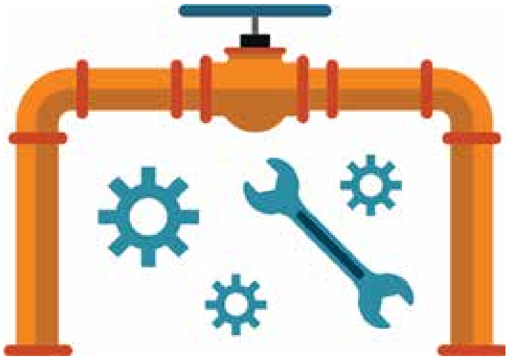
Besides issue of NCDs, there have been no material changes and commitments, which affect the financial position of the Company, which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

## 19. Loans, Guarantees or Investments

Your Company is engaged in Exploration & Production (E&P) business which is covered under the exemption provided under Section 186(11) of the Companies Act, 2013. Accordingly, the details of loans given, investment made or guarantee or security given by the Company to subsidiaries and associates is not reported.

## 20. Details relating to deposits covered under Chapter V of the Act:

Your Company has not accepted any deposit during the year. Further, there was no outstanding deposit and/or unpaid or unclaimed principal amount or interest against any deposit either at the beginning or at the end of FY'20.



## 21. Credit Rating of Securities:

Details of the Credit Ratings of Debt Securities of the Company as on 31.03.2020:

| | | | | |
|---|---|---|---|---|
| 1 | Name of Debt Security | International Bonds (Senior unsecured notes) issued by the Company and subsidiaries which are guaranteed by the Company | International Bonds (Senior unsecured notes) issued by the Company and subsidiaries which are guaranteed by the Company | Commercial Paper up to ₹10,000 crore outstanding at any point of time |
| 2 | Credit Rating obtained | Rating : Baa2 (Negative) [Including for Issuer Rating] | BBB- (Stable) [Including for Issuer Rating] | [ICRA]A1+, CARE A1+ |
| 3 | Name of the credit rating agency | Moody's Investors Service | S&P Global Ratings | ICRA Limited (ICRA), CARE Ratings Limited (CARE) |
| 4 | Date on which the credit rating was obtained | February 2005 and annual surveillance thereon every year. | November 2012 and annual surveillance thereon every year. | ICRA: 18.06.2018 revalidated on 17.09.2018,11.12.2018, 14.03.2019, 18.06.2019, 22.07.2019, 20.11.2019 and 2.03.2020<br>CARE: 25.06.2018 and revalidated on 21.08.2018, 27.12.2018, 22.02.2019, 29.04.2019, 18.06.2019, 20.09.2019, 17.01.2020, 25.02.2020 and 21.03.2020. |
| 5 | Revision in the credit rating | Yes, foreign currency rating and Local issuer Rating is downgraded from Baa1 to Baa2. | Not Applicable | Not Applicable |
| 6 | Reasons provided by the rating agency for a downward revision, if any | Due to increasing uncertain oil price environment, Company's depleted cash reserves and government guidelines that constrains state-owned enterprises' ability to lower dividends, Company's baseline credit assessment (BCA) and ratings are materially challenged at the previous rating level and its credit profile insufficient to remain above India's Baa2 sovereign rating. The rating outlook is negative in line with the outlook on India's sovereign rating. | Not Applicable | Not Applicable |

Note: Pursuant to downgrade of India's sovereign rating from Baa2 to Baa3 on 01.06.2020, Moody's Investor Services had downgraded Company's local and foreign currency issuer and issue rating from Baa2 to Baa3 on 02.06.2020.

**22. Investor Education and Protection Fund (IEPF)**

Details of transfer of unclaimed dividends and eligible shares to IEPF have been placed in the Corporate Governance Report, which forms part of this Annual Report.

**23. Related Party Transaction**

Particulars of contracts or arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013, is provided in specified Form AOC-2, and placed at ***Annexure-A.***

**Brief details about subsidiaries/ Associates and Joint Ventures:**

**Subsidiaries:**

**a) ONGC Videsh Limited**

ONGC Videsh Ltd (OVL/ONGC Videsh), the wholly-owned subsidiary of your Company for carrying on E&P activities outside India, has participation in 37 oil and gas projects in 17 countries, viz. - Azerbaijan (2 projects), Bangladesh (2 Projects), Brazil (2 projects), Colombia (7 projects), Iran (1 project), Iraq (1 project), Israel (1 project), Kazakhstan (1 project), Libya (1 project), Mozambique (1 Project), Myanmar (6 projects), Russia (3 projects), South Sudan (2 projects), Syria (2 projects), UAE (1 project), Venezuela (2 projects) and Vietnam (2 projects). In FY'20, OVL exited from 4 projects, viz., GNPOC and Sudan Pipeline Project, Sudan, PEL-0037, Namibia, and PEP57090, New Zealand. Exploratory Blocks GUA OFF-2, RC-9 & RC-10 in Colombia, and Satpayev in Kazakhstan are under relinquishment and OVL plans to exit exploratory block LLA69 in Colombia during FY'21.

Out of these 37 projects, OVL is the Operator in 13 projects, Joint Operator in 6 projects and in remaining 18 projects it is non-operator. OVL has a combination of 14 producing, 4 discovered/ under development, 16 exploration projects and 3 pipeline projects. OVL's share in production of oil and oil equivalent gas (O+OEG) is provided under the heading 'Production from Overseas Assets by OVL' in para 7 above.

Gross consolidated revenue of OVL for FY'20 was ₹ 1,55,383 Million (against ₹ 1,46,320 Million) and registered ₹ 4,540 Million as PAT during FY'20 as against ₹ 16,823 Million during FY'19. The decrease in profit is mainly on account of lower crude oil price realization and impairment provisions.

**Significant Funding activities**

5 year Notes of USD 750 Million which were due for redemption in July 2019, were duly redeemed by raising a syndicated loan facility of USD 500 Million from international commercial banks and the balance requirements were sourced from internal accruals. 8.54% Unsecured Non-Convertible redeemable Bonds in the nature of Debentures issued for value aggregating ₹ 3,700 Million which were listed on National Stock Exchange were duly redeemed on 06.01.2020. Further, OVL refinanced USD 1,000 Million during March 2020 out of USD 1,775 Million falling due in November 2020.

**Memorandum of Understanding (MoU)**

Eastern Cluster Cooperation Agreement (ECCA) was signed on 17.09.2019 between Rosneft, Russia and Indian Consortium consisting of OVL, BPRL, IOCL and OIL to widen the scope of cooperation between India and Russia in E&P sector.

**Significant events in the area of Exploration & Operations:**

**1.** OVL achieved the highest ever production of 14.981 MMTOE in FY'20.

**2. ACG, Azerbaijan:**

The execution of Azeri Central East project, involving engineering, fabrication and installation of processing and drilling rig platform, commenced in April 2019. The project is scheduled to deliver first oil in the year 2023 and envisages cumulative incremental production of 300 Million Barrels (MMBBLS).

**3. Sakhalin 1 , Russia**

- During FY'20, Sakhalin-1 Consortium decided to build 6.2 MMT/year Russian Far East LNG plant as a part of Chayvo Phase-2 gas development. Phase 2 development envisages monetizing huge gas reserves, in excess of 6 Trillian Cubic Feet (TCF), pending for long due to lack of suitable monetization option.

- During FY'20, Sakhalin-1 project achieved highest ever yearly average production of 258.5 Thousand Barrels of Oil Per Day (KBOPD).

**4. Rovuma Area-1, Mozambique :**

- Area 1 Concessionaires have taken Final Investment Decision (FID) for the initial two-train Golfinho/Atum Project on 18.06.2019.

- Area-1 has executed LNG Sale Purchase Agreements (SPAs) for a significant volume.

- Area-1 consortium obtained First Mover status with approval of the Shared Facilities Construction Proposal from Government of Mozambique (GoM) on 20.03.2019. This enables Area-1 to lead the construction of the onshore facilities shared by Area-1 and Area-4.

**5. GPOC, South Sudan:** First oil achieved from El-Nar and El-Toor field of Block 1, 2 & 4 on 30.04.2019 and 30.05.2019 respectively.

**6. SPOC, South Sudan:** Block 5A Exploration and Production Sharing Agreement (EPSA) extension has been offered by Government of South Sudan up to the year 2037 along with the extension of exploration period for 54 months i.e. till July 2024. The resumption activities are underway in the field, while execution of addendum to EPSA is awaited.

**7. CPO-5, Colombia:** The Block is currently producing from two wells. Further 3D seismic API and drilling of exploration and appraisal wells has been planned.

**8. BM SEAL-4, Brazil :**

- Two wells were drilled during the year, and initial results are encouraging. Further studies are in progress.

- The first well MB-2 encountered oil and gas and during Testing (DST), the well flowed approx. 600,000 $m^3$/d of gas and 475 $m^3$/d of condensate. The second well MB-9, additional exploratory well over MWP, encountered oil & water in different sand columns. Currently, all discoveries made in Moita Bonita PAD are being evaluated by Operator for an Integrated Development Project.

**9. A1 and A3 Myanmar:**

- Under new Exploration Program in Block A-3, drilling of 3 exploratory wells commenced on 24.11.2019.

- Drilling of first well Kissapanadi was completed on 26.12.2019, with insignificant gas show.

- Second well, Mahar-1 has been established as a new gas discovery with an estimated gas in place (GIIP) of 1,056 billion cubic feet/BCF (2C). The well flowed gas at 38 MMSCFD (Million standard cubic feet per day) with 12 m net pay interval.

- Drilling of third exploratory well **Yan Aung Myin-1** was completed on 04.04.2020, with insignificant gas show.

**10. Block 06.1, Vietnam:**

- Drilling of exploratory well PLDCC-1X-ST1 has achieved success with the discovery of Permeable Low-Density Cellular Concrete (PLDCC) field. Plan is in progress for drilling of an appraisal well in 2020.

- PSC Extension for the block 06.1, in view of discovery in PLDCC, is under process.

**Direct Subsidiaries and Joint Ventures of OVL:**

i. **ONGC Nile Ganga B.V. (ONGBV):** ONGBV, a subsidiary of OVL, is engaged in E&P activities directly or through its subsidiaries/ JVs in Sudan, South Sudan, Syria, Venezuela, Brazil and Myanmar. ONGBV holds 25% Participating Interest (PI) in Greater Nile Oil Project (GNOP), Sudan with its share of oil production of about 0.097 MMT during FY'20. OVL has exited from GNOP Sudan w.e.f 31.08.2019. ONGBV also holds 25% PI in Greater Pioneer Operating Company (GPOC), South Sudan. Production from GPOC, South Sudan resumed on 25.08.2018 after prolonged shutdown since December 2013 and produced 0.564 MMT in FY'20.

   ONGBV holds 16.66% to 18.75% PI in four Production Sharing Contracts in Al Furat Project (AFPC), Syria. Due to force majeure conditions in Syria, there was no production in AFPC project during FY'20. ONGBV holds 40% PI in San Cristobal Project in Venezuela through its wholly owned subsidiary ONGC Nile Ganga (San Cristobal) BV with its share of oil & oil equivalent gas production of about 0.175 MMTOE during FY'20. ONGBV holds 27% PI in BC-10 Project in Brazil through its wholly owned subsidiary ONGC Campos Ltd. with its share of oil and oil equivalent gas production of about 0.577 MMTOE during FY'20. It also holds 25% PI in Block BM-SEAL-4 located in deep-water offshore, Brazil through its wholly owned subsidiary ONGC Campos Ltda. ONGBV also holds 8.347% PI in South East Asia Gas Pipeline Co. Ltd., (SEAGP) for onshore Pipeline project, Myanmar through its wholly owned subsidiary ONGC Caspian E&P B.V.

ii. **ONGC Narmada Limited (ONL):** ONL has been retained for acquisition of future E&P projects in Nigeria.

iii. **ONGC Amazon Alaknanda Limited (OAAL):** OAAL, a wholly-owned subsidiary of OVL, holds stake in E&P projects in Colombia, through Mansarovar Energy Colombia Limited (MECL), a 50:50 joint venture company with Sinopec of China. During FY'20, OVL's share of oil and oil equivalent gas production in MECL was about 0.419 MMTOE.

iv. **Imperial Energy Limited (IEL):** IEL, a wholly-owned subsidiary of OVL incorporated in Cyprus, has its main activities in the Tomsk region of Western Siberia, Russia. During FY'20, Imperial Energy's oil and oil equivalent gas production was about 0.241 MMTOE.

v. **Carabobo One AB:** Carabobo One AB, a subsidiary of OVL incorporated in Sweden, indirectly holds 11% PI in Carabobo-1 Project, Venezuela. During FY'20, OVL's share of oil and oil equivalent gas production was about 0.094 MMTOE.

vi. **ONGC BTC Limited:** ONGC BTC Limited holds 2.36% interest in the Baku-Tbilisi-Ceyhan Pipeline ("BTC") which owns and operates 1,768 km oil pipeline running through Azerbaijan, Georgia and Turkey. The pipeline mainly carries crude oil from the ACG fields from Azerbaijan to the Mediterranean Sea.

vii. **Beas Rovuma Energy Mozambique Limited (BREML):** BREML was incorporated in British Virgin Islands (BVI) and has been migrated to Mauritius w.e.f. 23.01.2018. OVL holds 60% shares in BREML and the balance 40% are held by Oil India Ltd. BREML holds 10% PI in Rovuma Area 1, Mozambique.

viii. **ONGC Videsh Atlantic Inc. (OVAI):** OVL has setup a Geological and Geophysical (G&G) Centre at Houston, USA through its wholly owned subsidiary ONGC Videsh Atlantic Inc. The Centre caters to requirement of G&G studies for potential new acquisitions of OVL including G&G studies of its existing portfolio of projects.

ix. **ONGC Videsh Rovuma Limited, Mauritius:** ONGC Videsh Rovuma Limited a wholly owned subsidiary of OVL was incorporated in Mauritius for re-structuring the 10% PI in Rovuma Area 1, Mozambique.

x. **ONGC Videsh Rovuma Limited, India:** OVL transferred its entire 10% PI in Rovuma Area-1 to its wholly owned subsidiary ONGC Videsh Rovuma Limited, incorporated in India, on 01.01.2020.

xi. **ONGC Videsh Singapore Pte. Ltd.:** This company was incorporated by OVL on 18.04.2016 in Singapore for acquisition of shares in Vankorneft, Russia, through its subsidiary ONGC Videsh Vankorneft Pte Limited (OVVL). OVVL holds 26% shares in Vankorneft, Russia and its share of production during FY'20 was 4.981 MMTOE.

xii. **Indus East Mediterranean Exploration Ltd.:** Indus East Mediterranean Exploration Limited, a wholly owned subsidiary of OVL was incorporated in Israel on 02.02.2018 and engaged in E&P activities related to Block-32, Offshore Israel.

xiii. **ONGC Mittal Energy Limited (OMEL):** OVL along with Mittal Investments Sarl (MIS) promoted OMEL, a joint venture company incorporated in Cyprus. OVL and MIS together hold 98% equity shares of OMEL in the ratio of 49.98:48.02, remaining 2% shares are held by SBI Capital Markets Ltd. OMEL also holds 1.20% of the issued share capital of ONGBV by way of Class-C shares issued by ONGBV exclusively for Syrian Assets and is being financed by Class-C Preference Shares issued by ONGBV.

xiv. **SUDD Petroleum Operating Company:** SUDD Petroleum Operating Company (SPOC), a Joint Operating Company incorporated in South Sudan to operate in Block 5A, South Sudan in which OVL, Petronas and Nilepet of South Sudan holds 24.125%, 67.875% and 8% PI respectively. Block 5A is located in the prolific Muglad basin and is spread over an area of about 20,917 SKM.

xv. **MozLNG1 Holding Company Ltd:** The MozLNG1 Holding Company Ltd incorporated at Abu Dhabi Global Market (ADGM), UAE by the Area-1 Concessionaires with shareholding in proportion to the PI holding in Area-1 Concession Contract as part of the Area 1 Project Finance Structure for the initial two train LNG development. OVL and BREML, as Concessionaires in Area 1 Concession Contract, each holds 10% shareholding in MozLNG1 Holding Company Ltd. The MozLNG1 Holding Company Ltd owns 100% shares of Mozambique LNG1 Company Pte Ltd incorporated at Singapore for Marketing and Shipping activities and Moz LNG1 Financing Company incorporated ADGM for project financing activities.

xvi. **Falcon Oil & Gas B.V. (FOGBV):** FOGBV was incorporated in Netherlands on 02.02.2018. OVL's wholly owned subsidiary ONGBV holds 40% shares in FOGBV, IOC and BPRL holds 30% shares each though their respective Dutch subsidiaries. FOGBV holds 10% PI in Lower Zakum Concession for a period of forty years with effect from 09.03.2018. During FY'20, OVL's share of oil production was about 0.800 MMT.

**b) Hindustan Petroleum Corporation Limited (HPCL)**

Your Company holds 51.11% stake in HPCL, a Schedule 'A', Maharatna, and listed entity. HPCL owns and operates 2 major refineries – one at Mumbai (7.5 Million metric tonnes per annum - MMTPA) and the other one at Visakhapatnam (8.3 MMTPA). It also owns and operates the largest Lube Refinery in the country with a capacity of 428 TMT (thousand metric tonne). It has second largest share of product pipelines in India with a network of more than 3,370 Kms.

During FY'20, HPCL refineries achieved combined refining throughput of 17.18 Million Metric Tonnes (MMT) with capacity utilization of 109%. Both the Refineries were up-graded to produce BS VI compliant transportation fuels and BS VI grade petrol (Motor spirit-MS) and high speed diesel (HSD) were produced and distributed Pan India basis as per the timelines stipulated by Government of India. Mumbai Refinery achieved highest ever LOBS (Lube Oil Base Stock) production with 478 TMT. Vizag refinery has started the production of VLSFO (Very Low Sulphur Fuel Oil of Sulphur less than 0.5%) to meet the regulatory requirement of MARPOL (Marine Pollution) Protocol. Lower Refinery throughput during FY'20 (compared to FY'19 throughput of 18.44 MMT) was mainly due to planned shutdowns required for upgradation of the refineries for BS VI fuel and revamps of secondary units at Vishakhapatnam Refinery to cater to upcoming new primary processing units in Visakh Refinery Modernization Project (VRMP), a brown field expansion of the refinery at Visakhapatnam.

HPCL achieved combined Gross Refining Margin of USD1.02 per barrel during the year as compared to USD 5.01 per barrel during FY'19. Gross refining margins (GRMs) were lower in comparison to FY'19 mainly due to inventory losses and reduced cracks in Diesel, Liquefied Petroleum Gas (LPG) and Fuel Oil.

During FY'20, HPCL achieved the highest ever sales volume of 39.6 MMT compared to FY'19 sales of 38.7 MMT. Domestic sales of Petrol increased by 4.7% compared to FY'19 while LPG sales grew by 7.3 per cent.

HPCL commissioned record number of 1,194 new retail outlets and 245 new LPG distributorships during FY'20 taking the number of total retail outlets to 16,476 and LPG distributors to 6,110 as on 31.03.2020. With its thrust on natural gas as a new line of business, HPCL has commenced CNG sales at 476 outlets. Construction activities at Chhara LNG gasification terminal are in progress. HPCL is also participating in cross country natural gas pipelines in Joint venture with other companies.

Revenue from operations of HPCL for FY'20 was ₹ 2,874,169 Million (against ₹ 2,969,463 Million) and registered ₹ 26,373 Million as PAT during FY'20 as against ₹ 60,287 Million during FY'19. Decrease in PAT was mainly because of impact of inventory losses due to sharp fall in crude prices and exchange rate fluctuations. For FY'20, HPCL has proposed a final dividend of ₹ 9.75 per share.

**Direct Subsidiaries of HPCL**

**i. Prize Petroleum Company Limited**

Prize Petroleum Company Ltd (PPCL) is a wholly owned subsidiary of HPCL. PPCL is the upstream arm of HPCL and is in the business of Exploration and Production (E&P) of Hydrocarbons as well as providing services for management of E&P blocks.

**ii. HPCL Bio Fuel Limited**

HPCL Biofuels Ltd (HBL) is a wholly owned subsidiary of HPCL. The company was incorporated on 16.10.2009 as a backward integration initiative to foray into manufacture of ethanol. HPCL Biofuels Ltd. (HBL) is a wholly owned subsidiary company of

HPCL. HBL was promoted as a backward integration initiative to enable HPCL's foray into manufacturing of Ethanol for blending in Petrol. HBL presently has two integrated Sugar-Ethanol-Cogeneration plants at Sugauli and Lauriya in the state of Bihar.

### iii. HPCL Rajasthan Refinery Limited

HPCL Rajasthan Refinery Ltd. (HRRL) is a joint venture of HPCL and Government of Rajasthan with 74% equity participation by HPCL and balance 26% by Government of Rajasthan. HRRL is setting up a 9 MMTPA capacity Greenfield refinery cum petrochemical complex in the state of Rajasthan. HPCL and the Government of Rajasthan entered into a revised Memorandum of Understanding on 18.04.2017 for the construction of the said Refinery with revised parameters. The revised Joint Venture Agreement was signed on 17.08.2017.

### iv. HPCL Middle East FZCO

HPCL Middle East FZCO, a 100% Subsidiary of HPCL was incorporated on 11.02.2018 as a free zone company under Dubai Airport Free Zone and Establishment Card was issued on 22.03.2018. The company, established for trading of lubricants, greases, petrochemicals and refined petroleum products, commenced its operations thereby supplying HP Lubricants to 11 Countries.

### c) Mangalore Refinery and Petrochemicals Limited (MRPL)

Your Company holds 71.63 % equity stake in MRPL, a Schedule 'A' Mini Ratna company and listed entity, which is a single location 15 MMTPA Refinery. Further, HPCL, another subsidiary of your Company, also holds 16.96% in MRPL.

MRPL's refinery is established with a versatile design with complex secondary processing units and a high flexibility to process Crudes of various API, delivering a variety of quality products. Refining throughput of MRPL during FY'20 was lower at 14.14 MMT, against 16.43 MMT during FY'19, mainly due to unprecedented water scarcity faced during first quarter and minor landslide during second quarter of operation, aftermath of the intensified monsoon. This culminated in negative GRM of USD 0.23/bbl for FY'20 (USD 4.06/bbl during FY'19).

FY'20, Financial Performance: In stressed global market conditions, MRPL registered a standalone turnover of ₹ 6,07,515 Million (₹ 7,23,151 Million in FY'19) and recorded Net Loss of ₹ 27,076 Million (against Net Profit of ₹ 3,320 Million in FY'19). GRM for MRPL was negative at USD 0.23/bbl (against positive USD 4.06/bbl during FY'19). The primary reason for reduction in GRM/ profitability were disruptions in operations due to water shortage during Q1, landslide inside refinery during Q2 and impact of COVID in the last quarter.

### Subsidiary of MRPL

#### ONGC Mangalore Petrochemicals Limited (OMPL)

ONGC Mangalore Petrochemicals Limited (OMPL), is a subsidiary of MRPL holding 51% and the balance 49% is held by your Company. OMPL has set-up Aromatic Complex with an annual capacity 914 Thousand Tons Per Annum (KTPA) of Para-xylene and 283 KTPA of Benzene in Mangalore Special Economic Zone (MSEZ) as a value-chain integration project aligning with MRPL's operations. OMPL has introduced a new product, viz., Paraffinic Raffinate in the export market and started sale of Heavy Aromatics in domestic market. Performance of OMPL during FY'20 was severely affected due to unprecedented fall in International prices of Para-Xylene and Benzene owing to various factors like Capacity additions in China, Crude volatility and US-China Trade issues etc. OMPL maintained excellent safety record of zero LTI

(Lost time Injury) consistently during past 4 years.

d) **Petronet MHB Limited (PMHBL)**

During FY'20 your Company along with its subsidiary HPCL acquired additional 34.56% shares of PMHBL and post-acquisition both, your Company and HPCL, are maintaining the equal share holding as increased at 49.99%. This acquisition resulted better cost economics, revenue maximization and better synergetic opportunities for ONGC group.

PMHBL owns and operates a 362 kilometer (KM) multi-product pipeline to transport of MRPL's products from Mangalore to the hinterland of Karnataka. Total throughput of PMHBL for FY'20 was 2.93 MMT against 3.36 MMT in FY'19.

**Associates and Joint Ventures:-**

e) **ONGC Petro additions Limited (OPaL)**

OPaL is a mega petrochemical project established in Dahej SEZ and incorporated on 15.11.2006 for utilizing in-house production of C2-C3 and Naphtha from Hazira and Uran units of the Company. Total project cost of OPaL was ₹ 308,260 Million. Your Company, GAIL and GSPC holds 49.36%, 49.21% and 1.43% of equity shares of OPaL respectively.

OPaL was commissioned in 2016-17 and has been ramping up its production in phases. OPaL has established itself in domestic/ export market with sale of prime grade products. OPaL operated at average 88% capacity in FY'20; and aggregated more than 1.6 Million Tones of polymer and chemical sales.

OPaL has obtained Food Grade approvals for all polymer grades as per US-FDA, EU and Indian standard. OPAL has also obtained RoHS-III approval for all these polymer grades as per EU directive. During the year, much awaited Hazira Dahej Naphtha Pipeline was commissioned which will reduce the feed cost to OPaL and increase the profitability.

Total Income of OPaL during FY'20 was ₹ 102,071 Million (against ₹ 97,854 Million in FY'19) and posted loss after tax of ₹ 20,897 Million (₹ 14,203 Million during FY'19).

f) **ONGC Tripura Power Company Limited (OTPC)**

OTPC was incorporated on 27.09.2004 as a joint venture of your Company. Currently your Company holds (50%) along with the Government of Tripura (0.5%) and IL&FS Energy Development Co. Ltd. (IEDCL - an IL&FS subsidiary) (12.03%); IL&FS Finance (13.79%) and Global Infrastructure Partner 23.5%.

OTPC has a 726.6 MW gas based Combined Cycle Power Plant at Palatana, Tripura with two generating units with equal capacity. The basic objective of the project is to monetize idle gas assets of the Company in landlocked Tripura State and to boost exploratory efforts in the region. Power evacuation for both the units is done through 663 KM long 400 KV double circuit transmission network by North-East Transmission Company Limited (NETC), a joint venture of Power Grid Corporation, OTPC and Governments of the North-Eastern states. Average Plant load factor (PLF) for FY'20 was 61%; mainly due to shut down of one unit for about six months.

Total Income of OTPC during FY'20 was ₹ 12,765 Million (against ₹ 14,558 Million in FY'19) and PAT was ₹ 705 Million (against ₹ 2,139 Million during FY'19).

g) **ONGC TERI Biotech Limited (OTBL)**

OTBL is a JV formed and incorporated on 26.03.2007 by your Company (49.98%) along with The Energy Research Institute (TERI) (48.02%) and the balance 2% shares are held by individuals. OTBL has developed various Biotechnical Solutions for oil and gas Industry through collaborative researches involving the Company and TERI. These technologies include Bioremediation, Paraffin Degrading Bacteria (PDB), Wax Deposition Prevention (WDP) and Microbial Enhanced Oil Recovery (MeOR) which are being provided to oil and gas industries both in India and abroad.

Total Income of OTBL during FY'20 was ₹ 262 Million (against ₹ 245 Million in FY'19) and PAT was ₹ 75 Million (₹ 67 Million during FY'19).

**h) Dahej SEZ Limited (DSL)**

DSL, a 50:50 JV of the Company along with Gujarat Industrial Development Corporation, was formed and incorporated on 21.09.2004 for establishing a multi-product SEZ at Dahej. Your Company has set up C2-C3 Extraction Plant as a value-chain integration project in this SEZ, which serve as feeder unit to ONGC Petro-additions Limited, JV of your Company.

Revenue from Operations of DSL during FY'20 was ₹ 649 Million (compared to ₹ 578 Million in FY'19) and PAT was ₹ 461 Million (against ₹ 330 Million during FY'19).

**i) Mangalore SEZ Limited (MSEZL)**

MSEZ is a Special Economic Zone promoted by the Company with an equity stake of 26% along with KIADB (23%), IL&FS (50%), OMPL (0.96%) and KCCI (0.04%). MSEZ, was set up and incorporated on 24.02.2006 for development of necessary infrastructure to facilitate and locate industrial establishments including OMPL. MSEZ is operational since April 2015.

Total Revenue of MSEZL during FY'20 was ₹ 1,741 Million (against ₹ 2,068 Million in FY'19) and loss after tax of ₹ 316 Million (PAT ₹ 24 Million during FY'19).

**j) Pawan Hans Limited (PHL)**

PHL, an Associate of the Company, with 49% holdings, was formed with the Government of India holding remaining 51% of the capital, primarily for catering to the logistic requirements of offshore and other remote area oil fields. PHL is a Mini Ratna-I Category PSU, having fleet of 43 helicopters. The Government of India is in the process of identifying a strategic investor for its entire holding and hence, your Company has also decided to exit PHL along with the Government.

**k) Petronet LNG Limited (PLL)**

Petronet LNG Limited (PLL), a JV of the Company, which was incorporated on 02.04.1998 with 12.50% equity holding along with identical stakes held by other Oil PSU co-promoters viz., IOCL, GAIL and BPCL, is a listed Company. PLL, one of the fastest growing world-class companies in the Indian energy sector, has set up the country's first LNG receiving and regasification terminal at Dahej, Gujarat, and another terminal at Kochi, Kerala. While the plant at Dahej terminal has 17.5 MMTPA capacity, the Kochi terminal has capacity of 5 MMTPA.

PLL has recorded total Revenue of ₹ 355,620 Million during FY'20 as compared to ₹ 383,954 Million in the previous year. Further, PAT of PLL was ₹ 27,609 Million in FY'20 as compared to ₹ 22,306 Million in FY'19. PLL has proposed a final dividend of ₹ 7 per share for FY'20.

**l) Indradhanush Gas Grid Limited (IGGL)**

Your Company has subscribed 20% equity capital in IGGL, a JV company along with IOCL, GAIL, OIL and NRL, formed and incorporated on 10.08.2018 for the purpose of laying 1,656 KM pipeline covering north-east states with a Capex of ₹ 92,650 Million. IGGL has initiated the project related activities. MoPNG has already approved Viability Gas Funding (VGF) of ₹ 55,590 Million which is 60% of the project cost.

Total Income of IGGL during FY'20 was ₹ 17 Million (against ₹ 6 Million in FY'19) and the net loss during the year stood reduced at ₹ 53 Million (₹ 121 Million during FY'19).

**m) Rohini Heliport Limited (RHL):**

Your Company has subscribed 49% equity capital in Rohini Heliport Limited with Government of India's stake as 51%, RHL is a mirror company of Pawan Hans Limited incorporated on 07.01.2019 for enabling disinvestment of PHL.

**n) Companies Which Have Become/ Ceased To Be Company's Subsidiaries, Joint Ventures And Associates Companies during FY'20**

a) Companies which has become subsidiaries: NIL.

b) Companies which has ceased to be subsidiaries: NIL.

c) Companies which has become a joint venture or associate: NIL.

d) Companies which has ceased to be a joint venture or associate: NIL.

## 24. Start-up Initiative

'ONGC Start-up Fund' (the Fund) was initiated with ₹ 1,000 Million on the 60th foundation day of the Company (on 14.08.2016) towards fostering, nurturing and incubating new ideas related to energy sector and to promote entrepreneurship among young Indians. Through the Fund, your Company intends to create an ecosystem that is conducive for growth of Start-ups having technology-enabled ideas in the energy sector.

The Fund provides support measures such as seed capital, hand-holding, mentoring, market linkage and follow-ups, through engagement with selected Start-Ups, in collaboration with SINE of IIT Bombay and L-Incubator of IIM-Lucknow (Incubators).

The Fund periodically invites application for support from budding Start-ups. Seven proposals for investments aggregating to ₹ 315 Million have been firmed, out of which ₹ 210 Million has been disbursed. There are several proposals from many Start-ups seeking funding support which are at different stages of evaluation and due-diligence for investment.

**Solar Chulha Initiative**

Your Company also supported installation of 86 solar electric Chulhas and 5 solar thermal Chulhas in Betul village in Madhya Pradesh, as a pilot project. These Chulhas are working efficiently and the villagers have migrated to these newly installed Chulhas for their domestic purposes.

## 25. Health, Safety and Environment (HSE)

Being a high risk industry, safety of employees is the top-most priority of your Company. Hydrocarbon Exploration & Production (E&P) operations are being carried out in varied climatic regions ranging from deserts to coastal areas, hilly terrains to forests, shallow to deep water and also in ultra-deep water areas. E&P activities often interact with the ecosystems and may have physicochemical and bio-geochemical impact on the surrounding Environment. Your Company, being a responsible Corporate makes all efforts for protection and preservation of Environment.

The Company has a robust HSE Policy including e-Waste Policy in line with the existing rules, regulations and guidelines. Your Company has established a dedicated Institute, viz. Institute of Petroleum Safety, Health and Environment Management (IPSHEM) at Goa, for research and development in the field of Health, Safety and Environment Management apart from conducting training programs.

Your Company takes all the requisite measures to minimize the impact of E&P activities on the environment by adoption of clean technologies for gaseous emissions, liquid effluent and solid waste generated out of its operations. Your Company has implemented globally recognized

Quality, Health, Safety and Environment (QHSE) Management System conforming to requirements of QHSE Certifications ISO 9001, ISO 14001 and ISO 18001 (OHSAS) and certified by reputed agencies for Occupational Health and Safety Assessment Series at all the operational units. Corporate guidelines on online incident reporting, investigation and compliance of audit observations have been developed and implemented for maintaining uniformity throughout the organization in line with the best international practices.

**HSE Highlights**

**Internal Safety Audits and External Safety Audits**

To check the conformity of activities and processes with the existing HSE management systems as well as to prevalent rules, regulations, guidelines and standards, regular internal audits are being conducted by multi-disciplinary teams of the Company. During the year, Internal Safety Audits were conducted at 266 Installations. In addition, external safety audits are conducted periodically by Oil Industry Safety Directorate (OISD) and the Directorate General of Mines Safety (DGMS).

OISD conducts Safety Audits on regular basis. During FY'20, 55 Safety Audits/ Surprise Safety Audits and 2 Pre-Commissioning Audits were conducted by OISD. Compliance status for the observations raised by OISD as on 31.03.2020 was 94.05 per cent.

DGMS is a Regulatory Agency under the Ministry of Labour and Employment, Government of India in matters pertaining to occupational safety, health and welfare of persons employed in mines including oil-mines. It carries out periodic inspections of onshore facilities of the Company. During FY'20, DGMS carried out inspections at 143 Installations. Compliance status for the contraventions raised by agency as on 31.03.2020 was 97.69%.

Concerted efforts are being made to liquidate Safety Audit Recommendations within the stipulated timelines. Expected date of completion for compliance of audit observations is firmed up based on the criticality and volume of work involved. Suitable compensatory safety measures are put in place till the audit observations are complied with.

**Waste Water Management:** Your Company monitors the usage of waste water and maintains the quality of effluent discharged conforming to statutory requirements specified for discharge of treated effluent at surface/ subsurface. The Company has 32 number of Effluent Treatment Plants across onshore work centers to treat approx. 92,710 $m^3$/day of waste water produced during E&P operations. For Offshore effluent treatment, Produced Water Conditioners have been installed at process platforms. Sewage Treatment Plants for treatment of sewage water generated are also provided at offshore facilities.

**Solid Waste Management:** For environmentally safe disposal of oily waste, OTBL has developed specialized patented technology for bioremediation of oily sludge/oil contaminated soil. The technology uses a consortium of Hydrocarbon degrading bacteria which reduces the Total Petroleum Hydrocarbons levels in waste/soil to less than 1 per cent. During FY'20, 65,225 Metric Tones of oily sludge/oil contaminated waste has been bio-remediated.

**Environmental Clearances:** During the year FY'20, your Company received 10 environment clearances (ECs) from Ministry of Environment, Forest and Climate Change (MoEFCC) for carrying out exploration, development and production activities in 77 fields in onshore and offshore areas. Approvals were also accorded for drilling of 302 exploratory and 6 development wells, setting up of a Central Processing Facility, Deen Dayal Development project in KG Offshore and Expansion of Onshore Gas Terminal and Central Processing Plant in KG Offshore.

Regular interactions with Forest officials of Central and State Governments followed by their field visits to the Company's operational sites at Jorhat and Damoh resulted in issuance of new Guidelines dated 30.09.2019 by MoEFCC simplifying the procedures for carrying out seismic surveys and exploratory drilling in forest areas and resulting in substantial savings of resources and time for E&P industry

Since 2013, your Company has been accredited by Quality Council of India (QCI) – National Accreditation Board for Education & Training (NABET) as an EIA Consultant Organization which is a prerequisite for preparing EIA reports for accord of ECs by MoEFCC. The Company has been reaccredited third time in a row with validity extending up to 26.05.2021. The accreditation is beneficial in securing the ECs for Company's projects.

**Other Initiatives:**

- An ambitious awareness campaign implemented during FY'20 on **Ten Safety Rules** has been carried out at all installations in which 10,789 personnel participated. In addition, 52,500 personnel have participated since its launch during FY'17.

- HSE Index, introduced during FY'18, for benchmarking installations on various parameters like detection and suppression system, environment parameters, evacuation systems, and equipment integrity, has been implemented at all work centres.

- Regular Mock drills are being conducted at installations/rigs to check the efficacy of preparedness against defined emergency scenarios. During FY'20, nearly 13,000 mock drills were conducted.

- Mines Vocational Training - MVT is being imparted to both the Company employees and contract personnel through 10 in house training centres. During FY'20, 4,110 personnel (1,035 Company Employees and 3,075 Contractual Personnel) were trained.

- In order to enhance the safety standards as well as ensure proactive measures, your Company has taken a unique initiative of issuing Predictive Safety Alerts using data analytics. Analysis of past accidents data, near misses and audit observations for the last five years is carried out and correlated to publish predictive safety alerts based on which Installations are advised about the potential risks and the mitigation measures in order to minimise the risks.

- Safety Alert is a brief guidance material that highlights an incident or unsafe practice and outlines the required action to prevent their occurrence. The information is disseminated to stakeholders for evaluation and taking appropriate action. Such alerts are regularly uploaded on Company's internal portal ongcreports.net for wider circulation and awareness among those involved in operations along with Safety Advisories for generic audit observations and their compliances to help improve the safety measures.

- Your Company renewed the agreement entered with OTBL on 08.05.2019 for further ten years for Bioremediation of Oily Wastes and other Microbial techniques for enhanced Oil recovery at various work centre of the Company.

- Your Company is a participant member of Oil Spill Response Limited (OSRL), UK for availing Tier-III Oil Spill Response services. During FY'20, Annual Preparedness Review was organized with OSRL on 21.01.2020 at Mumbai which was attended by participants from Offshore Assets.

- World Environment Day was celebrated on 05.06.2019 on the United Nations Environment Program (UNEP) Theme - Air Pollution, at all work centres of the Company. At the registered office of the Company, a talk by Director General of the Centre of Science and Environment and leading environmentalist, Padmashree Ms. Sunita Narain was organized.

- An e-book titled "Connecting with the Biodiversity of ONGC" was released, based on information collected during baseline studies for EIA of the E&P projects of operational areas of the Company. The book is a repository of natural sights, forest, land pastures and water bodies and also the various species of flora and fauna which include endangered and near threatened species. This repository basically aims to create awareness/sensitization by sharing information which would be useful for all the inhabitants of the Company's operational areas.

- Your Company showcased its efforts on Bio-diversity Conservation at the 13th Conference of Parties of the Convention on migratory species on the theme "Migratory species connect the planet and together we welcome them home", under the aegis of United Nations Environment Programme, hosted by India during 17.02.2020 to 22.02.2020 at Gandhinagar, Gujarat in which 129 countries participated. As an exhibitor, your Company showcased efforts for Bio-diversity conservation and future conservation action plan of the migratory species. "Green Hub project" sponsored by the Company was also showcased wherein youth from across North East India were trained in wildlife videography who are currently engaged in various assignment related to conservation of biodiversity and documentation.

## 26. Carbon Management and Sustainable Development

**Clean Development Mechanism (CDM):**

Climate change and global warming arising out of human activities is the biggest concern globally. Meeting the challenges require proactive innovative solution to sustain economic activities with minimal impact on environmental systems. So far the Company has registered 15 CDM projects with the United Nations Framework Convention on Climate Change (UNFCCC) under the Kyoto protocol, demonstrating its commitment towards protection of our environment and sustainable development. During FY'20, following three new projects are under validation process for registration as CDM projects:

- 5 MW solar power project at Ankleshwar,
- 1 MW solar power project at IPSHEM-Goa, and
- Rooftop solar power projects at work centres of Gujarat, Assam and Dehradun.

As on 31.03.2020, your Company had 2,209,417 Certified Emission Reductions (CERs) in CDM account [1 CER = 1 ton $CO_2$ equivalent].

**Greenhouse Gas (GHG) Accounting and Mitigation:**

Your Company aims to reduce GHG emissions by focusing on energy efficiency. Greenhouse Gas Accounting of the Company is being carried out every year based on GHG protocol and is disclosed in Sustainability Report of the Company.

**Global Methane Initiative:**

The Global Methane Initiative (GMI) is an action-oriented initiative from United States Environment Protection Agency (USEPA) to reduce global fugitive methane emissions to enhance economic growth, promote energy security, improve the environment, and reduce greenhouse gases emission. Under this programme, during FY'20, GMI survey was conducted at Uran Plant, Hazira Plant and 17 production installations of Assam Asset. Since 2007, the Company could prevent approximately 20.48 MMSCM of methane gas leakages in to the atmosphere with an environmental benefit of approximately 306,250 ton $CO_2$ Equivalent ($TCO_2e$) through this programme.

**Solar and wind energy initiatives:**

During FY'20, the Company has implemented 7 MW of Solar Power Plants and projects for 6.6 MW are under the final stages of implementation. The total Installed Capacity of Solar power as on 31.03.2020 was 25 MW. The solar capacity of the Company would increase further to 50 MW by 2020-21. Further, two wind power projects - 102 MW at Jaisalmer, Rajasthan and 51 MW at Kutch, Gujarat – are operational. The total installed capacity of Renewable Energy of your Company as on 31.03.2020 stood at 178 MW.

**Replacement of conventional lights with LED lighting:**

During FY'20, 73,000 conventional lights were replaced with LED lights across various work centers of the Company, taking the total to 2.75 Lakhs LED Lights under implementation of LED lighting program. This initiative has helped in reduction of carbon intensity and saving of ₹ 357 Million annually.

**Micro Turbines and Dynamic Gas Blending system:**

As a part of sustainability initiative, this year also, the use of Micro Turbines and Dynamic Gas Blending systems (in diesel engines of drilling rig) were taken up in different locations of the Company.

**Carbon Capture, Storage and Utilisation (CCSU)**

CCSU is the only clean technology capable of decarbonising major industrial sectors including refining and petrochemicals. As per the recommendations of Task force constituted by Ministry of Coal, under the aegis of TIFAC (Technology, Information, Forecasting and Assessment Council), roadmap of CCUS for India is being prepared. Your Company, being party to the task force, proposed $CO_2$-EOR as the top priority area for utilization of anthropogenic $CO_2$. Further, your Company signed an MoU with Indian Oil Corporation Limited (IOCL) on 01.07.2019 for $CO_2$ based EOR in Gandhar Field of the Company by injecting $CO_2$ captured from IOCL's Koyali refinery into specially prepared wells. Presently feasibility study is being conducted by the Company for assessing the requirements of surface facilities, quantity of $CO_2$ required and financial implications.

**Electric Vehicle pilot project**

Your Company promotes the use of clean fuel in its operations as well as transportation. In March 2019, first batch of 5 electric vehicles were flagged off under pilot project at Delhi, in collaboration with Energy Efficiency Services Limited, a joint venture of Central Public Sector Enterprises (CPSEs) under Ministry of Power, GoI.

**Video Conferencing- a step towards mitigating scope-3 emission**

Taking advantage of the digital revolution like broadband and web-cam, your Company has adopted video conferencing for interaction of top management with key executives across the work centers. Presentations and business meetings are being held through video conferencing which reduces the travel cost, saves executive man-hours and mitigating scope-3 emissions from air travel. Besides that, your Company has been utilising video conferencing and other audio-video means extensively to mitigate the constraints due to pandemic COVID-19.

**Sustainable Water Management**

Different types of water management projects like rain water harvesting projects, sewage treatment plants, and re-use of produced water were implemented in line with existing policies of the Company. A large rainwater harvesting project at the IPSHEM, Goa harvests the run-off water from the large institute campus in a 1000 $m^3$ capacity ground tank and utilizes the harvested water for its various utilities and for conducting training programmes on fire fighting. As a way forward, Uran plant of your Company will be setting up a 10,000 $m^3$/day capacity Seawater Desalination Plant, scalable to 20,000 $m^3$/day capacity, which will eliminate the total fresh water requirement of the plant, in couple of years from now. With this project alone, your Company's water footprint would be reduced initially by 16% and upto 32% with the scaling up of capacity of the plant.

**ONGC Group Sustainability Report:**

Your Company launched its independently assured 'Sustainability Report' in the year 2009-10 and from then onwards the Company gradually expanded the boundary of reporting by including its subsidiaries and JVs. The report is prepared based on Global Reporting Initiative (GRI) Standard and independently assured through third party assurers as per AA 1000 AS Standard. ONGC Group Sustainability report FY'19 was released on 19.03.2020. Copy of reports may be accessed at www.ongcindia.com

## 27. Business Responsibility Report

Clause (f) of sub-regulation (2) of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stipulates that the Annual Report shall contain a Business Responsibility Report describing the initiatives taken by the listed entity from an environmental, social and governance perspective in the format specified. Accordingly, the Business Responsibility Report for FY'20 has been appended to this Annual Report.

## 28. Internal Financial Control System

Your Company has put in place adequate Internal Financial Controls by laying down policies and procedures to ensure the efficient conduct of its business, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information commensurate with the operations of the Company. Effectiveness of Internal Financial Controls is ensured through management reviews, self-assessment and independent testing by the Internal Audit Team indicating that your Company has adequate Internal Financial Controls over Financial Reporting in compliance with the provisions of the Companies Act, 2013 and such Internal Financial Controls are operating effectively. The Audit Committee reviews the Internal Financial Controls to ensure its effectiveness for achieving the intended purpose. Independent Auditors Report on the Internal Financial Controls of the Company in terms of Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 by the Statutory Auditors is placed along with the Financial Statements.

## 29. Human Resource Development

Your Company's operations are in challenging terrains – deserts, jungles, border areas, remote fields and offshore. Your Company truly values its Human Resource, i.e., ONGCians who commit themselves towards pursuit of E&P of hydrocarbons to ensure India's Energy security. To keep their morale high, your Company extends welfare benefits to employees and their dependents by way of comprehensive medical care, education, housing, social security and other facilities.

There were 30,105 employees on rolls as on 31.03.2020. These ONGCians dedicated themselves for securing excellent performance of your Company during the year. The workforce in-take strategy pursued by your Company caters to meet the demands of maintaining a steady flow of talent, in a business which is characterized by high risks and uncertainties, enormous costs, rapid technological advances, physically challenging work environment, fluctuating product prices and growing competition. Your Company's talent management strategy is focused on building an optimal and competent workforce to meet business needs, and it is also centered around workforce planning and talent acquisition, performance management, capacity building, career growth, succession planning and leadership development.

During FY'20, 15,416 executives and 5,044 non-executives were imparted appropriate training in relevant domains/ areas, spanning 163,156 executive and 17,966 non-executive training days.

During FY'20, 697 Graduate Trainees (GTs), in five batches, were familiarized with various E&P activities as part of 'Induction Training'. For the first online onboarding training programs were organized for 442 newly joined GTs from all work centers. Induction Program for Unionized Category Employees on their elevation to executive cadre was introduced by ONGC Academy in association with Skill Development Centres. Five training programmes were conducted through foreign faculty which were attended by 118 participants. Your Company also pursued structured initiatives for maintaining a vibrant academia – industry interface through Chairs, participation in various academia-industry level forums, which conduct workshops, seminars, and conferences.

Major Emergency Management trainings were conducted through in-house faculty for the first time for Offshore Installation Managers. Four-day Emergency Management training was introduced and second line managers of Offshore were trained as per Emergency Response plans of the Company.

In 2019, your Company introduced two focused leadership development programmes for junior and middle level executives - FuEL programme (Future Energy Leaders) for E1 to E3 level executives and OYL programme (ONGC Young Leaders) for E4 and E5 level executives. These customized programmes were in association with Centres of Excellences (IIMs) to groom young executives as future leaders who will take ONGC to the next level.

Your Company also initiated a program for identification of competencies and development of leadership for its Mid – Level executives through Online Development Centres, with detailed Individual Development Plans for their development based on the assessments.

To keep the workplace lively and the workforce engaged and vibrant, your Company also conducted 'Business Games' to hone the business acumen of its executives through business quizzes, business simulations and case-study presentations. During FY'20, a total of 260 teams and 1,029 executives participated in such games.

Similarly, 'Fun Team Games' (FTG) were organized for E0 and below level employees to inculcate MDT (Multi-disciplinary Team) concept and spirit of camaraderie and belongingness to the organization, which was very well received by the participants. 158 Teams comprising 632 employees participated in FTG organized during FY'20.

**Employee Welfare Trusts**

Your Company has established following Trusts for welfare and social security of employees:-

**Employees Contributory Provident Fund (ECPF) Trust** manages Provident Fund accounts of employees of your Company.

**Post-Retirement Benefit Scheme (PRBS) Trust** manages the pension fund of employees of your company. The Scheme was converted into a Defined Contribution Scheme in accordance with DPE guidelines in November 2013.

**Composite Social Security Scheme (CSSS)** formulated by your Company provides an assured ex-gratia payment in the event of unfortunate death or permanent disability of an employee while in service. In case of separation other than Death/ Permanent total disability, employee's own contribution along with interest is refunded.

**Gratuity Fund Trust** established for payment of gratuity as per the provisions of the Gratuity Act.

Your Company has a **'Sahyog Trust'** for its Sahyog Yojana to provide ex-gratia financial grant for sustenance, medical assistance and treatment, rehabilitation, education, marriage of female dependent and alleviation of any hardship or distress to secure the welfare of the workforce and their kin, who do not have adequate means of support. The beneficiaries under this scheme include casual, contingent, daily rated, part-time, adhoc, contract appointees, and tenure based employees, apprentices and trainees engaged by your Company besides regular and past employees. Under the scheme, an amount of ₹ 50.10 Million was disbursed by the Trust during FY'20 to 1,170 beneficiaries.

Your Company has instituted **Asha Kiran Scheme** to meet the emergency needs of the ex-employees retired prior to 01.01.2007. The scheme was launched as per DPE guidelines with a corpus of 1.5% of profit before tax.

### Implementation of Govt. Directives for Priority Section

Your Company complies with the Government directives for Priority Section of the society. The percentage of Scheduled Castes (SC) and Scheduled Tribe (ST) employees were 15.4 percent and 10.5 percent respectively as on 31.03.2020.

Your Company is fully committed for the welfare of SC and ST communities. The following welfare activities are carried out by your Company for their betterment in and around its operational areas:-

- **Annual Component Plan**

  Under Annual Component Plan for SC/ST, every year allocation of ₹ 200 Million is made. Out of this, ₹ 60 Million is distributed amongst all the work-centres of the Company for taking up welfare activities for communities in and around areas of the Company's operations. In addition, ₹ 140 Million is managed centrally, and is earmarked for special projects/ proposals/ schemes for the welfare of areas/ persons belonging to SC/ST communities. The amount under component plan is utilised for taking up various measures for the welfare and up-liftment of the needy people of the said communities. This fund is especially meant for providing help and support in Education and Training, Community Development and Medical and Health Care.

- **Scholarship to meritorious students**

  Your Company provides 1,000 scholarship for meritorious SC and ST students for pursuing higher professional courses at different Institutes and Universities across the country in Graduate Engineering, MBBS, PG courses of MBA and Geo-Sciences. The major feature of the scheme is that the scholarships have been equally divided for both Boys and Girls students. The scholarship amount is extended up to ₹ 48,000/- per annum per student subject to conditions of the scheme.

### Women Empowerment

Women employees constituted 7.3 per cent of your Company's workforce as on 31.03.2020. During the year, various programmes for women empowerment and development, including programmes on gender sensitization were organized. Your Company actively supported and nominated the women employees for programmes organized by reputed agencies. All middle level women executives underwent an Online Development Centre program for identification, assessment and development of leadership competencies. Special engagement initiatives were undertaken, such as story-writing contest, for sharing their unique journeys of courage and inspiration from the female perspective.

### Disclosure under the Sexual Harassment

Your Company has complied with the provisions under the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 including constitution of Internal Complaints Committees (ICC) for dealing with complaints of sexual harassment of women at workplace. Four complaints of sexual harassment were received during FY'20. Skill enhancement programs were conducted for members of ICC to equip them with requisite skill for enquiring into complaints. The Company also issued detailed guidelines for dealing with complaints of sexual harassment. A dedicated page on Prevention of Sexual Harassment, with useful resources on creating awareness, has been added on the internal portal of the Company.

**Work-Life Balance**

Your Company believes in provides an enabling environment for work-life balance of its employees. Townships at many work centres have developed facilities like gymnasiums, clubs, sports facilities and music rooms. Facilities for gym, sports, yoga, library, etc. are also provided in Offshore Living Quarters. During the year, outbound programmes with families were also organized at various work centres. In addition, cultural programmes involving employees and their families were also conducted involving ONGC Officers' Mahila Samiti and Resident Welfare Associations of Company's residential colonies. Your Company has an adventure wing named 'ONGC Himalayan Association' which organizes adventure programmes like mountaineering, trekking, water rafting, snow skiing, desert safari, Aero sports etc. which adds towards employee morale, engagement, team spirit, camaraderie, stress management and spirit to explore the unknown.

## 30. Industrial Relations

Your Company maintained harmonious Industrial Relations throughout the Company. Man-days loss due to internal industrial action was reported as 'NIL' for FY'20.

## 31. Compliance under the Right to Information Act, 2005

Your Company has a well-defined mechanism in place to deal with the RTI applications received under the Right to Information Act 2005. Your Company has a designated senior level officer as a 'Nodal Officer' to oversee its implementation. The applications received are processed by the 22 executives designated as 'Central Public Information Officers' (CPIOs) in various work centres across the Company, in compliance of Sections 5(1) and 5(2) of the Act. The particulars of all the quasi-judicial authorities under the ambit of RTI Act, 2005 have been uploaded on the Company website (www.ongcindia.com) for information of the general public. Further, in compliance of Government directives, your Company is successfully processing the online applications under the Act.

Your Company received 1,973 applications (including 34 transferred by other Public Authorities) during FY'20, and 206 RTI applications were carried forward from FY'19. Against 1,848 applications information as sought were provided, 57 applications were rejected and 44 applications were transferred to other public authorities, in accordance with the provisions of the RTI Act, 2005. There were 422 first appeals, which were disposed-off during the period. Additionally, 94 Second Appeals which were listed for hearing before the Central Information Commission during FY'20 were also processed.

## 32. Implementation of Official Language Policy

Your Company makes concerted efforts for promotion and implementation of Official Language. In this regard, some of the steps taken during the year were:

- Unicode Hindi software installed in all offices.
- Hindi workshops conducted at regular intervals in all work centres.
- Hindi technical seminars, 'kavi-gosthies', kavi-sammelans and Hindi plays were organized at various work centres.
- Various programmes for promotion of Hindi were organised at all work centres of the

Company during 'Rajbhasha Fortnight' (14-28.09.2019) and 'Vishwa Hindi Diwas' (10.01.2020).

- 17th Annual Official Language Review Meeting was held during 24-25.07.2019 at Guwahati.
- A two days Special Hindi workshop and 'Twarit Anuvad Prashikshan' program during 27-28.02.2020 for official language officers posted at various work centres of the Company and Members of Town Official Language Implementation Committee, Dehradun was organised.
- Your Company bagged 'Sarvotkrisht Rajbhasha Puruskar' from 'Vishwa Hindi Parishad' on 09.09.2019 at New Delhi.
- Hindi Teaching Scheme of Government of India was implemented effectively at all regional work centres of the Company.
- E-Roster of Employees regarding working knowledge of Hindi has been put in place.
- Hindi e-magazines were published by all work centres.
- Paperless office has been made bi-lingual for effective implementation of Official Language policy. Besides, Unicode has been installed in SAP platform for enabling bilingual working.

## 33. Sports

Your Company continued its support for development of sports in the country by providing employment opportunities to sportspersons and also granting scholarships to budding talents in 25 games. Your Company also sponsored various sports associations/ federations/ sports bodies for organizing sports events as well as developing sporting infrastructure. The support has enabled many sportspersons to achieve excel and bring home laurels for the nation and the organization. Some of the significant achievements of our sportspersons during the year were as follows:

- Nine ONGCians participated in 21st Commonwealth Championships held at Cuttack, in July, 2019 and won 6 Gold, 3 Silver and 1 Bronze medal.
- Mr. B. Sai Praneeth (Badminton), Mr. Harmeet Desai (Table Tennis) and Ms. Swapna Barman (Athletics - On Scholarship) were conferred the prestigious "Arjuna Award" instituted by GoI, for FY'19.
- The total number of National Awardees in the organization stood at 55:
    - o Padma Bhushan: 1 (Mr. Pankaj Advani);
    - o Padma Shri: 6 (Mr. Pankaj Advani, Mr. Koneru Humpy and Mr. Virat Kohli and three former ONGCians - Mr. Jaspal Rana, Mr. Virender Sehwag and Mr. Gautam Gambhir);
    - o Rajiv Gandhi Khel Ratna: 2 (Mr. Pankaj Advani and Mr. Virat Kohli);
    - o Arjuna Award: 44;
    - o Dhyanchand Award – 2 (Mr. Bhupender Singh and Mr. Manpreet Singh).
- Ms. M. R. Poovamma secured individual bronze medal for the country in Asian Championships at Doha and won 2 silver medals in relay races. Ms. Poovamma is also part of the Indian Squad which is being trained for 2021 Tokyo Olympics.
- Mr. Om Prakash Singh who is currently on training for Tokyo 2021, participated in the SAF games held at Kathmandu in December 2019. He won a silver medal in the games.
- ONGCian Mr. Sai Praneeth is the first Indian male badminton player in 36 years to win a bronze medal at the BWF World Championships in 2019 after Mr. Prakash Padukone in 1983. Sai Praneeth was honoured with the Arjuna Award in 2019. He also won Bronze medal at the World Championships in Basel and Japan Open, 2019.

- ONGCian Mr. Pankaj Advani, Padma Bhushan, Padma Shri, Rajiv Gandhi Khel Ratna, Arjuna Awardee, won GOLD Medal in World Billiards Championship (150-up format), in Myanmar, Sept 2019, in Asian Snooker Tour, Bangalore, April 2019, IBSF World Team Snooker Championship, Myanmar, Sept 2019 and in ACBS Asian Snooker Championship, Qatar, June 2019.

  He won Silver medal in ACBS Asian Team Snooker, Doha, June 2019, World Cup Snooker Team Championship, Qatar, July 2019 and brought Bronze medal for the country in IBSF World 6 Red Snooker Championship, Myanmar, Sept 2019 and in ACBS Asian Billiards Championship, Chandigarh, May 2019

- Arjuna Awardee Mr. Shiva Thapa won Gold Medal and was declared as Best Boxer in 2nd India Open International Boxing Tournament at Guwahati in May 2019. Earlier in Asian Boxing Championship at Bangkok, Thailand in April 2019, he won Bronze Medal for India and Gold Medal in President's Cup International Boxing Tournament at Astana (Kazakhstan) in June 2019. Gold Medal in Olympic Test event at Tokyo in Oct 2019. Bronze Medal in 71st Boxing International Tournament Stranja Cup, at Stranja (Sofia) in Jan 2020.

- Padmashri and Arjuna Awardee, Ms. Koneru Humpy won the FIDE Women Grand Prix Tournament at Russia in Sept 2019 and finished 2nd in the FIDE Women Grand Prix Tournament, Monaco and established clear lead in the FIDE Women GP Series 2019-20 and won the World Women Rapid Chess Championship 2019, Russia in Dec 2019. She won the Cairns Cup Women International Tournament, St. Louis, USA in Feb 2020.

- ONGCian Mr. Virat Kohli has been ranked as one of the world's most famous athletes by ESPN and one of the most valuable athlete brands by Forbes. In April 2019, he was named the captain of India's squad for the 2019 Cricket World Cup.

  In Nov 2019, he scored his 70th century (27 Test and 43 ODI) in international cricket which makes him the second most successful centurion in ODI cricket after Sachin Tendulkar. Virat Kohli has been given honours as Captain of ICC ODI Team of the Year: 2019, ICC Test Team of the Year: 2019, ICC Spirit of Cricket: 2019.

- Your Company organised the 3rd edition of the Para Games on 03.12.2019 on International Disability Day in which 210 PWDs from different work-centres of the Company including more than 20 players from 6 Oil PSUs participated. ONGC is the only public sector enterprise to organise Para Games to promote sporting talent of persons with disabilities.

## 34. Corporate Social Responsibility (CSR)

Your Company meticulously take care of its social responsibility and in this pursuit has spent ₹ 6,069.67 Million during the FY'20, which is higher than spending obligations of the Company for the year. Major highlights of CSR activities for the FY'20, is as under:

- 60% of CSR expenditure towards School Education, Nutrition and Healthcare as notified by DPE for CSR of CPSE's in 2019-20;

- 33% of CSR Budget executed towards Swachhta Projects as directed by MoPNG;

- CSR expenditure aligned towards achieving the objectives of UN Sustainable Development Goals, covering 12 out of 17 sustainable development goals;

- 20 Aspirational Districts adopted in 11 states where 599 projects have been implemented amounting to ₹ 61.51 Million benefitting 4 lakhs rural population;

- 4.30 Lakh patients benefitted through healthcare initiatives; and

- 4.98 Lakh students benefitted through educational initiatives.

A report on CSR and details of activities is enclosed with this report at ***Annexure-B.***

Efforts of the Company has been recognized at various forums including the prestigious International recognition of S&P Platts Global Energy Awards, 2019 – the only Indian company to receive this award for CSR. Other host of awards are placed at ***Annexure-C*** of this Report.

## 35. Awards and Accolades

Consistent with the trend in preceding years, your Company, its various operating units and its senior management have been recipients of various awards and recognitions. Detail of such accolades is placed at ***Annexure-C.***

## 36. Regulatory or Courts order

During FY'20, there was no order or direction of any court or tribunal or regulatory authority which either affecting Company's status as a going concern or which significantly affecting Company's business operations.

## 37. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

a) In the preparation of the annual accounts, the applicable accounting standards were followed and there was no material departures from the same;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31.03.2020 and of the profit of the Company for the year ended on that date;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts of the Company on a 'going concern' basis;

e) The Directors had laid down internal financial controls which were being followed by the Company and that such internal financial controls were adequate and were operating effectively; and

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 38. Corporate Governance

A detailed report on Corporate Governance as stipulated under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is appended and forms part of the Annual Report.

## 39. Statutory Disclosures

Your Directors have made necessary disclosures, as required under various enactments including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 40. Annual Return

Pursuant to Section 134(3)(a) read with Section 92(1) of the Act, Annual Return of the Company is placed at https://www.ongcindia.com/wps/wcm/connect/en/investors/annual-return/

## 41. Particulars of Employees

Your Company being a Government Company, the provisions of Section 197(12) of the Companies Act, 2013 and relevant Rules issued thereunder are not applicable.

The terms and conditions of the appointment of Functional Directors are subject to the applicable guidelines issued by the Department of Public Enterprises (DPE), Government of India. The salary and terms and conditions of the appointment of Company Secretary, a Key Managerial Person of the Company, and other employees are also in line with the parameters prescribed by the DPE.

## 42. Energy Conservation

The information required under section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, is annexed as ***Annexure-D.***

## 43. Audit Committee

In compliance with Section 177(8) of the Companies Act, 2013, the details regarding Audit Committee is provided under Corporate Governance Report which forms part of this Annual Report.

There was no instance during FY'20, where the Board had not accepted any recommendation of the Audit Committee.

## 44. Vigil Mechanism:

Details regarding Vigil Mechanism is provided under Corporate Governance report which forms part of this Annual Report.

## 45. Risk Management Policy and Implementation:

The Company has a Board approved Risk Management Policy. Risk framework and Risk portfolio are periodically monitored by the Risk Management Committee, Audit Committee and the Board.

## 46. Auditors

The Statutory Auditors of your Company are appointed by the Comptroller and Auditor General of India (CAG). There were 6 chartered accountants firms namely M/s. MKPS & Associates, M/s. G.M. Kapadia & Co., M/s. R. Gopal & Associates, M/s. Kalani & Co., M/s. SARC & Associates and M/s. R.G.N. Price & Co. who were appointed as Joint Statutory Auditors of the Company for FY'20.

The Statutory Auditors have been paid a total remuneration of ₹ 46.97 Million towards audit fees, certification and other services. The above fees are inclusive of applicable service tax/ GST but exclusive of re-imbursement of travelling and out of pocket expenses.

## 47. Auditors' Report on the Accounts

Statutory Auditors Reports and the comments of CAG on standalone and consolidated accounts of the Company are placed along with respective financial statements for FY'20.

There is no qualification in the Statutory Auditors Reports on the Financial Statements of the Company for FY'20.

The Comments of Comptroller & Auditor General of India (C&AG) and the reply of the Management thereto form part of this Report, is annexed as ***Annexure-E.***

During FY'20, there has not been any fraud reported by the Auditors of the Company.

## 48. Cost Audit

There were 6 cost accountants firms, namely M/s. M. Krishnaswamy & Associates, M/s. Musib & Co., M/s. Chandra Wadhwa & Co., M/s. Bandopadhyaya Bhaumik & Co., M/s. N. D. Birla & Co., M/s. Joshi Apte & Associates, appointed by the Board as Joint Cost Auditors of the Company for FY'20. Necessary cost audit report shall be prepared by the said auditors and filed with the Central Government as per requirements under the Companies Act, 2013.

## 49. Secretarial Audit

Your Company had engaged M/s. Ashu Gupta & Co., Company Secretaries in whole-time practice, as Secretarial Auditors for conducting Secretarial Audit for FY'20. Their report is enclosed as ***Annexure-F,*** which shall form part of this Report.

Reply of management to the qualifications made in the Secretarial Audit Reports are as under:-

**1. Board Composition & Evaluation:**

The Company, being a CPSE, composition of its Board of Directors is the prerogative of the President of India as provided under the Articles of Association of the Company. The Ministry of Corporate Affairs (MCA) vide notifications dated 05.06.2015 and 05.07.2017 exempted government companies from the provisions relating to appointment, performance evaluation and remuneration of directors. Further, it is learnt that Department of Public Enterprises (DPE) has recommended the proposal to SEBI for similar exemption to government companies under the provisions of Listing Regulations in view of the distinct nature of the administration of CPSEs.

**2. Related Party Transaction (RPT):**

In terms of RPT Policy, all the contracts/ arrangements/ transactions entered by the Company during FY'20 with related parties were in the ordinary course of business and on an arm's length basis. Transactions with related parties have been disclosed under ***Annexure-A*** to this report. SEBI Regulations provide for prior approval of related party transactions excepting the transactions with government companies and wholly-owned subsidiaries.

The qualification is with respect to the requirement for prior omnibus approval under Regulation 23 of the Listing Regulations, since such approval was accorded by the Audit Committee at the meeting held on 26.07.2019. In this regard, necessary system is put in place to avoid this technical non-compliance in future.

## 50. Directors

Your Company being a Government Company, policy on directors' appointment and remuneration is not applicable and also evaluation of their performance is exempted vide notification dated 05.06.2015 issued by the Ministry of Corporate Affairs.

**Appointments/Cessation etc.**

Since the 26th Annual General Meeting held on 30.08.2019, change in composition of Board is as under-

i. S/Shri Ajai Malhotra, Shirish B Kedare and K M Padmanabhan, Independent Directors, ceased to be the directors of the Company w.e.f. 20.11.2019.

ii. S/Shri Sumit Bose, Deepak Sethi and Vivek Mallya Independent Directors, ceased to be the directors of the Company w.e.f. 31.01.2020.

iii. Shri Santrupt B Misra, Independent Director, ceased to be the director of the Company w.e.f. 06.02.2019.

iv. Shri Rajesh Madanlal Aggarwal, has been nominated by MoPNG as Government Nominee Director w.e.f. 24.03.2020, in place of Shri Rajiv Bansal.

v. Shri Om Prakash Singh has been appointed as the Director (Technology & Field Services) of the Company w.e.f 01.04.2020, in place of Shri Navin Chandra Pandey, who superannuated on 31.03.2020.

vi. Shri Anurag Sharma has been appointed as the Director (Onshore) of the Company w.e.f 01.06.2020, in place of Shri Sanjay Kumar Moitra, who superannuated on 31.05.2020.

The Board places on record its appreciation for commendable contribution of S/Shri Ajai Malhotra, Shirish B Kedare, K M Padmanabhan, Sumit Bose, Deepak Sethi, Vivek Mallya, Santrupt B Misra, Rajiv Bansal, Navin Chandra

Pandey and Sanjay Kumar Moitra during their tenure on the Board of your Company.

As on 31.03.2020, there were 11 Directors (including two women Directors) on the Board, comprising of 7 Executive Directors (including the Chairman and Managing Director) and 4 Non-Executive Directors - 2 Government Nominee Directors and 2 Independent Directors. There was vacancy for 7 Independent Directors to meet the requirement under the provisions of Companies Act, 2013 as well as Listing Regulations, 2015.

## 51. Acknowledgement

Your Directors are highly grateful for all the help, guidance and support received from the Ministry of Petroleum and Natural Gas, Ministry of Finance, DPE, MCA, MEA, and other agencies in Central and State Governments. Your Directors acknowledge the constructive suggestions received from Auditors and Comptroller and Auditor General of India and are grateful for their continued support and cooperation.

Your Directors thank all share-owners, business partners and all members of the ONGC Family for their faith, trust and confidence reposed in the Board.

Your Directors wish to place on record their sincere appreciation for the unstinting efforts and dedicated contributions put in by the ONGCians at all levels, in spite of the challenging and unprecedented pandemic situation, to ensure that the Company continues to sustain, grow and excel.

On behalf of the Board of Directors

**Sd/-**

New Delhi — **Shashi Shanker**

01.09.2020 — **Chairman and Managing Director**


ONGC holds the largest share of hydrocarbon acreages in India (61% in PEL areas and 81% in ML areas)

*Annexure-A*

# AOC-2

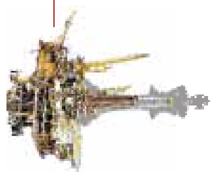
(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis: Nil**

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

| Sl no. | (a) Name(s) of the related party and nature of relationship | | (b) Nature of contracts/ arrangements/transactions | (c) Duration of the contracts / arrangements/ transactions | (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | | (e) Date(s) of approval by the Board, if any: | (f) Amount paid as advances, if any: |
|---|---|---|---|---|---|---|---|---|
| | Name | Relationship | | | Salient terms | Transaction value (₹ In Million) | | |
| 1 | Mangalore Refinery and Petrochemical Ltd (MRPL) | Subsidiary | Sale of crude oil | FY'20 | As per Crude oil sale agreement | 41,620.33 | | |
| 2 | Mangalore Refinery and Petrochemical Ltd (MRPL) | Subsidiary | Purchase of petroleum oil and lubricants/high speed diesel | FY'20 | As per contractual agreement | 5,646.78 | | |
| 3 | Mangalore Refinery and Petrochemical Ltd (MRPL) | Subsidiary | Lease of Office space at Mumbai | FY'20 | As per contractual agreement | 53.06 | | |
| 4 | Mangalore Refinery and Petrochemical Ltd (MRPL) | Subsidiary | Guarantee fee received for import of crude | FY'20 | Actual | 29.02 | | |
| 5 | Mangalore Refinery and Petrochemical Ltd (MRPL) | Subsidiary | Dividend income received | FY'20 | Dividend | 1,255.35 | | |
| 6 | Mangalore Refinery and Petrochemical Ltd (MRPL) | Subsidiary | Manpower deputation | FY'20 | Manpower deputation | 1.76 | | |
| 7 | Mangalore Refinery and Petrochemical Ltd (MRPL) | Subsidiary | Financial guarantee issued for import of crude | FY'20 | Guarantee amount (Rs. 14,607 Million) | 10,823.78 | | |



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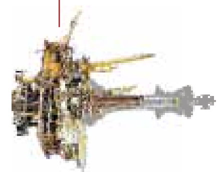
|---|---|---|---|---|---|---|---|---|
| | Name | Relationship | | | Salient terms | Transaction value (₹ In Million) | | |
| 8 | Petronet MHB limited | Subsidiary | Investment in equity shares | FY'20 | Investment in equity shares | 1,853.78 | | |
| 9 | ONGC Mangalore Petrochemicals Limited(OMPL) | Subsidiary | Investment in equity shares | FY'20 | Investment in equity shares | 2,449.90 | | |
| 10 | ONGC Mangalore Petrochemicals Limited(OMPL) | Subsidiary | backstopping support for compulsory convertible debentures | FY'20 | As per contractual agreement | 4,900.00 | | |
| 11 | ONGC Videsh Ltd (OVL) | Subsidiary | Dividend income received | FY'20 | As approved by OVL | 5,100.00 | | |
| 12 | ONGC Videsh Ltd (OVL) | Subsidiary | Guarantee fee in respect of financial guarantee extended to OVL | FY'20 | Non cash transcation (Ind As fair valuation) | 411.48 | | |
| 13 | ONGC Videsh Vankorneft Pte. Ltd. | Subsidiary | Guarantee fee | FY'20 | Guarantee fee | 294.16 | | |
| 14 | ONGC Videsh Ltd (OVL) | Subsidiary | Expenses incurred | FY'20 | Expenses | 281.66 | | |
| 15 | ONGC Videsh Ltd (OVL) | Subsidiary | Platts Subscription charges | FY'20 | Subscription charges | 28.26 | | |
| 16 | ONGC Videsh Ltd (OVL) | Subsidiary | Performance Guarantees in favor of National oil company of Libya for Area 43 for USD 61 Million. | effective from 05.03.2007 | Guarantee amount (₹ 4,604.28 Million) | 1,887.00 | | |
| 17 | ONGC Videsh Ltd (OVL) | Subsidiary | ONGC, the parent company guarantee has been given in respect of Block SS-04, Bangladesh dated 27/03/2014 in favour of M/s PETROBANGLA in respect of the Company's obligations as set forth in the Production Sharing Contract. | effective from 27.03.2014 | Guarantee amount (₹ 2,445.55 Million) | 2,445.55 | | |

| Sl no. | (a) Name(s) of the related party and nature of relationship | | (b) Nature of contracts/ arrangements/transactions | (c) Duration of the contracts / arrangements/ transactions | (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | | (e) Date(s) of approval by the Board, if any: | (f) Amount paid as advances, if any: |
|---|---|---|---|---|---|---|---|---|
| | Name | Relationship | | | Salient terms | Transaction value (₹ In Million) | | |
| 18 | ONGC Videsh Ltd (OVL) | Subsidiary | ONGC, the parent company guarantee has been given in respect of Block SS-09, Bangladesh dated 27/03/2014 in favour of M/s PETROBANGLA in respect of the Company's obligations as set forth in the Production Sharing Contract. | effective from 27.03.2014 | Guarantee amount (₹ 1,449.22 Million) | 1,449.22 | | |
| 19 | ONGC Videsh Ltd (OVL) | Subsidiary | ONGC, the parent company guarantee has been given in respect of Onshore Block PSC B-2, Myanmar dated 04/08/2014 in favour of Myanma Oil & Gas Corporation in respect of the Company's obligations as set forth in the Production Sharing Contract. | effective from 04.08.2014 | Guarantee amount (₹ 2,120.99 Million) | 2,120.99 | | |
| 20 | ONGC Videsh Ltd (OVL) | Subsidiary | ONGC, the parent company guarantee has been given in respect of Onshore Block EP-3, Myanmar dated 04/08/2014 in favour of Myanmar Oil & Gas Corporation in respect of the Company's obligations as set forth in the Production Sharing Contract. | effective from 04.08.2014 | Guarantee amount (₹ 1,396.38 Million) | 1,396.38 | | |
| 21 | ONGC Videsh Ltd (OVL) | Subsidiary | USD BOND for acquisition of 2.7213% participating interest of Hess Corporation in the ACG fields and 2.36% participating interest in the BTC Pipeline) of: 10 year USD 500 Million-Due 07 May 2023 | Due on 07/05/2023 | Guarantee amount (₹ 38,306.10 Million) | 38,306.10 | | |



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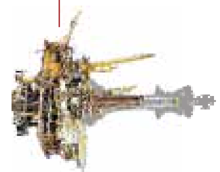
|---|---|---|---|---|---|---|---|---|
| | Name | Relationship | | | Salient terms | Transaction value (₹ In Million) | | |
| 22 | ONGC Videsh Ltd (OVL) | Subsidiary | Financial guarantee for Long term Loan of USD 1775 Million for acquisition of R-2 10% PI from Anadarko | Due on 27/11/2020 | Guarantee amount ₹ 58,500.29 Million | 58,500.29 | | |
| 23 | ONGC Videsh Ltd (OVL) | Subsidiary | Financial guarantee for Mozambiq. BREML_ Videocon 6% USD 750 Million - Due 15th July 2024 | Due on 15/07/2024 | Guarantee amount ₹ 57,162.73 Million | 57,162.73 | | |
| 24 | ONGC Videsh Ltd (OVL) | Subsidiary | Financial guarantee for Mozambiq. OVL _ Anadrako 10% Euro 525 Million - Due 15th July 2021 | Due on 15/07/2021 | Guarantee amount ₹ 44,544.20 Million | 44,544.20 | | |
| 25 | ONGC Videsh Ltd (OVL) | Subsidiary | Financial guarantee for USD 400 Million Bonds 2.875% due 27 Jan 2022; Guarantee given to OVL; capped at 109 per cent. of the total aggregate principal amount | due on 27/01/2022 | Guarantee amount ₹ 32,909.28 Million | 32,909.28 | | |
| 26 | ONGC Videsh Ltd (OVL) | Subsidiary | Financial guarantee for USD 600 Million Bonds 3.75% due 27 Jul 2026 Guarantee given to OVL; capped at 109 per cent. of the total aggregate principal amount | Due on 27/07/2026 | Guarantee amount ₹ 49,363.92 Million | 49,363.92 | | |
| 27 | ONGC Videsh Ltd (OVL) | Subsidiary | Term Loan of USD 500 Million taken to refinance Bridge Finance of USD 875 Million taken for acquisition of 11% shares of CJSC Vankorneft by ONGC Videsh Vankorneft Pte Ltd, Singapore.<br>USD 500 Million facility due April 2022: Guarantee capped at 103%of Total Commitments | Due on 26.04.2022 | Guarantee amount ₹ 15,292.44 Million | 15,292.44 | | |

| Sl no. | (a) Name(s) of the related party and nature of relationship | | (b) Nature of contracts/ arrangements/transactions | (c) Duration of the contracts / arrangements/ transactions | (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | | (e) Date(s) of approval by the Board, if any: | (f) Amount paid as advances, if any: |
|---|---|---|---|---|---|---|---|---|
| | Name | Relationship | | | Salient terms | Transaction value (₹ In Million) | | |
| 28 | ONGC Videsh Ltd (OVL) | Subsidiary | Term Loan of JPY 38 Billion taken to refinance Bridge Finance of USD 875 Million taken for acquisition of 11% shares of CJSC Vankorneft by ONGC Videsh Vankorneft Pte Ltd, Singapore.<br>JPY 38 Billion facility due April 2024: Guarantee capped at 103%of Total Commitments | Due on 26/04/2024 | Guarantee amount ₹ 27,264.92 Million | 27,264.92 | | |
| 29 | ONGC Videsh Ltd (OVL) | Subsidiary | Long term Loan of USD 500 Million taken for part repayment of USD Bond of USD 750 Million due for repayment in July 2019 | Due on 12/07/2024 | Guarantee amount ₹ 38, 267.19 Million | 38,267.19 | | |
| 30 | ONGC Videsh Ltd (OVL) | Subsidiary | Long term Loan of USD 1000 Million taken for part pre-payment of USD 1775 Million Term Loan on 31st March 2020 | Due on 30/03/2025 | Guarantee amount ₹ 75,487.93 Million | 75,487.93 | | |
| 31 | Hindustan Petroleum Corporation Limited (HPCL) | Subsidiary | Sale of crude oil and value added products | FY'20 | As per sale agreement | 148,082.29 | | |
| 32 | Hindustan Petroleum Corporation Limited (HPCL) | Subsidiary | Purchase of petroleum oil and lubricants/high speed diesel | FY'20 | As per contractual agreement | 4,423.97 | | |
| 33 | Hindustan Petroleum Corporation Limited (HPCL) | Subsidiary | Rent for Office | FY'20 | Other Service | 0.06 | | |



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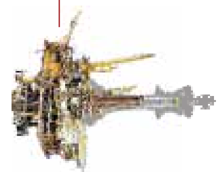
|---|---|---|---|---|---|---|---|---|
| | Name | Relationship | | | Salient terms | Transaction value (₹ In Million) | | |
| 34 | Hindustan Petroleum Corporation Limited (HPCL) | Subsidiary | For Conferrences & Seminars | FY'20 | Other Service | 5.67 | | |
| 35 | Hindustan Petroleum Corporation Limited (HPCL) | Subsidiary | Dividend income received | FY'20 | Dividend | 7,321.15 | | |
| 36 | ONGC Tripura Power Company Limited (OTPC) | Joint Venture | Sale of Natural gas | FY'20 | As per contractual agreement | 5,450.94 | | |
| 37 | ONGC Tripura Power Company Limited (OTPC) | Joint Venture | Dividend income received | FY'20 | Dividend | 504.00 | | |
| 38 | ONGC Petro additions Limited (OPaL) | Joint Venture | Sale of Naphtha & C2-C3 | FY'20 | As per contractual agreement | 52,730.53 | | |
| 39 | ONGC Petro additions Limited (OPaL) | Joint Venture | Manpower deputation, loading and other charges provided and Interest on Delayed Payments | FY'20 | As per contractual agreement | 10.18 | | |
| 40 | ONGC Petro additions Limited (OPaL) | Joint Venture | ROU Charges for pipeline received | FY'20 | Pipeline service | 0.22 | | |
| 41 | ONGC Petro additions Limited (OPaL) | Joint Venture | Transfer of Naptha Pipeline | FY'20 | As per contractual agreement | 1,154.40 | | |
| 42 | ONGC Petro additions Limited (OPaL) | Joint Venture | Letter of Comfort against Non Convertible Debentures | FY'20 | As per contractual agreement | 21,800.00 | | |

| Sl no. | (a) Name(s) of the related party and nature of relationship | | (b) Nature of contracts/ arrangements/transactions | (c) Duration of the contracts / arrangements/ transactions | (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | | (e) Date(s) of approval by the Board, if any: | (f) Amount paid as advances, if any: |
|---|---|---|---|---|---|---|---|---|
| | Name | Relationship | | | Salient terms | Transaction value (₹ In Million) | | |
| 43 | ONGC Petro additions Limited (OPaL) | Joint Venture | Commitment given for Backstopping support for compulsory convertible debentures-Interest Accrued | FY'20 | As per contractual agreement | 6,526.65 | | |
| 44 | ONGC Teri Biotech Limited (OTBL) | Joint Venture | Bio-remediation services received | FY'20 | As per contractual agreement | 298.69 | | |
| 45 | ONGC Teri Biotech Limited (OTBL) | Joint Venture | Field study charges and rent & electricity charges for colony accommodation provided | FY'20 | As per contractual agreement | 0.67 | | |
| 46 | Dahej SEZ Limited (DSEZ) | Joint Venture | Lease rent for SEZ land of C2-C3 plant | FY'20 | As per contractual agreement | 13.99 | | |
| 47 | Indradhanush Gas Grid Limited (IGGL) | Joint Venture | Manpower deputation | FY'20 | Manpower deputation | 22.03 | | |
| 48 | Indradhanush Gas Grid Limited (IGGL) | Joint Venture | Subscription to Equity | FY'20 | Subscription to Equity | 70.00 | | |
| 49 | Pawan Hans Limited (PHL) | Associate | Hiring of helicopter services from PHL | FY'20 | As per contractual agreement | 1,236.59 | | |
| 50 | Pawan Hans Limited (PHL) | Associate | Miscellaneous receipt on account of liquidated damages from PHL | FY'20 | Actual | 250.36 | | |
| 51 | Petronet LNG Limited (PLL) | Associate | Facilities services received at C2-C3 plant | FY'20 | As per contractual agreement | 881.36 | | |
| 52 | Petronet LNG Limited (PLL) | Associate | Purchase of LNG | FY'20 | Actual | 11,096.15 | | |
| 53 | Petronet LNG Limited (PLL) | Associate | Dividend Income received | FY'20 | Actual | 1,875.00 | | |
| 54 | Rohini Heliport Limited | Associate | Investment in equity shares | FY'20 | Investment in equity shares | 0.05 | | |
| 55 | ONGC CSSS TRUST | Trust | Contribution | FY'20 | Actual | 1,116.65 | | |





| Sl no. | (a) Name(s) of the related party and nature of relationship | | (b) Nature of contracts/ arrangements/transactions | (c) Duration of the contracts / arrangements/ transactions | (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | | (e) Date(s) of approval by the Board, if any: | (f) Amount paid as advances, if any: |
|---|---|---|---|---|---|---|---|---|
| | Name | Relationship | | | Salient terms | Transaction value (₹ In Million) | | |
| 56 | ONGC SAHYOG TRUST | Trust | Contribution | FY'20 | Actual | 24.86 | | |
| 57 | ONGC PRBS TRUST | Trust | Contribution | FY'20 | Actual | 11,413.57 | | |
| 58 | ONGC Contributory Provident Fund Trust | Trust | Contribution | FY'20 | Actual | 13,140.72 | | |
| 59 | ONGC GRATUITY FUND | Trust | Reimbursement | FY'20 | Actual | 6,530.71 | | |
| 60 | ONGC ENERGY CENTER TRUST | Trust | Contribution for Research & development | FY'20 | Actual | 125.00 | | |
| 61 | ONGC FOUNDATION | Trust | Contribution | FY'20 | Actual | 1,161.21 | | |

On behalf of the Board of Directors

Sd/-
**Shashi Shanker**
**Chairman and Managing Director**

01.09.2020
New Delhi

# Report on CSR Activities/Initiatives for the Year 2019-20

**1.** A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs.

The Corporate Social Responsibility and Sustainable Development (CSR) Policy of ONGC approved by the Board of ONGC at the 269th meeting held on 28.05.2015 is in consonance with the CSR Policy framework enshrined in the Section 135 of Companies Act, 2013, Companies (CSR Policy) Rules, 2014 notified by Ministry of Corporate Affairs, Government of India and Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India (DPE Guidelines, 2014).

It shall apply to all CSR Projects/ Programmes undertaken by ONGC as per liberal interpretation of activities listed in Schedule-VII of the Act, within the geographical limits of India alone, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

As per the policy, projects/ programs are identified and budgets allocated for them through a process incorporating identification of suitable implementation agencies, need assessment and clear outlining of desired outcomes. The CSR projects / programs, which will, as far as possible, entail the following components:

i. Need Based Assessment / Baseline survey / Study where considered necessary / feasible;

ii. Identification of specific and measurable objectives / goals in identified sectors and geographies;

iii. Formation of the project and preparation of Detailed Project Report (DPR);

iv. Identification of time lines – clear specification of start date and end date;

v. Specification of annual financial allocation;

vi. Clear identification of beneficiaries (by name where possible);

vii. Clear identification of milestones for the complete duration of the Project / programme;

viii. Preparation and signing of agreement with Implementing Agencies;

ix. Preparation and implementation of a comprehensive and concurrent documentation procedure;

x. Robust, periodic review & monitoring;

xi. Evaluation & Assessment, preferably both concurrent and final (wherever possible, by a competent third part);

xii. Mandatory Reporting.

As per guidelines issued by DPE common theme for year 2019-20 are School education, Health care and Nutrition. CSR expenditure for thematic programme should be around 60% of annual CSR expenditure. Accordingly, focussed intervention in these areas and budget allocation for individual CSR Projects / Programmes / activities were made by the CSR Committee in the beginning of this financial year.

The website of ONGC - www.ongcindia.com, has the link to the CSR activities and to a host of policies directed towards the betterment of disadvantaged, vulnerable and marginalised section of stakeholders.

**2.** The composition of the CSR Committee (CSRC) as on 31.03.2020:

1. Shri Amitava Bhattacharyya : Independent Director – Chairman
2. Shri Subhash Kumar : Director (Finance)– Member
3. Dr. Alka Mittal : Director (HR) – Member
4. Shri R.K. Srivastava : Director (Exploration) – Member

**3.** Average net profit of the Company for last three financial years : **₹ 285,907 Million**

₹ In Million

| Particulars | 2016-17 | 2017-18 | 2018-19 |
|---|---|---|---|
| Profit as per Section 198 | 2,36,167 | 2,53,334 | 3,68,220 |
| Average profit as per Section 135 for the last three financial years | **2,85,907** | | |

**4.** Prescribed CSR Expenditure (2% of the amount as in item 3 above): **₹ 5,718.14 Million**

**5.** Details of CSR spent during the financial year:

a) Total amount to be spent for the financial year: **₹ 5,718.14 Million**

b) Amount unspent, if any : **NIL**

c) Manner in which the amount spent during the financial year is enclosed as ***Appendix-1.***

**6.** In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report: **Not Applicable.**

**7.** **Responsibility Statement:** This is to state that the implementation and monitoring of the CSR Policy in respect of all projects/ programs covered under CSR initiatives for the year 2019-20, is in compliance with CSR objectives and Policy of the Company.

Sd/-
**Shashi Shanker**
Chairman & Managing Director

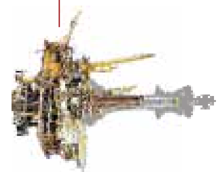
Sd/-
**Amitava Bhattacharyya**
Chairman, CSR Committee

31.08.2020
New Delhi


Commitment to CSR is a value we encourage, with projects in the area of Healthcare, Environment Sustainability, Education, Rural Development and more

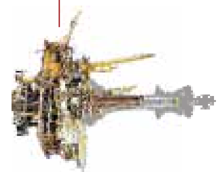
# Appendix to Annexure B

| Sl. No. | CSR Project or activity identified | Sector in which the Project is covered | Project or Program | | Amount outlay (budget) project or program wise (₹ in Million) | Amount spent on the project or program (₹ In Million) | | Cumulative expenditure up to the reporting period (₹ in Million) | Amount spent: Direct or through Implementing agency (IA) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Local / other | State and District where project or program was undertaken | | Direct expenditure (₹ in Million) | Overheads (₹ in Million) | | |
| 1 | ONGC Multispeciality Hospital at Rajabari, Sibsagar, Assam (Phase-II) | Healthcare | Local | Sibsagar, Assam | 1,487.40 | 582.35 | | 582.35 | Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan through ONGC Foundation |
| 2 | Capex Contribution to SDI bhubaneswar | Education | Local | Khordha, Odisha | 450 | 200 | | 200 | Skill Development Institute |
| 3 | Development of ONGC Bandra Promenade | Environmental sustainability | Local | Mumbai Suburban, Maharashtra | 143.89 | 132.09 | | 143.89 | Ravindra Joshi Medical Foundation |
| 4 | Financial assistance to NCI Nagpur, (Phase-II) | Healthcare | Local | Nagpur, Maharashtra | 403.6 | 121.07 | | 121.07 | Dr. Aabaji Thatte Seva Aur Anusandhan Sanstha |
| 5 | Construction of CHE&SS(Vivek Tirtha) Kolkata | Education | Local | North-24 Parganas, West bengal | 127.67 | 76.6 | | 76.6 | Ramakrishna Mission, Belur Math |
| 6 | Medical equipments for Diagnostic Centre at Delhi | Health care | Local | North-West Delhi, Delhi | 107.15 | 64.29 | | 107.15 | Sewa Bharti |
| 7 | Construction works at King George Hospital, Vizag | Healthcare | Local | Vizag, Andhra Pradesh | 150.00 | 60.00 | | 90.00 | King George Hospital |
| 8 | Corpus Contribution to SDS Ahmedabad | Education | Local | Ahmedabad, Gujarat | 111.30 | 51.34 | | 51.34 | Skill Development Society (SDS) |



| Sl. No. | CSR Project or activity identified | Sector in which the Project is covered | Project or Program | | Amount outlay (budget) project or program wise (₹ in Million) | Amount spent on the project or program (₹ In Million) | | Cumulative expenditure up to the reporting period (₹ in Million) | Amount spent: Direct or through Implementing agency (IA) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Local / other | State and District where project or program was undertaken | | Direct expenditure (₹ in Million) | Overheads (₹ in Million) | | |
| 9 | Reconstruction of Dysfunctional IHHL in Tripura | Sanitation | Local | Various districts in Tripura | 250.00 | 50.00 | | 250.00 | Jiban Dhara State water and sanitation Mission,Tripura through ONGC Foundation |
| 10 | Installation of Street Lights-Ramgarh-Dhanbad | Rural development projects | Local | Various Districts in Jharkhand | 50.00 | 50.00 | | 50.00 | Electric works Division, Government of Jharkhand, through ONGC Foundation |
| 11 | Merit Scholarship Scheme for SC/ST 2019-20 | Education | Local | Pan India | 48.00 | 48.00 | | 48.00 | ONGC Foundation |
| 12 | Financial assistance for Old Age Home at Palampur by VRT | Setting up old age homes | Other | Kangra, Himachal Pradesh | 74.75 | 41.11 | | 74.75 | Vivekanand Medical Research Trust through ONGC Foundation |
| 13 | Swachh Kumbh Kosh via demand letter dt 29.07.2019 | Sanitation | Other | Prayagraj, Uttar Pradesh | 40.00 | 40.00 | | 40.00 | Kumbh Kosh, Prayagraj through ONGC Foundation |
| 14 | Contribution to PCRA Saksham 2020 | Environmental sustainability | Local | Pan india | 35.00 | 35.00 | | 35.00 | ONGC Foundation |
| 15 | Promotion of Samskrit | Education | Local | Pan india | 50.00 | 30.00 | | 30.00 | Samskrit Promotion Foundation |
| 16 | Robotic scavenging machines to 11 municipalities | Sanitation | Local | Various districts of Andhra Pradesh | 43.90 | 26.33 | | 26.33 | Hand in Hand Inclusive Development |

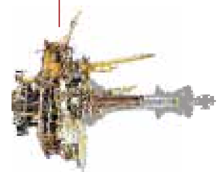
| Sl. No. | CSR Project or activity identified | Sector in which the Project is covered | Project or Program | | Amount outlay (budget) project or program wise (₹ in Million) | Amount spent on the project or program (₹ In Million) | | Cumulative expenditure up to the reporting period (₹ in Million) | Amount spent: Direct or through Implementing agency (IA) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Local / other | State and District where project or program was undertaken | | Direct expenditure (₹ in Million) | Overheads (₹ in Million) | | |
| 17 | Varishthajan Swastha Sewa Abhiyaan - Deployment of 11 Mobile Medical Units | Health Care | Local | Various Districts in the States of Operations | 70.6 | 24.07 | | 70.53 | HELPAGE India |
| 18 | Merit Scholarship for weaker OBC students 2019-20 | Education | Local | Pan india | 24 | 24 | | 24 | ONGC Foundation |
| 19 | Merit Scholarship Scheme General students 2019-20 | Education | Local | Pan india | 24 | 24 | | 24 | ONGC Foundation |
| 20 | Financial Assistance for Women Skilling & Entrepreneurship Development through Khadi Solar Charkha in Nawada and Sheikhpura in Bihar | Women empowerment | Other | Nawada, Bihar | 67.08 | 20.12 | | 60.37 | Bhartiya Micro Credit |
| 21 | Financial assistance for Augmenting CPWS Scheme for Water Supply | Drinking water | Local | East Godavari, Andhra Pradesh | 25.79 | 19.34 | | 25.79 | ONGC Foundation |



| Sl. No. | CSR Project or activity identified | Sector in which the Project is covered | Project or Program | | Amount outlay (budget) project or program wise (₹ in Million) | Amount spent on the project or program (₹ In Million) | | Cumulative expenditure up to the reporting period (₹ in Million) | Amount spent: Direct or through Implementing agency (IA) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Local / other | State and District where project or program was undertaken | | Direct expenditure (₹ in Million) | Overheads (₹ in Million) | | |
| 22 | Financial assistance for construction of an academic building and 2 hostel buildings at Sivananda Centenary Boys' High School, Bhubaneswar, Odisha | Education | Local | Khorda, Odisha | 47.19 | 18.87 | | 47.19 | Sivananda Centenary Boys High School |
| 23 | Convention Centre at Kapkot, Bageswar | Rural development projects | Local | Bageshwar, Uttarakhand | 24.04 | 13.22 | | 24.04 | ONGC Foundation |
| 24 | Construction of B.Ed. College, at Nirjuli, Arunachal Pradesh. | Local | Other | Papum Pare, Arunachal Pradesh | 59.04 | 11.81 | | 53.13 | Vivekanda Kendra Vidyalayas Arunachal Pradesh Trust |
| 25 | Setting up of Tribal Girls Hostel at Kandhamal, Odisha | Reducing inequalities | Local | Kandhamal,Odisha | 37.18 | 11.15 | | 22.31 | Samarpan Charitable Trust |
| 26 | Construction of school building at Hemtabad | Education | Local | Uttar Dinajpur, West bengal | 25.49 | 10.2 | | 25.49 | ONGC Foundation |
| 27 | CSR Projects of Onshore Asset/ Basin | Schedule VII of the Companies Act | Local | Various Districts in the States of Operations | 2,333.85 | 1,848.84 | | 1,984.02 | Various implementing Agencies |

| Sl. No. | CSR Project or activity identified | Sector in which the Project is covered | Project or Program | | Amount outlay (budget) project or program wise (₹ in Million) | Amount spent on the project or program (₹ In Million) | | Cumulative expenditure up to the reporting period (₹ in Million) | Amount spent: Direct or through Implementing agency (IA) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Local / other | State and District where project or program was undertaken | | Direct expenditure (₹ in Million) | Overheads (₹ in Million) | | |
| 28 | CSR Projects of Offshore Asset/ Basin | Schedule VII of the Companies Act | Local | Operational area including the States of Operations | 373.48 | 324.84 | | 324.84 | Various implementing Agencies |
| 29 | CSR Projects of Exploration Group | Schedule VII of the Companies Act | Local | Operational area including the States of Operations | 126.22 | 113.76 | | 118.53 | Various implementing Agencies |
| 30 | CSR Projects of Plants | Schedule VII of the Companies Act | Local | Operational area including the States of Operations | 135.17 | 116.31 | | 116.31 | Various implementing Agencies |
| 31 | CSR Projects by Administrative Offices/ Institutes | Schedule VII of the Companies Act | Local | Operational area including the States of Operations | 321.11 | 214.81 | | 257.79 | Various implementing Agencies |
| 32 | CSR Projects by Corporate CSR | Schedule VII of the Companies Act | Local | Operational area including the States of Operations | 2,509.09 | 1,417.33 | | 2,201.59 | Various implementing Agencies |
| 33 | Administrative oerheads (Rule 4(6) of Companies (CSR Policy) Rules, 2014) | | | | | | 248.82 | | |
| | | | | | | **5,820.85** | **248.82** | | |

The project wise details may be accessed at https://www.ongcindia.com/wps/wcm/connect/en/csr/major-csrprojects/



*Annexure-C*

# Awards and Accolades 2019-20

**Rankings**

1. **Forbes 2000 list 2020**

   Leading international business journal Forbes has ranked ONGC, 5th largest in India and 269 worldwide on the basis of its revenue, profits, assets and market value in the Global 2000 list of the world's biggest public companies for 2020.

2. **Fortune Global 500 list 2020**

   ONGC is ranked 190th globally and 3rd in India in 2020 ranking update of Fortune Global 500 list.

3. **Platts Top 250**

   ONGC has been ranked 17th among global energy majors in the coveted Platts Top 250 Global Energy Company Rankings in the industry category "Integrated Oil & Gas".

**Awards**

1. **ONGC bags S&P Platts Global Energy Awards 2019 for CSR**

   ONGC bagged S&P Platts Global Energy Award 2019 for Corporate Social Responsibility - Diversified Program. This award is a testimony to the extraordinary contributions as a corporate citizen in the Corporate Social Responsibility (CSR) domain.

2. **ONGC gets FIPI Oil & Gas – Exploration Company of the Year 2019 award**

   ONGC received the Federation of Indian Petroleum Industries (FIPI) Oil & Gas Exploration Company of the Year 2019 Award.

3. **ONGC awarded for best Operational Performance in Indian Chamber of Commerce (ICC) PSE Excellence Awards 2018**

   ONGC has been adjudged the Best in 'Operational Performance Excellence' & adjudged the runner-up in 'Corporate Social Responsibility (CSR) & Sustainability' in the Maharatna & Navaratna category in 9th PSE Excellence Awards held at New Delhi.

4. **ONGC sweeps Dun & Bradstreet PSU Awards, bags 4 honors in Maharatna category**

   ONGC bagged four major honors in the Dun & Bradstreet (DNB) PSU Awards 2019. DNB awarded energy Maharatna ONGC with four awards – Best in Mining and Exploration (Crude Oil), Best Maharatna in Mining and Exploration, Best in Corporate Social Responsibility (CSR) Initiatives, Best in Swachh Bharat Initiatives.

5. **ONGC first runner-up in PwD category in ASSOCHAMs Diversity & Inclusion Award 2019**

   ONGC has bagged the 'First runner-up Diversity & Inclusion Award 2019' in Best Employer for Persons with Disabilities (PwD) category. This award was given under 'Large Category' during a Conference-cum-Awards on Diversity & Inclusion ceremony organized by ASSOCHAM at New Delhi.

6. **ONGC conferred with Golden Peacock Global Award for Sustainability**

   ONGC was conferred the Golden Peacock Global Award for Sustainability 2019 by Institute of Directors (IOD) - India, during an award ceremony held in London. The Maharatna was honored with the prestigious accolade after assessment at three levels by independent assessors.

7. **ONGC conferred with the prestigious "Grow Care India Award-2018**

Corporate Health Safety and Environment, ONGC was conferred with the prestigious and coveted Grow Care India Environment Platinum Award 2018 for achieving excellence in adopting best practices in environment management in Exploration and Production sector.

8. **ONGC conferred with apex award for the use of official language in the technical field**

ONGC was awarded the first prize for the outstanding performance of the official language in the technical field at the International Hindi Conference organised by World Hindi Council in New Delhi on 13.09.2019 on the occasion of Hindi Diwas.

9. **IPSHEM Bags the 'Golden Bird Certificate of Excellence'**

IPSHEM, Goa for its outstanding contribution towards excellence in best training practices by conducting quality HSE trainings has been conferred with Golden Bird Best Training Award 2019 (Diamond Award) at Chandigarh organized by the Foundation for Accelerated Mass Empowerment.

10. **IPSHEM awarded with 'Greentech Environment Award 2019' in R&D sector**

IPSHEM, Goa has been awarded ***Greentech Environment Award 2019*** in R&D sector on 11.07.2019 in Delhi. This award has been given to IPSHEM for its outstanding contribution towards Environment Management efforts in operations.

11. **IPSHEM conferred with Energy and Environment Foundation Global Environment Award 2019**

IPSHEM, Goa has been awarded the 'Energy and Environment Foundation Global Environment Award – 2019' in 'Platinum Category' on 23.08.2019. IPSHEM was honoured with the award in $10^{th}$ World Renewable Energy Technology Congress & Expo-2019 – at New Delhi.

12. **IPSHEM Goa bagged two prestigious awards**

IPSHEM Goa received two prestigious awards in September 2019. In pursuit of excellence in Environment and Safety Management, IPSHEM Goa made another breakthrough by getting selected for the prestigious Apex India Environment Excellence Award 2019 in Platinum category and Apex India Occupational Health & Safety Award 2019 in Gold Category.

13. **Ankleshwar Well Services conferred Greentech Safety Award 2019 in Petroleum Exploration Sector**

Well Services Ankleshwar Asset has been declared Winner in 'Greentech Safety Award 2019' in Petroleum Exploration Sector. Well Completion and Testing, Workover RIG CW-50 VIII and Well Stimulation Services bagged three awards for outstanding achievement in Safety Management in ONGC operations.

14. **Mumbai High Asset bags $18^{th}$ Annual Greentech Safety Award 2019**

Mumbai High Asset has been awarded the $18^{th}$ Annual Greentech Safety Award 2019. The prestigious award was presented by Greentech Foundation on 07.12.2019 during the Annual Greentech OHS & Disaster Management Conference- Expo held at Delhi.

15. **Jorhat Asset bags $18^{th}$ Annual Greentech Safety Award 2019**

Jorhat Asset has won the prestigious $18^{th}$ Annual Greentech Safety Award 2019 for outstanding achievements in Safety Management. The Asset bagged both the awards in the Winner category in Petroleum Sector for two of its installations – Borholla GGS1 and Khoraghat GGS1.

16. **Hazira Plant was conferred 19th Annual Greentech Environment Award** in July'19 for outstanding achievements in Environment Management in Petroleum Refinery Sector.

17. **Hazira Plant received the Apex India Occupational Health & Safety Award 2019** in Platinum category in Gas Processing Sector in September 2019 at Goa.

18. **Hazira Plant received the "Grow-care India OHS Award 2019"** in Platinum Category for the year 2019.

19. **B-193 Process Complex of Mumbai High** received **'Grow Care India'** Platinum award for Safety (Corporate) category for the year 2019.

20. **7th Governance Now PSU Award** for CSR, 2019.

21. **FICCI Award for the skilling and gainful employment of youth** in Baramulla, J&K, 2019.

22. **Swachh Bharat Puraskar, 2019** conferred by Ministry of Drinking Water and Sanitation (MoDWS) for quality contributions to Swachh Bharat Mission since 2014


ONGC received the Federation of Indian Petroleum Industries (FIPI) Oil & Gas Exploration Company of the Year 2019 award

Annexure-D

# A. Energy conservation and Technology Absorption

a) **The steps taken or impact on conservation of energy**

1. Energy Audits were carried out in various rigs/ installations across ONGC through in-house energy auditors, recommending measures for improvement in overall Energy efficiency. A total of 201 energy audits were carried out in 2019-20.

2. Energy Management System is being implemented in phased manner across various work centres. 9 installations have been certified for ISO 50001 till date. Certification for CPF Gandhar is in process.

3. After successful installation of 65 KW Micro Turbine generator at Linch GGS, Mehsana in October 2018 for flare gas reduction, another Micro Turbine generator of 200 KW capacity was commissioned in November 2019 at GGS-1 Geleky, Assam. Both of these are in operation with satisfactory performance. Around 5,000 units of electricity is being generated per day and is consumed in the installation itself.

4. After successful implementation of Dynamic Gas Blending (DGB) in three drilling rigs (EV-2000-2, E-1400-7 and E-1400-3) of Ankleshwar, installation of DGB system at Armcue-1 rig of Assam Asset has also been completed. Testing of the system is under progress.

   The implementation has enabled to reduce the diesel consumption in these rigs by around 50 per cent and realize a net cumulative financial savings to the tune of ₹ 125.7 Million as on 31.03.2020. The annual savings accrued for year 2019-20 stand at ₹ 33.7 Million. The initiative has also resulted in substantial reduction in stack emissions on these drilling rigs.

5. Around 280,000 LED lights have been installed so far across various work centres of ONGC under implementation of LED lighting program. This would realize into an annual Electrical energy savings of around 52 Million units (MU) and monetary savings to the tune of ₹ 365 Million per annum on electricity consumption on lighting.

6. Various activities as per the directives of MoPNG, were organized across ONGC under a month-long Saksham 2020 campaign for creating awareness on oil and gas conservation. More than 1,450 various activities were conducted with a huge participation of 47 Lakh, which is almost three fold as compared to previous year.

7. High-vintage electric motors, which have outlived their lives, replaced by Energy Efficient Motors in Hazira, offshore platforms, Uran, C2-C3 Dahej, Kakinada, Silchar, Karaikal, Dehradun etc.

8. Burner management system (BMS) of HRSG-3 Boiler was replaced for better efficiency in Hazira Plant.

9. Old and unserviceable room ACs replaced with energy efficient ACs in Ankleshwar, C2-C3 Dahej, Dehradun, Jorhat, Kakinada, Rajamundary, Hazira, Ahmedabad, Karaikal etc.

10. In Ankleshwar Asset, installation of flare gas recovery system at CPF Gandhar and ESP-253 is in process (by installing two compressors of 20,000 SCMD capacity each).

11. In Ahmedabad Asset, average power factor has been increased up to level of 0.975 by proper operationalization of Automatic Power Factor Controllers (APFCs). This has resulted into a PF rebate of ₹ 6.47 Million during 2019-20. APFCs are also working in Dehradun, Aknleshwar, Dahej, Jorhat, Kakinada, Panvel, Rajamundary, Hazira, Ahmedabad, Karaikal etc.

12. Variable Frequency Drives (VFD) installed in Ahmedabad and Rajamundary for Optimum Energy Utilization.

13. In C2-C3 Dahej Plant, contract demand has been reduced from 20 MVA to 15 MVA. This has resulted in monetary saving of around ₹ 25 Million during 2019-20.

14. Solar water heating systems are in operation at Dehradun colony, Uran plant and IPSHEM Goa.

15. Energy efficient green buildings are in operation in Delhi, Mumbai and Dehradun.

16. Power factor correction system being implemented in drilling rigs in Ahmedabad.

17. Solar Panels for Gas custody meters being installed in Ankleshwar

**b) Steps for utilizing alternate sources of Energy:**

1. Total installed wind power generation capacity in ONGC is 153 MW (51MW Bhuj plant installed in 2008-09 and 102 MW Jaisalmer plant installed in 2015-16). During 2019-20, total 216.936 Million unit electricity was generated from these wind power plants.

2. Major Roof Top Solar (RTS) plants of 1.645 MW and 0.25 MW were commissioned in April 2019 at Assam and Tripura respectively. The total installed solar power generation capacity in ONGC now stands at 25 MW. During 2019-20, total 33.376 Million unit electricity was generated from solar power.

3. Constantly pursued with MNRE (Ministry for New & Renewable Energy) for approval of Viable Gap Funding for Ankleshwar (5 MW) and Goa (1 MW) solar projects. This has benefitted ONGC with the Viability Gap Funding (VGF) amount of ₹ 30 Million (₹ 50 Lakh/MW), which has been received by Ankleshwar and Goa from MNRE under the scheme.

4. Ground mounted solar power plants of 5 MW at Rajahmundry and 1.09 MW at Assam are under execution and will be commissioned in current year 2020-21.

5. In order to facilitate engineers across ONGC involved in Solar energy projects, Training on technical aspects including O&M of Solar Power Plants organized through SMP Vadodara and imparted by National Institute of Solar Energy (NISE), an expert agency in the field of solar energy, to thirty participants in two batches.

**c) Capital investment on energy conservation equipment**

1. The total capex on solar-based power plants commissioned during 2019-20 is ₹ 43.83 Million. The details are as under-

   Roof Top Solar 1.645 MW in Assam – ₹ 38.08 Million

   Roof Top Solar 0.25 MW at Tripura – ₹ 5.75 Million

2. The total capex on 200 KW Micro turbine commissioned during 2019-20 is ₹ 35 Million.

3. The total capex on Dynamic Gas Blending (DGB kit) commissioned in one rig during 2019-20 is ₹ 42.50 Million.

Annexure-E

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE STANDALONE FINANCIAL STATEMENTS OF OIL AND NATURAL GAS CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2020 AND MANAGEMENT REPLY THERETO:

| Comments | Management's Reply |
|---|---|
| The preparation of financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 June 2020.<br><br>I, on the behalf of the Comptroller and Auditor General of India, have conducted a Supplementary audit of the financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.<br><br>Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report: | Statement of fact |

<table>
<tr><td>

**COMMENTS ON FINANCIAL POSITION**<br>
**Assets**

**Non-current Assets - ₹ 2,696,947.53 Million**

**Note No. 47.1.10:**

</td><td></td></tr>
<tr><td>

Non-current assets include ₹ 75,068.8 million pertaining to 80 percent Participating Interest (PI) in block KG-OSN-2001/3 acquired by ONGC from M/s Gujarat State Petroleum Corporation Limited (GSPC) in August 2017. As per the Farm in-Farm- out Agreement (Article 4.3.3 c) signed between ONGC and GSPC, one of the adjustments in sale consideration pertained to 100 per cent of Cash Calls due from M/s Jubilant Offshore Drilling Pvt. Ltd. (JODPL) a partner in the block. However, sale consideration was only partially adjusted by ₹ 35.85 million instead of by full amount of ₹ 4,857.14 million. In the final closing adjustments in 2019-20 also the differential amount of ₹ 4,821.29 million (₹ 4,857.14 million minus ₹ 35.85 million) was not adjusted. The amount of ₹ 4,857.14 million which was due from JODPL should have been shown as recoverable from GSPC and should not have been capitalized. Consequently, non-current assets are overstated and current assets are understated by ₹ 4,821.29 million

</td><td>

The company had signed a Farm-In Farm-Out Agreement (FIFO) with M/s Gujarat State Petroleum Corporation Limited (GSPC) on March 10, 2017 for acquisition of M/s GSPC's entire 80% Participating Interest (PI) along with operatorship in the Block KG OSN 2001/3. The economic date and Closing date in terms of FIFO were 31.03.2017 and 04.08.2017 respectively.

Sale Consideration along with adjustments for acquiring GSPC's PI had been worked out in accordance with Article 4.3 of FIFO. As on Economic date, an amount of ₹ 4,857.10 Million was receivable by M/s GSPC from M/s JODPL. Since the dues had been funded by M/s GSPC Ltd (Operator till Economic date), the same was not considered for takeover by ONGC and hence was excluded from the adjustments in the Sale Consideration. An amount of ₹ 35.80 Million being short-funding to the business till economic date was considered as adjustment provisionally. The sales consideration was therefore worked out in accordance with FIFO Agreement. The final closing adjustment amount under Article 4.3.4 of FIFO Agreement is under finalization, hence the amounts shown in accounts for this purpose are provisional. In light of the audit observation the matter will be reviewed during FY 2020-21 and further adjustments, if any, will be carried out.

In view of the Company, there is no overstatement of Non - Current Assets and understatement of Current Assets on this account.

</td></tr>
</table>

| OTHERS<br>**NOTES FORMING PART OF ACCOUNTS**<br>**Note no. 31: Revenue from Operations** | |
|---|---|
| ONGC is raising invoice as per revised tariff in respect of Pipeline Transportation Charges for gas purchased from ONGC by GAIL India Ltd. through Uran Trombay Pipeline. Petroleum and Natural Gas Regulatory Board (PNGRB) revised transportation tariff for the pipeline from November 2008 and again from April 2019. An amount of ₹ 4,663 million towards Pipeline Transportation Charges was claimed by the Company from November 2008 to 31 March 2020 from GAIL on revised tariff charges. Out of this an amount of ₹ 1,534 million has been paid and ₹ 3,129 million is outstanding against GAIL as on 31 March 2020. The realisation of income pertaining to revised Pipeline Tariff from GAIL depends on outcome of the appeal with Appellate Tribunal for Electricity (APTEL) by a customer of GAIL as well as arbitration proceedings invoked by GAIL against another customer regarding applicability of revised tariff. The Company has not made a disclosure in notes to accounts on the matter though the dispute has a material impact on its revenue and assets. | In terms of Gas Sales Agreement (GSA) signed between ONGC and GAIL, GAIL is to pay transportation charges in addition to the price of gas in case of Uran Trombay Natural Gas Pipe Line (UTNGPL) and the agreed charges were being paid by GAIL. Subsequent to the replacement of pipeline, the revised tariff as approved by PNGRB is being claimed by ONGC from GAIL with effect from 20.11.2008. Maharashtra Gas Limited (MGL), one of the customers of GAIL, had filed a complaint with PNGRB on 12.02.2015 regarding applicability of tariff on supply of gas by ONGC to GAIL. After hearing all parties, PNGRB vide order dated 15.10.2015 dismissed the complaint and gave a verdict in favor of ONGC. Pursuant to appeal by MGL to the APTEL, the case was remanded back to PNGRB. Once again, PNGRB vide order dated 18.03.2020 dismissed the complaint and directed both GAIL and MGL to pay the transportation tariff fixed by PNGRB from time to time for UTNGPL, authorized as a Common Carrier. MGL has again filed an appeal with APTEL on 21.04.2020 against the order of PNGRB. Matter is presently pending with APTEL.<br><br>Arbitration invoked by another customer of GAIL is presently pending with MoP&NG in terms of Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD). The Company has been receiving revised transportation tariff since 20.11.2008 from GAIL in respect of all other customers and also, from the year 2016, in respect of the customer for which matter is pending with AMRCD.<br><br>The management is confident of recovery of the invoiced amounts. The total outstanding amount of ₹ 3,129 million is less than the materiality threshold decided by the management for the purpose of disclosure required under Ind AS 1- Presentation of Financial Statements and Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors. |
| **For and on behalf of the<br>Comptroller and Auditor General of India**<br><br>**Sd/-<br>Tanuja Mittal<br>Principal Director of Commercial Audit**<br>**Mumbai<br>31.08.2020** | **For and on behalf of<br>Oil and Natural Gas Corporation Limited**<br><br>**Sd/-<br>Shashi Shanker<br>Chairman & Managing Director**<br>**New Delhi<br>01.09.2020** |

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF OIL AND NATURAL GAS CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH 2020 AND MANAGEMENT REPLY THERETO:

| Comments | Management's Reply |
|---|---|
| The preparation of consolidated financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) or 139 (7)[1] read with section 129 (4) of the Act is/are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 June 2020.<br>I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Oil and Natural Gas Corporation Limited for the year ended 31 March 2020 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of (Annexure I), but did not conduct supplementary audit of the financial statements of (Annexure II) for the year ended on that date. **Further, section 139(5) and 143 (6) (a) of the Act are not applicable to (Annexure III) being private entities/ entities incorporated in Foreign countries under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.<br>Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report: | Statement of fact |

| | |
|---|---|
| **COMMENTS ON CONSOLIDATED FINANCIAL POSITION**<br>**Assets**<br>**Non-current Assets - ₹ 4,231,759.71 Million**<br>**Note No. 52.1.10** | |
| Non-current assets include 75,068.8 million pertaining to 80 percent Participating Interest (PI) in block KG-OSN-2001/3 acquired by ONGC from Mis Gujarat State Petroleum Corporation Limited (GSPC) in August 2017. As per the Farm in-Farm- out Agreement (Article 4.3.3 c) signed between ONGC and GSPC, one of the adjustments in sale consideration pertained to 100 per cent of Cash Calls due from M/s Jubilant Offshore Drilling Pvt. Ltd. (JODPL) a partner in the block. However, sale consideration was only partially adjusted by ₹ 35.85 million instead of by full amount of ₹ 4,857.14 million. In the final closing adjustments in 2019-20 also the differential amount of ₹ 4,821.29 million (₹ 4,857.14 million minus ₹ 35.85 million) was not adjusted. The amount of ₹ 4,857.14 million which was due from JODPL should have been shown as recoverable from GSPC and should not have been capitalized. Consequently, non-current assets are overstated and current assets are understated by ₹ 4,821.29 million. | The company had signed a Farm-In Farm-Out Agreement (FIFO) with M/s Gujarat State Petroleum Corporation Limited (GSPC) on March 10, 2017 for acquisition of M/s GSPC's entire 80% Participating Interest (PI) along with operatorship in the Block KG OSN 2001/3. The economic date and Closing date in terms of FIFO were 31.03.2017 and 04.08.2017 respectively.<br><br>Sale Consideration along with adjustments for acquiring GSPC's PI had been worked out in accordance with Article 4.3 of FIFO. As on Economic date, an amount of ₹ 4,857.10 Million was receivable by M/s GSPC from M/s JODPL. Since the dues had been funded by M/s GSPC Ltd (Operator till Economic date), the same was not considered for takeover by ONGC and hence was excluded from the adjustments in the Sale Consideration. An amount of ₹ 35.80 Million being short-funding to the business till economic date was considered as adjustment provisionally. The sales consideration was therefore worked out in accordance with FIFO Agreement. The final closing adjustment amount under Article 4.3.4 of FIFO Agreement is under finalization, hence the amounts shown in accounts for this purpose are provisional. In light of the audit observation the matter will be reviewed during FY 2020-21 and further adjustments, if any, will be carried out.<br><br>In view of the Company, there is no over statement of Non - Current Assets and understatement of Current Assets on this account. |

**OTHERS**

**NOTES FORMING PART OF ACCOUNTS**

**Note no. 37: Revenue from Operations**

ONGC is raising invoice as per revised tariff in respect of Pipeline Transportation Charges for gas purchased from ONGC by GAIL India Ltd. through Uran Trombay Pipeline. Petroleum and Natural Gas Regulatory Board (PNGRB) revised transportation tariff for the pipeline from November 2008 and again from April 2019. An amount of ₹ 4,663 million towards Pipeline Transportation Charges was claimed by the Company from November 2008 to 31st March 2020 from GAIL on revised tariff charges. Out of this an amount of ₹ 1,534 million has been paid and ₹ 3,129 million is outstanding against GAIL as on 31st March 2020. The realisation of income pertaining to revised Pipeline Tariff from GAIL depends on outcome of the appeal with Appellate Tribunal for Electricity (APTEL) by a customer of GAIL as well as arbitration proceedings invoked by GAIL against another customer regarding applicability of revised tariff. The Company has not made a disclosure in notes to accounts on the matter though the dispute has a material impact on its revenue and assets.

In terms of Gas Sales Agreement (GSA) signed between ONGC and GAIL, GAIL is to pay transportation charges in addition to the price of gas in case of Uran Trombay Natural Gas Pipe Line (UTNGPL) and the agreed charges were being paid by GAIL. Subsequent to the replacement of pipeline, the revised tariff as approved by PNGRB is being claimed by ONGC from GAIL with effect from 20.11.2008. Maharashtra Gas Limited (MGL), one of the customers of GAIL, had filed a complaint with PNGRB on 12.02.2015 regarding applicability of tariff on supply of gas by ONGC to GAIL. After hearing all parties, PNGRB vide order dated 15.10.2015 dismissed the complaint and gave a verdict in favor of ONGC. Pursuant to appeal by MGL to the APTEL, the case was remanded back to PNGRB. Once again, PNGRB vide order dated 18.03.2020 dismissed the complaint and directed both GAIL and MGL to pay the transportation tariff fixed by PNGRB from time to time for UTNGPL, authorized as a Common Carrier. MGL has again filed an appeal with APTEL on 21.04.2020 against the order of PNGRB. Matter is presently pending with APTEL.

Arbitration invoked by another customer of GAIL is presently pending with MoP&NG in terms of Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD). The Company has been receiving revised transportation tariff since 20.11.2008 from GAIL in respect of all other customers and also, from the year 2016, in respect of the customer for which matter is pending with AMRCD.

The management is confident of recovery of the invoiced amounts. The total outstanding amount of ₹ 3,129 million is less than the materiality threshold decided by the management for the purpose of disclosure required under Ind AS 1- Presentation of Financial Statements and Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

| | |
|---|---|
| **For and on behalf of the Comptroller and Auditor General of India**<br><br>Sd/-<br>**Tanuja Mittal**<br>**Principal Director of Commercial Audit**<br><br>**Mumbai**<br>**31.08.2020** | **For and on behalf of Oil and Natural Gas Corporation Limited**<br><br>Sd/-<br>**Shashi Shanker**<br>**Chairman & Managing Director**<br><br>**New Delhi**<br>**01.09.2020** |

## Annexure I Audit Conducted

### Subsidiaries

| | |
|---|---|
| 1 | Mangalore Refinery and Petrochemicals Limited |
| 2 | ONGC Mangalore Petrochemicals Limited |
| 3 | Hindustan Petroleum Corporation Limited |
| 4 | ONGC Videsh Limited |
| 5 | Petronet MHB Limited |
| 6 | HPCL Biofuels Limited |

### Joint Venture Entities

| | |
|---|---|
| 1 | ONGC Petro additions Limited (Audit in Progress) |
| 2 | HPCL Rajasthan Refinery Limited |
| 3 | Bhagyanagar Gas Limited |
| 4 | Ratnagiri Refinery Petrochemicals Limited |
| 5 | Mumbai Aviation Fuel Farming Facility Private Limited |
| 6 | HPOIL Gas Private Limited |
| 7 | IHB Private Limited |

### Associates

| | |
|---|---|
| 1 | GSPL India Gasnet Limited |
| 2 | GSPL India Transco Limited |

## Annexure II Audit not conducted

### Subsidiaries

| | |
|---|---|
| 1 | Prize Petroleum Company Limited (Non-review certificate issued) |
| 2 | ONGC Videsh Rovuma Limited (OVRL India) (Non-review certificate issued) |

### Joint Venture Entities

| | |
|---|---|
| 1 | Dahej SEZ Limited |
| 2 | Godavari Gas Private Limited |
| 3 | Aavantika Gas Limited (Non-review certificate issued) |

### Associates

| | |
|---|---|
| 1 | Pawan Hans Limited |
| 2 | Rohini Heliport Limited |

## Annexure III Audit not applicable

### Subsidiaries

| | |
|---|---|
| 1. | ONGC Nile Ganga B.V. |
| 2. | ONGC Campos Limited |
| 3. | ONGC Nile Ganga (San Cristobal) B.V. |
| 4. | ONGC Caspian E & P B.V. |
| 5. | ONGC Narmada Limited |
| 6. | ONGC Amazon Alaknanda Limited |
| 7. | Imperial Energy Limited |
| 8. | Imperial Energy Tomsk Limited |
| 9. | Imperial Energy (Cyprus) Limited |
| 10. | Imperial Energy Nord Limited |
| 11. | Biancus Holdings Limited |
| 12. | Redcliff Holdings Limited |
| 13. | Imperial Frac Services (Cyprus) Limited |
| 14. | San Agio Investments Limited |
| 15. | LLC Sibinterneft |
| 16. | LLC Allianceneftegaz |
| 17. | LLC Nord Imperial |
| 18. | LLC Rus Imperial Group |
| 19. | LLC Imperial Frac Services |
| 20. | Carabobo One AB |
| 21. | Petro Carabobo Ganga B.V. |
| 22. | ONGC (BTC) Limited |
| 23. | Beas Rovuma Energy Mozambique Limited |
| 24. | ONGC Videsh Rovuma Limited |
| 25. | ONGC Videsh Atlantic Inc. |
| 26. | ONGC Videsh Singapore Pte. Ltd |
| 27. | ONGC Videsh Vankorneft Pte. Ltd |
| 28. | Indus East Mediterranean Exploration Limited |
| 29. | HPCL Middle East FZCO |

### Joint Venture Entities

| | |
|---|---|
| 1. | ONGC Mittal Energy Limited |
| 2. | Mangalore SEZ Limited |
| 3. | ONGC Tripura Power Company Limited |
| 4. | ONGC Teri Biotech Limited |
| 5. | HPCL Mittal Energy Limited |
| 6. | Indradhanush Gas Grid Limited |
| 7. | Shell MRPL Aviation Fuels & Services Limited |
| 8. | Mansarovar Energy Colombia Limited |
| 9. | Himalaya Energy Syria BV |
| 10. | SUDD Petroleum Operating Company |
| 11. | Hindustan Colas Private Limited |
| 12. | South Asia LPG Co. Private Limited |
| 13. | HPCL Shapoorji Energy Private Limited |

### Associates

| | |
|---|---|
| 1 | Tamba B.V. |
| 2 | Petro Carabobo S.A. |
| 3 | Carabobo Ingenieria Y Construcciones S.A. |
| 4 | Petrolera Indovenezolana S.A. |
| 5 | South-East Asia Gas Pipeline Company Limited |
| 6 | JSC Vankorneft |
| 7 | Mozambique LNG1 Co Pte Ltd |
| 8 | Falcon Oil & Gas B.V. |
| 9 | Petronet LNG Limited |
| 10 | Moz LNG I Holding Company Limited |

*Annexure-F*

Form No. MR-3

# Secretarial Audit Report

## For the financial year ended 31st March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]

To,
The Members,
Oil and Natural Gas Corporation Limited,
(CIN: L74899DL1993GOI054155)
Regd. Office: Plot No. 5A- 5B,
Nelson Mandela Road,
Vasant Kunj, New Delhi -110070

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Oil and Natural Gas Corporation Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial year ended on **31st March, 2020** ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer

Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) I further report that, having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has compiled with the following laws applicable specifically to the Company:

(a) DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;

(b) The Petroleum and Natural Gas Rules, 1959;

(c) The Explosives Act, 1884;

(d) The Minerals Concessional Rules, 1960;

(e) The Atomic Energy (Factory) Rules, 1996;

(f) The Petroleum Act,1934 and the Rules made thereunder;

(g) The Oil Fields (Regulation and Development) Act, 1948

(h) The Oil Mines Regulations, 2017;

(i) The Oil Industry (Development) Act, 1974;

(j) The Oil Drilling and Gas Extraction Standards, 1996;

(k) The Petroleum & Natural Gas Regulatory Board Act, 2006;

(l) The Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008;

(m) The Mines Act, 1952 and the Rules made thereunder;

(n) The Petroleum and Mineral Pipelines (Acquisition of Right of User in Land) Act,1962;

(o) The Offshore Areas Mineral (Development and Regulation) Act, 2002;

(p) The Mines and Minerals (Development and Regulation) Act, 1957; and

(q) The Merchant Shipping Act, 1958.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board, Committee(s) and General Meeting(s).

(ii) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 ("SEBI (LODR), 2015").

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:

1. *Board Composition & Evaluation: During the audit period there were non-compliance with the requirements under Regulation 17 (1) (a) & (b) of SEBI (LODR), Regulations 2015 and Para 3.1 of DPE Guidelines, as the Company did not have requisite number of independent directors on its Board. Further, performance evaluation of Independent Directors by the entire Board of Directors as required under Regulation 17(10) of SEBI (LODR), Regulations 2015 and review of performance of non- independent directors, the Chairperson and the Board of Directors as a whole by the Independent Directors as required under Regulation 25(4) of SEBI (LODR), Regulations 2015 have not been complied with.*

2. *As per requirement of Regulation 23(2) of the SEBI (LODR), Regulations 2015 prior approval of Audit Committee for related party transactions was not made in the first quarter however approval of Audit Committee was made on 26.07.2019 for related party transactions undertaken during the financial year 2019-20.*

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, except for the reporting made hereinabove. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings at least seven days in advance generally, agendas were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board or Committee Meetings were carried out unanimously except in such case where dissent of Director(s) was recorded specifically.

Based on the compliance mechanism established by the Company and on the basis of review of compliance reports pertaining to all applicable laws to the Company laid before and taken note by the Board of the Company, we are of the opinion that the management has systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guideline.

We further report that during the audit period, there was no other specificevent/action in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

For Ashu Gupta & Co.
Company Secretaries

Sd/-
Ashu Gupta
FCS No. : 4123
C.P. No.: 6646

New Delhi
05/08/2020

Note: This Report is to be read with our letter of even date which is annexed as ***Annexure-A*** and forms integral part of this Report.

Diving Support Vessel Samudra Prabha for Inspection Maintenance Repair (IMR) activities

To
The Members,
Oil and Natural Gas Corporation Limited.
(CIN: L74899DL1993GOI054155)
Regd. Office: Plot No. 5A- 513,
Nelson Mandela Road,
Vasant Kunj,New Delhi -110070

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory audit and other designated professionals.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. Due to COVID-19 pandemic and Nation- wide lockdown to contain the spread of Corona Virus, work place/offices remained closed or working with less staff. In view of advisory issued by Government, very few physical visits to the office of auditee could be made and as such physical copies of the secretarial records could not be verified in detail. Reliance has been placed on the soft copy of necessary secretarial records/documents etc. made available to us. A representation in this regard certifying the correctness of the contents of the secretarial records provided has been taken from company's management.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ashu Gupta & Co.
Company Secretaries

Sd/-
Ashu Gupta
FCS No. : 4123
C.P. No.: 6646

New Delhi
05/08/2020

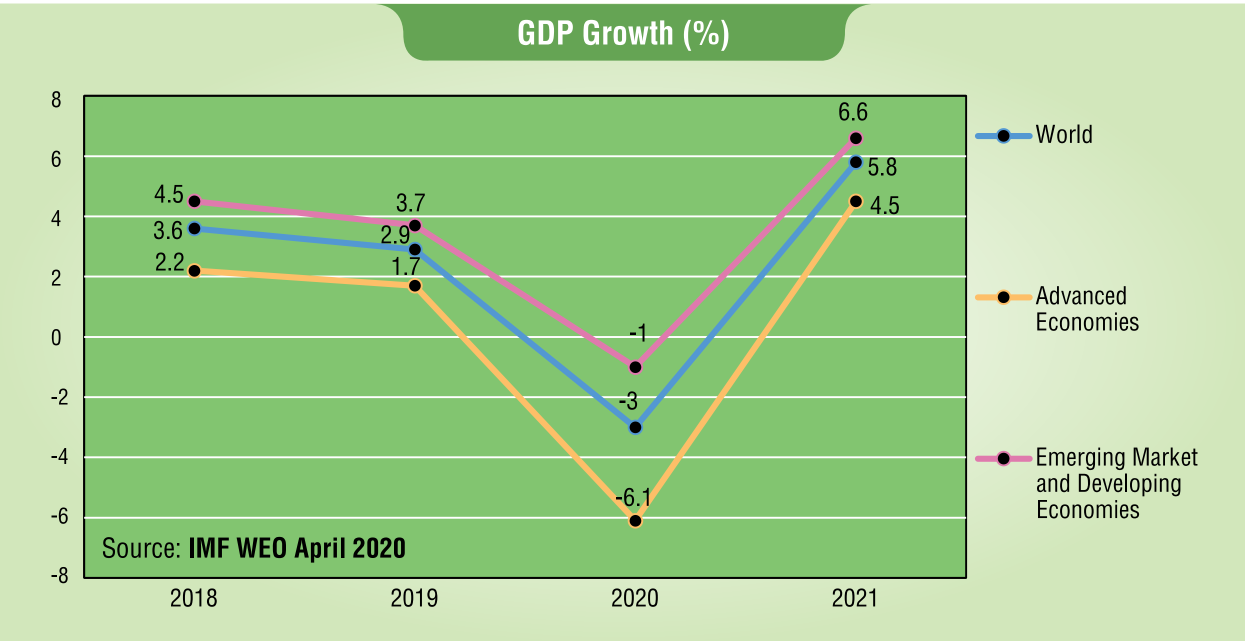
# Management Discussion and Analysis Report

The 'New Normal', is a term that has, of late, become the go-to euphemism to convey potentially irreversible shifts and movements in the status quo, ushering in new realities, aspirations and concerns. Indeed, change has been a constant feature of civilizational progress. However, when change comes thick and fast, completely unforeseen, it comes at the existing systems like hurricanes, brutally disrupting all sense of what has counted as 'normal' till then. COVID-19 is one such hurricane – a quintessential 'black swan' event that is likely to radically alter the paradigm of modern society and economy in more ways than one. A novel coronavirus infection that originated in China in late 2019, COVID-19, spread quickly and with serious consequences, and within the first quarter of this year, it engulfed the entire globe. The World Health Organization (WHO) declared it as Public Health Emergency of International Concern (PHEIC) in January 2020 and the International Monetary Fund (IMF) in its World Economy Outlook (WEO) April 2020 release termed it 'a crisis like no other'. The coronavirus pandemic has resulted in a hitherto unexperienced scale of human fatalities and countries, big and small, in order to contain the disease spread undertook the radical decision to place vast segments of their populations under a state of 'lockdown', involving strict stay-at-home orders, quarantines and social distancing protocols. As per the International Energy Agency (IEA), about 4.2 billion people or 54 percent of the global population, representing almost 60 percent of global GDP, were subject to complete or partial lockdowns towards the end of April. Quite realistically, COVID-19 is arguably the greatest disaster that humanity has faced since the end of the World War 2, but it could also potentially be a watershed moment for human history, affecting the way the world charters its future and selects its growth priorities. Therein also lie opportunities for the world in the aftermath of COVID-19, amid all the tragic and unfortunate developments. Once it has passed, COVID-19 will have been the sternest test for human ingenuity, courage and resilience – essentially, the human spirit – and like all obstacles and challenges that mankind has overcome in its fabled trajectory of evolution and progress, COVID-19 too shall be overcome and that will mark a breakthrough milestone for generations to come. But for now, in 2020, the world is still grappling with the significant implications of this global pandemic that has both immediate and long-term effects on the state of the global economy, and in particular, the energy industry.

## 1. Global Economy

The global economy was already in deceleration in 2019, much before COVID-19 came onto the horizon. Global GDP growth in 2019 was 2.9 percent, its slowest pace since the global financial crisis, on account of trade policy uncertainty, geopolitical tensions, and idiosyncratic stress in key emerging market economies, as per the IMF's WEO. Advanced economies grew at 1.7 percent, while Emerging Market & Developing Economies grew at 3.7 percent. Now with the evolving and pervasive crisis with the COVID-19 outbreak, prospects of a rebound in 2020, which was articulated in its WEO January 2020 release, instead has transmuted into grim projections of an inevitable economic recession, in the agency's most recent outlook in April 2020. It projects global economy to shrink in 2020 by as much as 3 percent. This is a downgrade of 6.3 percentage points from January 2020, a major revision over a very short period, making it the worst economic downturn since the Great Depression, and also far worse than the Global Financial Crisis of 2008.

Growth, however, is projected to bounce back to 5.8 percent in 2021 as economic activity resumes, underpinned by policy support. But there is considerable uncertainty around the forecast, as IMF admits, based on factors such as the pathway of the pandemic, pace of economic recovery and shifts in consumer behaviour among others.



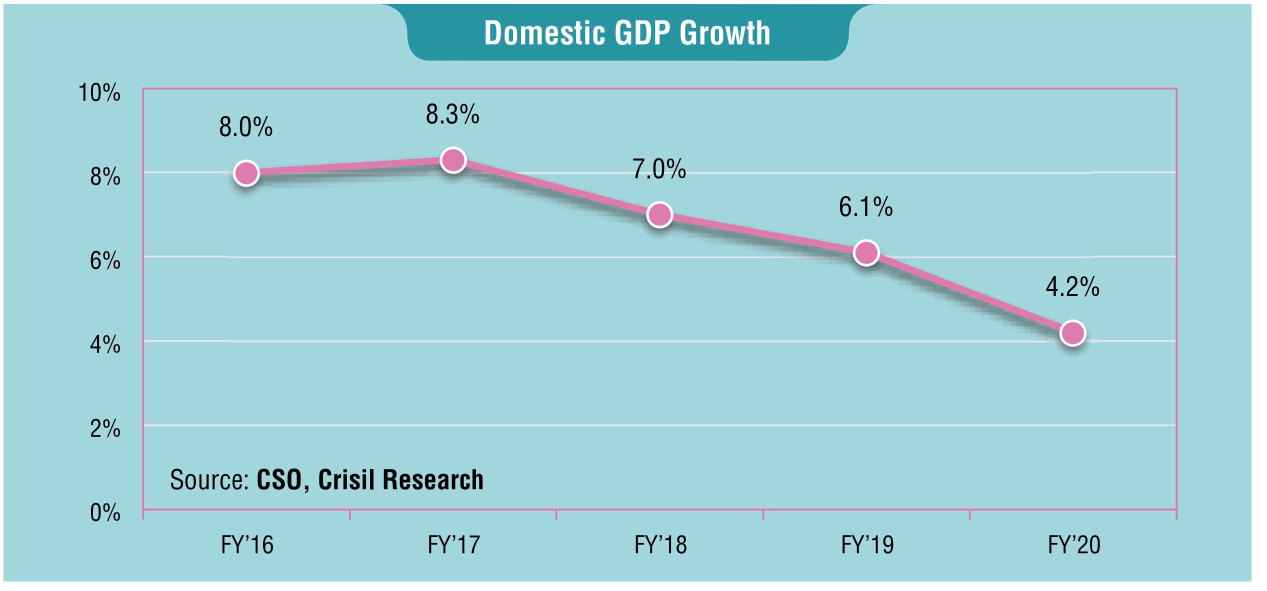

***Indian Economy:***

As per the Central Statistics Office (CSO) data published in May 2020, the domestic economy slowed down to a 11-year low with GDP growth slipping to 4.2 percent, with fourth quarter GDP growth for FY'20 coming in at a 40-quarter low of 3.1 percent. This aligns with IMF's forecast for the economy in its WEO April 2020 release.

The hard impact of Coronavirus has left almost no major country unscathed, but its consequences in India could be quite damaging given the inherent complexities – large population, inadequate health infrastructure and high percentage of workforce employed in MSMEs/informal sector. The Hon'ble Prime Minister, in view of the potential ramifications, executed possibly the hardest of lockdowns, with complete suspension of all non-essential industries, business and commercial travel/ public transport, for a 21 day period beginning March 25, 2020 in a deliberate push to contain the virus' spread. The original 21-day lockdown was subsequently extended in phases with graded relaxations with a view to not completely haemorrhage the domestic economy as well as avert a runaway surge in infections. A much needed economic stimulus package, worth ₹20 Lakh Crore or USD 266 bn (10 percent of domestic GDP), was also announced as part of the policy measures to combat the impending economic turmoil.

Despite the prompt nationwide containment strategy and the subsequent policy support, the inevitability of a major downturn in the domestic economy on account of COVID-19 is a given. In June 2020, IMF projected a GDP contraction of 4.5 percent in FY'21, reversing its 1.9 percent growth projection in its April Outlook. Domestic industry body FICCI also echoes an identical de-growth of the economy in its Economic Outlook Summary.

In this bleak context, the plunge in crude oil prices comes as a healthy relief and provides that much-needed fiscal buffer to the government in its plans to kickstart the economy. The gain would be particularly large to India, as it also imports substantial amounts of industrial metals, the prices of which seem to co-move with oil price. As per an estimate by UBS, India's crude import bill is likely to fall to US $ 50 billion in FY'21. Low crude prices will also ease inflationary pressures, which otherwise would have further compounded the troubles for a vast segment of the population. On the flip side, sustained low energy prices imperil the health of the domestic energy sector, especially upstream oil and gas, as projects are challenged on commerciality, thereby dimming prospects of oil import reduction through higher indigenous output.




## 2. Global Energy Sector

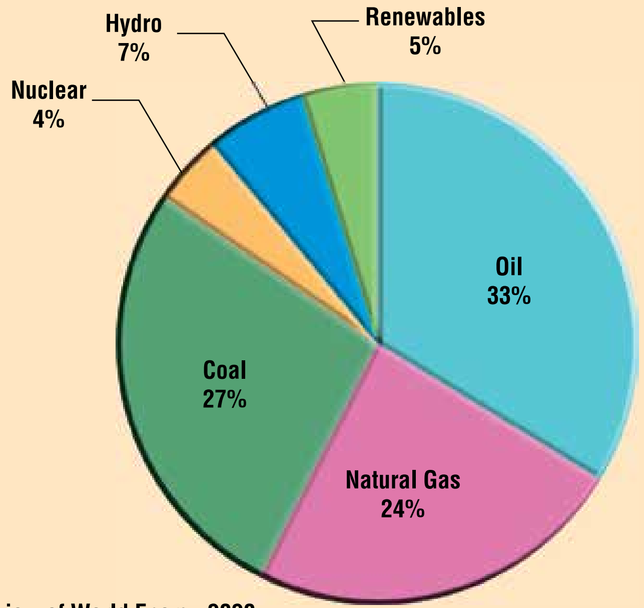
For a long time now, fossil fuels – viz, coal, oil and natural gas have played a predominant role in the energy basket. In 2019, the three together combined for over 80 percent of the total global energy demand. However, the rapid growth of renewables, spurred by a global consensus on a cleaner energy ecosystem, particularly post the historic COP-21 agreement in Paris in 2015, and rapid technology advances, is expected to eat into the share of fossil fuels. This is what the industry calls the 'Energy Transition'. But, fossil fuels are still expected, as per most industry and independent estimates, to be relied upon significantly for catering to a majority of the planet's energy needs.

**COVID-19 Impact:** While the long-term implications of the pandemic on the energy sector cannot yet be surmised with the situation still alive and dynamic, the near-term impact has been quite drastic. According to the IEA, the impact of COVID-19 on energy demand in 2020 would be more than seven times larger than the impact of the 2008 financial crisis on global energy demand. April 2020 is now referred to as 'Black April' for the world of oil as the impact of lockdown measures was most severely felt in this period – with more than half of the world under lockdown. The situation triggered the greatest collapse ever in the demand for oil – demand was down 22 Million BPD for the second quarter as per IHS-Markit. Crude Prices, which already were trending lower under oversupply and a sluggish world economy, hit rock-bottom. The dire circumstances also paved way for the historic OPEC+ production cut agreement of almost 10 Million BPD for May-June 2020. The E&P sector has responded to this expanding crisis by employing cuts in its outlays for the year – and the cuts have come steeper and quicker than those in the aftermath of 2014 price crash. Wood Mackenzie's early estimates predict current year investments to be 25 percent lower than in 2019. Demand for oil is however expected to rebound later in the year with gradual resumption of economic activity, aided by reasonably successful disease containment efforts in most of the major economies. Not surprisingly, renewable energy is the only sector that is expected to weather the storm without much damage incurred, and may even come out of it stronger. In Q1 2020, the global use of renewable energy was 1.5 percent higher than in Q1 2019, as per IEA's Global Energy Review 2020 report.

***Global Economy Basket***

As per BP Statistical Review of World Energy 2020, energy demand growth slowed down to 1.3 percent, less than half of what was registered in 2018 (2.8 percent). China was by far the biggest driver of this growth, accounting for more than three quarters of net global growth. India and Indonesia were the next largest contributors to growth, while the US and Germany posted the largest declines. Carbon emissions also declined in step with energy consumption – growing at 0.5 percent, significantly less than the over 2 percent growth in 2018.

**2019 Global Primary Energy - Total Consumption : 584 Exajoules or 13943 MMTOE**

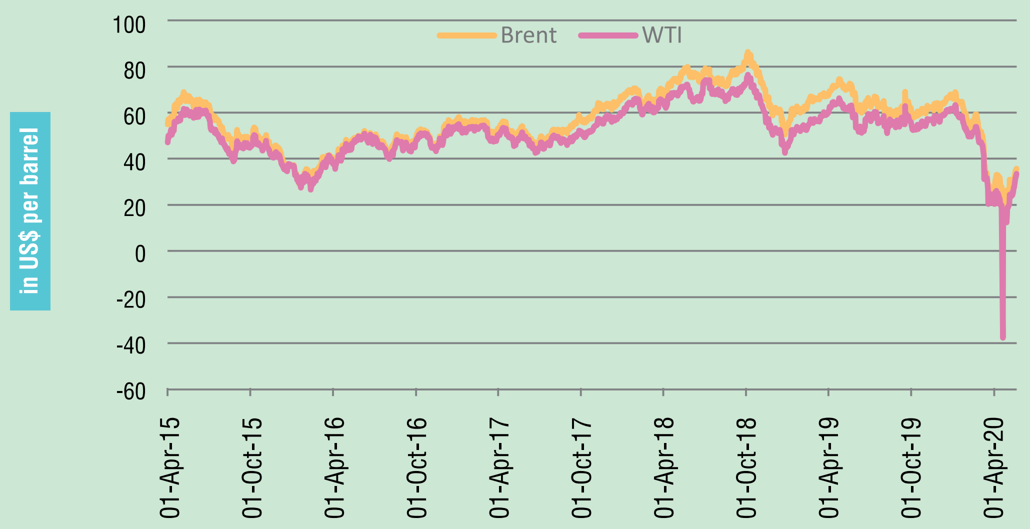



Source: **BP Statistical Review of World Energy 2020**

Within the energy basket, increase in energy consumption was driven by renewables and natural gas, which together contributed three quarters of the expansion. All fuels grew at a slower rate than their 10-year averages, apart from nuclear. Oil demand growth was 0.9 Million BPD (0.9 percent) while Natural gas consumption increased by 78 billion cubic metres (BCM), or 2 percent, much below the exceptional growth seen in 2018 (5.3%). Share of gas in the mix rose to a record high of over 24 percent. Renewable energy (including biofuels) posted a record increase of 12.2 percent in 2019 (~76.4 MMTOE), the largest increment for any source of energy in 2019. Wind provided the largest contribution to renewables growth followed closely by solar.

**Crude Oil Prices:** From a high of over $100/bbl in 2014, the price of a barrel of crude plummeted to as low as $30/bbl in early 2016. This episode of low prices was brought on by a global overhang of supply, largely on the back of staggering growth in US shale output and tepid global macro-economic environment. With gradual strengthening of demand, prices recovered subsequently and Brent crude averaged $64/bbl in 2019. But prices dropped again, quite calamitously, in H1 2020 in reaction to the ongoing global COVID-19 pandemic that brought most of the major economies and energy powerhouses to a screeching halt in the second quarter of 2020. The current slide is even more severe than the one in 2014-16 with global benchmark Brent dropping to under \$20/bbl and US benchmark WTI going negative (-\$37/bbl) at their worst.

Crude Price Trajectory




A period of sustained low oil prices strains the balance sheets and affects the profitability of upstream operators. On the other hand, low prices are a boon for importers. India's import bill saw a reduction of over 50 percent in a period of 3 years in the price crash of 2014 – from \$144 bn in FY'13 to \$64 bn in FY'16. While earlier in 2019, a price-point of \$60-\$65/bbl was considered a sweet spot by ONGC – a level that allows for a healthy level of project activity without exerting undue sovereign financial stress on the import side, that view, in the wake of the havoc wreaked on the energy sector demand by COVID-19 looks highly improbable, at least in the medium term. ONGC is now pivoting towards an oil market where prices are range-bound within \$40-\$50/bbl in view of the uncertainty about the pace of economic recovery and potential demand destruction arising out of changes in consumer behaviour.

**Crude Oil Demand and Supply:** Global oil demand was already on a downward trend, even before COVID-19. In 2019 total liquids demand growth slid down to 0.9 Million BPD, a steep drop-off of 600,000 BPD from the 1.5 Million BPD growth registered in 2018, as per IHS-Markit. The first sub-Million BPD average annual demand growth since 2012 came on the back of a broad-based global economic slowdown, a contraction in global trade and manufacturing, and escalation in the global trade war(s). The demand outlook is dismal for 2020: IEA projects a decline of 9.3 Million BPD. India's crude demand growth for 2019 was a mere 100,000 BPD – a reflection of a broad-based economic slowdown, which affected the auto and industrial sectors particularly badly.

Supplies declined by 300,000 BPD in 2019. On the growth side, US was, by far, the largest producer with a cumulative output of 12.2 Million BPD, growing by 1.2 Million BPD over 2018 volumes. But this growth was negated by the production cuts engineered by the OPEC+ group, led by Saudi Arabia, as well as the Iranian barrels that did not enter the market due to US sanctions. Iran's crude output declined

by 1.2 Million BPD and Saudi Arabia reduced production by 500,000 BPD in 2019. Crude Supply in 2020 is expected to be vastly lower – by about 9.2 Million BPD as per IHS-Markit – in view of dismal demand scenario in the wake of COVID-19.

US tight oil, the largest contributor to global supply growth over the last decade, will have tough time surviving in the current price environment. As per IHS-Markit analysis, at WTI under $35/bbl, US oil output falls to 9.3 Million BPD by December 2020, from 12.8 Million BPD in December 2019.

**OPEC+:** A significant part of the anticipated supply cutbacks will come from the OPEC+ agreement in mid-April. The group, comprising of OPEC members and select non-OPEC producers, had famously disintegrated early-on in 2020 following disagreements between key participants (Saudi Arabia and Russia) on production cuts but then came together again, at the behest of G-20 states, as the world of oil faced an unprecedented crisis with the outbreak of COVID-19 and its damaging impact on the global oil demand. This resulted in a landmark agreement that aims to cut-off as much as 9.7 Million BPD of crude from oil markets for the month of May and June 2020. It will be followed by another 7.7 Million BPD for another six months, and then 5.8 Million BPD for a further 16 months. It is the largest output cut since OPEC was founded 60 years ago. This unprecedented cut, paired with the expected declines and shut-ins likely to occur in the United States, Canada and some other countries, promises to remove up to 17 Million BPD in the second quarter of 2020 from the first quarter, as per an IHS-Markit report on this development.

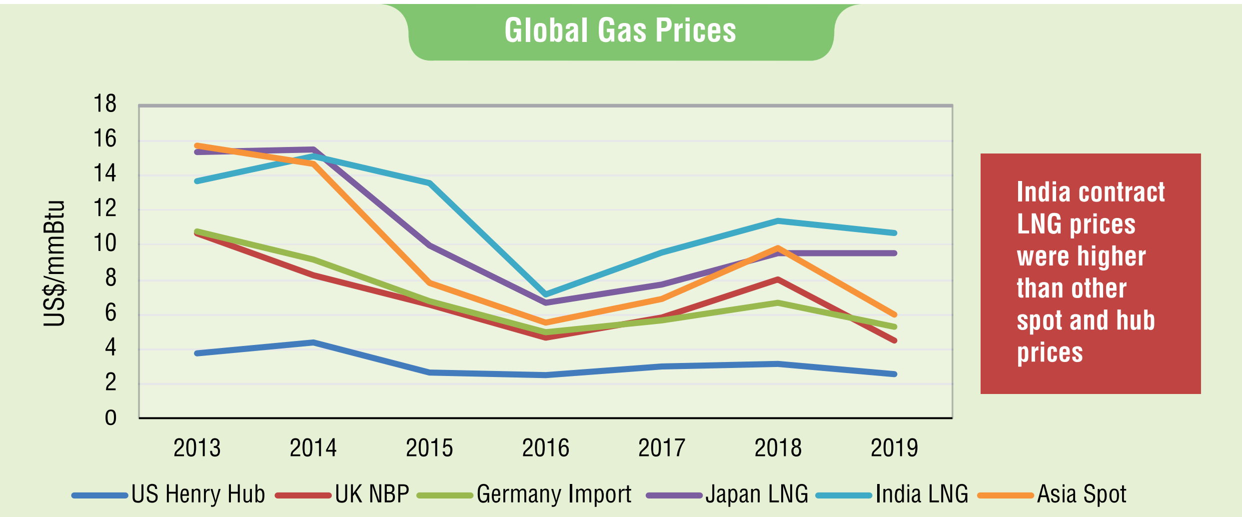
### *Global Gas and LNG*

Among the fossil fuels, gas is positioned more securely, relative to the other fuels, as part of the evolving 'Energy Transition' paradigm as the world shifts to a less carbon-intensive energy basket. While the near-term demand has been affected on account of COVID-19, on the longer term, demand looks robust. Demand for gas grows across all the three scenarios of Wood Mackenzie's post-COVID energy world. The expansion of the gas market is also a result of the growth in LNG trade that has allowed producers and consumers the flexibility of storage, transportation and access. LNG has helped position Gas as a strong competitor to other energy sources as in LNG form, gas is no longer a hostage to specific geographies and gas produced anywhere in world can now be consumed in more and more countries across the world as LNG trade picks up. This trend of "internationalization" of gas has caught on and is expected to shape the energy mix over the next decade in many countries.

The market though is in a state of oversupply, as key players like US, (with its abundant production), Russia, (a traditional heavyweight in European markets), as well as the likes of Qatar, Norway and Australia jostle for market share. As per BP Statistical Review 2020, global natural gas consumption reached 3929 BCM in 2019, with a volume growth of 78 BCM.

Gas production grew by 132 BCM (3.4 percent) outpacing growth in consumption. The US accounted for almost two thirds of net global growth, with the volumetric increase of 85 BCM. LNG project startups in US, Australia and Russia also boosting gas' growth. Total liquefaction capacity added during 2019 was 38.8 MMTPA, the highest ever. In 2019, net global LNG trade rose by 42.4 MMT to 358.9 MMT, a 13 percent YoY expansion, as per IHS-Markit. Australia surpassed Qatar to become the leading LNG exporter with total traded volumes of 80.2 MMT.

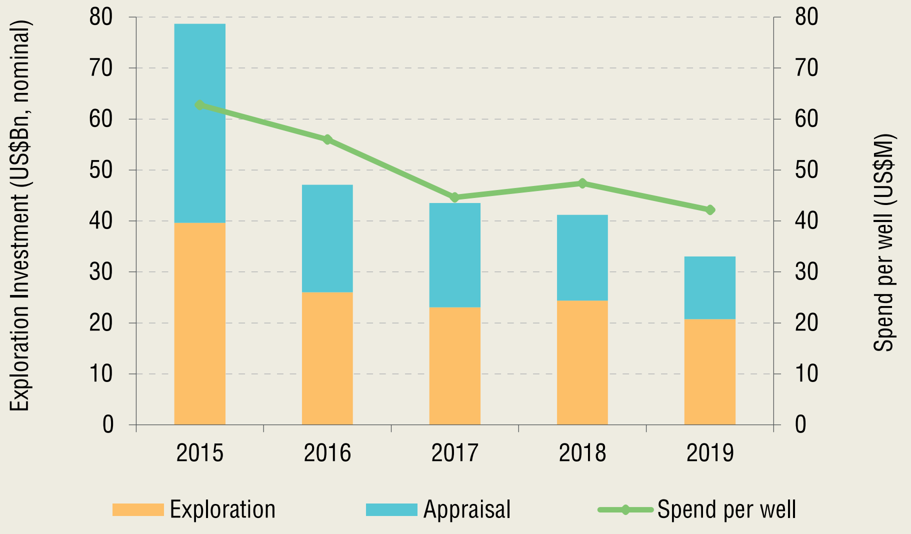
Gas prices – both hub-based and spot LNG rates – plunged to record lows in 2019 and are expected to trend even lower in 2020 because of COVID-19. Henry Hub prices averaged USD 2.52/MMBTU while Asian Spot LNG rates averaged USD 5.95/MMBTU in 2019. IHS-Markit expects Henry Hub prices to average under USD 2/MMBTU and spot LNG in Asia at just over USD 3/MMBTU for 2020.




Source: **IHS-Markit**

### *Exploration*

2019 was a solid year for global exploration. Exploration & Appraisal Spends globally totalled just over USD 33 billion, compared to USD 41 billion in 2018 – yet discovered volume of 21.2 billion BOE, was more than double than that of 2018, as per Wood Mackenzie. It reflects the capital discipline and high-grading of exploratory efforts (prospects) deployed by the industry since the 2014 price crash, resulting in lower discovery costs per BOE as well a higher percentage of commercially viable finds. It also marked the third year in a row that conventional exploration has been profitable.




Source: **Wood Mackenzie**

Many explorers are targeting gas. Nearly two-thirds of 2019 discovered volumes were gas (82 TCF). Three quarters of volumes concentrated in the top 20 finds. Although, liquids still offer higher economics and contribute to 50 percent of initially-estimated development value.

Just as in the previous price downturn, exploration budgets will be pared in 2020 as the oil sector reacts to the huge ramifications of the COVID-19 outbreak – this means already lean exploration budgets will become leaner still. Wood Mackenzie expects cuts of around 25 percent. Frontier exploration that was already cut post-2014 will be relegated further while exploration continues shift decisively towards maturing Basins.

While the focus on mature areas is understandable, in India, there is a definite need to expand the exploratory footprints outside the mature plays in view of their untapped potential and the country's escalating energy needs. The Government has provided the requisite policy thrust in this aspect with its fiscal and contractual incentives for exploration in under-explored areas.

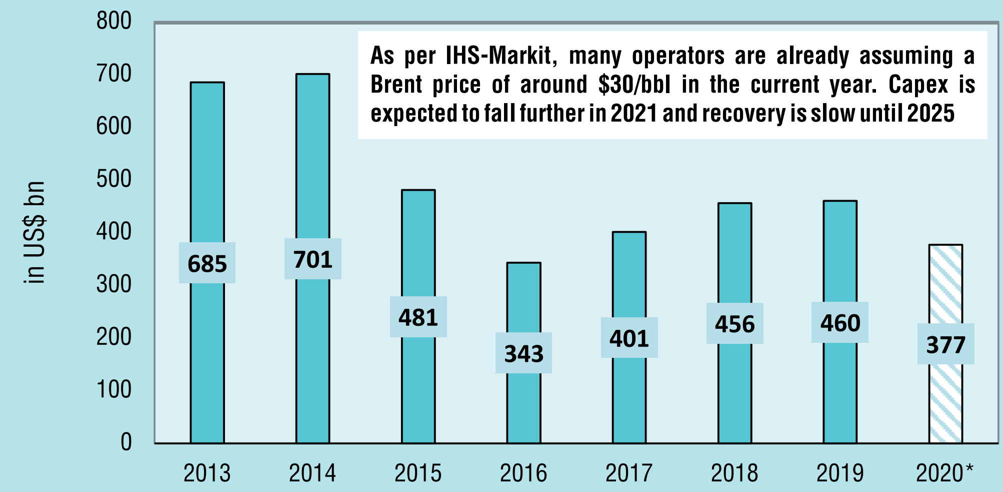
### *Upstream Investments and Project FIDs*

Capital investments in upstream projects remained strong in 2019, albeit lower than in 2018 – reflecting lower crude prices and an uncertain demand outlook. As per Wood Mackenzie, total major project (reserves>50 MMBOE) Final Investment Decisions (FIDs) in 2019 stood at 43, compared to 54 in 2018, with cumulative capital commitments of around USD 100 billion and targeting 20 billion BOE of reserves. 70 percent of it was gas-based, driven primarily by major integrated-LNG projects, with two LNG projects – Arctic LNG 2 and Mozambique Golfinho Area LNG – making up for almost 40 percent of the investments.

Upstream investments are likely to witness steep cuts in 2020. From an expected 50+ number of upstream FIDs pre-COVID 19, Wood Mackenzie now expects sanctions not exceeding 10 for the year. Although more than half of the pre-FID projects breakeven at under $50/bbl, most struggle at $30/bbl, as per Wood Mackenzie.

IHS-Markit expects E&P industry capex to decline by over 25 percent in 2020 – from

**Global E&P Spends**




Source: **IHS-Markit**

USD 317 billion in 2019 to just over USD 235 billion in 2020. Rystad Energy said in a report that USD 100 billion could be cut away from Exploration and Production companies' budgets in 2020 and the reduction could grow further to USD 150 billion in 2021 in a USD 30 scenario.

***M&A***

Global M&A activity in 2019 mirrored the path of global crude prices – deal activity strengthened in the first half as oil breached the USD 70/bbl mark, but slumped significantly towards the end as the year ended with lower crude prices, so much so that deal count fell to a two decade low and more than 40 percent below its longer-term average, as per IHS-Markit report.

Although total global upstream M&A transaction value increased by more than 20 percent from the prior year to USD 154 billion, it was boosted significantly by Occidental's USD 65 billion takeover of Anadarko. With survival at the top of the priority stack for most oil and gas operators in the aftermath of COVID-19, M&A activity is likely to be at a standstill – but the situation also opens up scope for consolidation benefitting well-capitalized companies with a clear future portfolio strategy.

In view of the ongoing uncertainty in the wake of the global breakout of COVID-19 pandemic, M&A activity is expected to be tepid in 2020, but it still does leave enough room for interest as financially solid and cash-rich operators look for potentially value-accretive and 'cheaper' acquisitions. Chevron's USD 5 billion acquisition of Noble Energy in July 2020 is one such example.

***Renewables***

Renewable Energy sources continued their momentum of strong growth in 2019, adding 176 GW. Total installed capacity stood at 2,537 GW globally, as per the International Renewable Energy Agency. Wind and solar power accounted for 90 percent of the world's newly added capacity. Renewables represented 72 percent of total capacity additions in 2019, continuing to outpace fossil fuels by a wide margin.

The global consensus and policy effort to promote renewables and other non-carbon sources as the principal element of a greener energy ecosystem, and by extension, a greener world, comes at a critical period for the fossil fuel industry as the latter grapples with record low oil and gas prices. Policy actions are also backed up by investments in the sector - the years 2010-2019 witnessed USD 2.6 trillion invested in renewable energy capacity (excluding large hydro), more than treble the amount invested in the previous decade, as per a UNEP-BNEF report. In a recent global Emerging Markets Survey by Bloomberg New Energy Finance, India tops the rankings in its capacity attract capital for low-carbon energy sources while building a greener economy. With an installed capacity of 87 GW, renewables account for 23.5 percent of the total installed power capacity of the country.

Remarkably, in 2020, demand for renewables is expected to increase even as global demand for electricity contracts by 5 percent, according to IEA. Fantastic cost reductions, especially in solar PV, over the last decade have also bolstered Renewable's commercial potential. As a counterpoint, the clean-energy pathway may be negatively impacted by regulatory focus on combating pandemic recession in the short-term and high debt-incurrence at this point may affect long-term climate ambition.

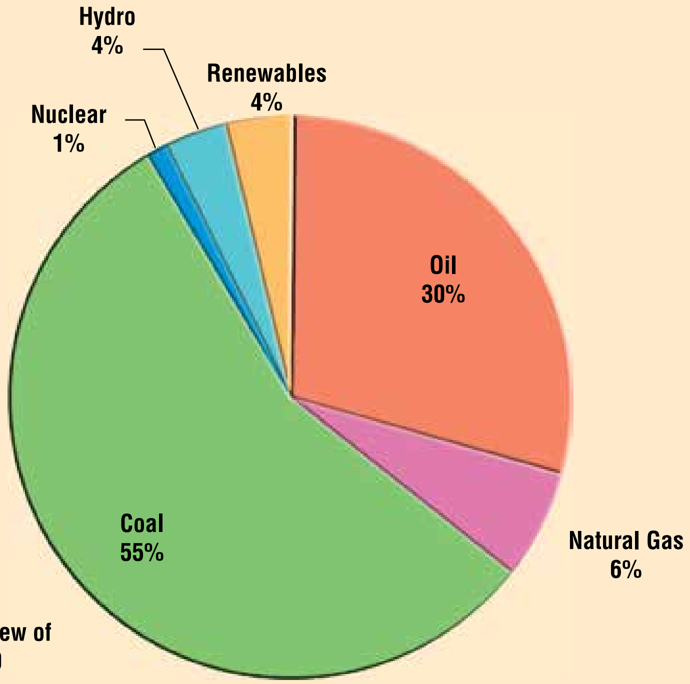
**Geopolitics:** Even at its most placid, geopolitics always has a tendency to evoke a sense of uneasy calm in global energy markets with each day's events bringing with them the potential for sudden and tangible impact. The last few years, however, prior to the scourge of COVID-19, the narrative of global energy markets, particularly for oil and gas, was essentially defined by fundamental market levers of supply-demand and prices despite the occasional disruptive events such as the drone attacks on Saudi oil installations or the killing of a prominent Iranian military general. But the emergence of COVID-19 pandemic as a 'once-in-a-lifetime' disruption, one that could radically alter the fate of international oil and gas ecosystem, the face and tenor of global geopolitics could transform drastically, at least for the next few years. Moreover, as IHS-Markit observes the current health and economic crisis could push the world into more unstable terrain as nations and businesses, in fear of their vulnerabilities, will react against globalization, tending toward nationalism and protectionism.

At the centre of the geopolitical discourse will be two primary poles of the modern global order – the US and China. The Middle-East, never quite completely immune from any geopolitical upheavals, is likely to face increased stress in the face of extremely low energy prices, considering how fundamental energy receipts are for the region's economies. Most of the Gulf States are estimated to need USD 70–80/bbl to balance their budgets:

## 3. India Energy Snapshot

With an economy that has grown consistently over the past two decades, underpinned by robust domestic demand, world's largest youth population and increasing urbanization, India remains vitally important to global energy markets. In step with its economic heft, the country's energy demand graph has also charted a similar course – in the past decade, energy demand has grown at a pace of 5.3 percent CAGR versus a world average of 1.6 percent. As per the IEA World Energy Outlook 2019, the country will be the hub of global energy demand growth for the next two decades. The country's primary energy demand grows from a level of 916 MMTOE in 2018 to 1841 MMTOE in 2040, under the Stated Policies Scenario, contributing over 27 percent of the energy demand growth

**India Energy Basket - 2019**




Source: **BP Statistical Review of World Energy 2020** during the period. Despite the healthy outlook for renewables the energy mix, fossil fuels still account for 75 percent of the energy basket in 2040, with the share of oil and gas share at 32 percent (oil 23 percent and gas 9 percent).

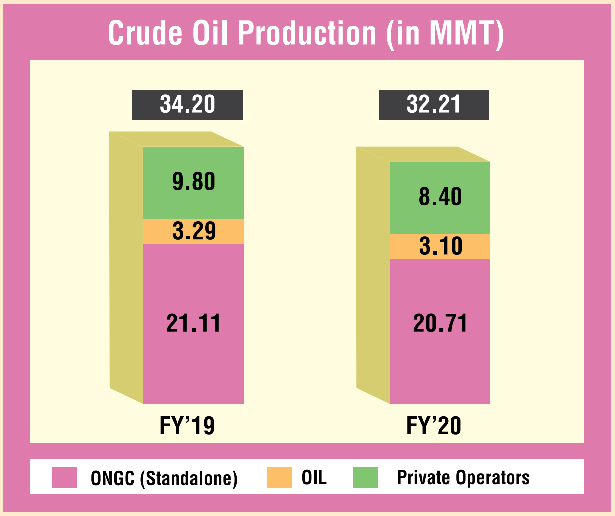
Oil import reliance has become a problem area for the country's energy strategy. Cumulative forex outgo on account of crude imports have exceeded USD 1 trillion over the past decade. In FY'20, import dependency touched 85 percent, based on domestic consumption of petroleum products. The country does therefore benefit during a low price period as prevailing now. That being said, increasing domestic output remains key to better mitigating the external supply risks and price volatility. The Government is also bullish on long-term prospects of gas and has set a clear mandate of achieving a 15 percent share for gas in energy mix by 2030. The upstream sector, thus, assumes critical significance in expanding the country's domestic resource availability while generating significant employment opportunities and industrial activity.

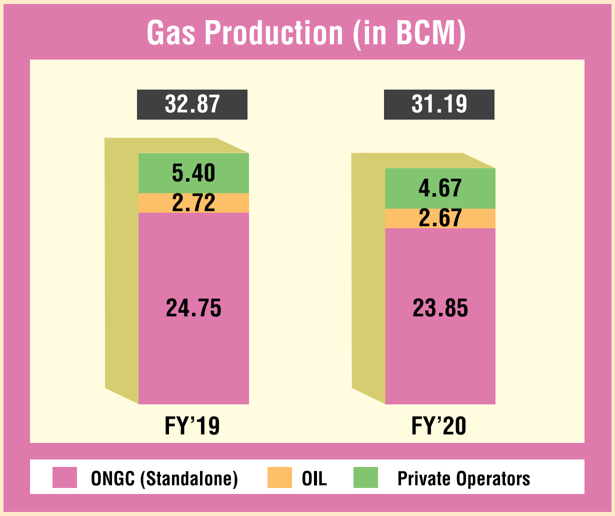
The COVID-19 pandemic, just as in the rest of the globe, has hit the domestic energy markets hard, and it will be difficult at this juncture to clearly assess total long-term implications of the disruption caused by pandemic. However, demand has been hit and crude prices have cratered. The imposition of the countrywide lockdown which began in the last week of last fiscal year did not have a massive impact on FY'20 production numbers, but it certainly has impaired the outlook for the current year – FY'21 – mainly due to losses in the month of April and May and the residual impact that the world 'learning to live with pandemic' may have. The story on the consumption side was worse with steep drops in fuel consumption for March, which is now gradually picking up with removal of lockdown and resumption of economic activities. Having seriously dented operational profitability, COVID-19 has emphatically foregrounded the need to rethink business models.

### *Crude Oil & Natural Gas Production*

As per Petroleum Planning and Analysis Cell (PPAC) data, Domestic crude oil production in FY'20 stood at 32.20 Million Metric Tonnes (MMT) versus 34.20 MMT during FY'19. ONGC's standalone production was 20.71 MMT vs 21.11 MMT in FY'19. Production from Oil India Ltd and PSC/JVs was 3.10 MMT and 8.40 MMT respectively.

Natural Gas output in FY'20 was 31.80 Billion Cubic Metres (BCM), versus 32.87 BCM in FY'19. ONGC's standalone domestic output



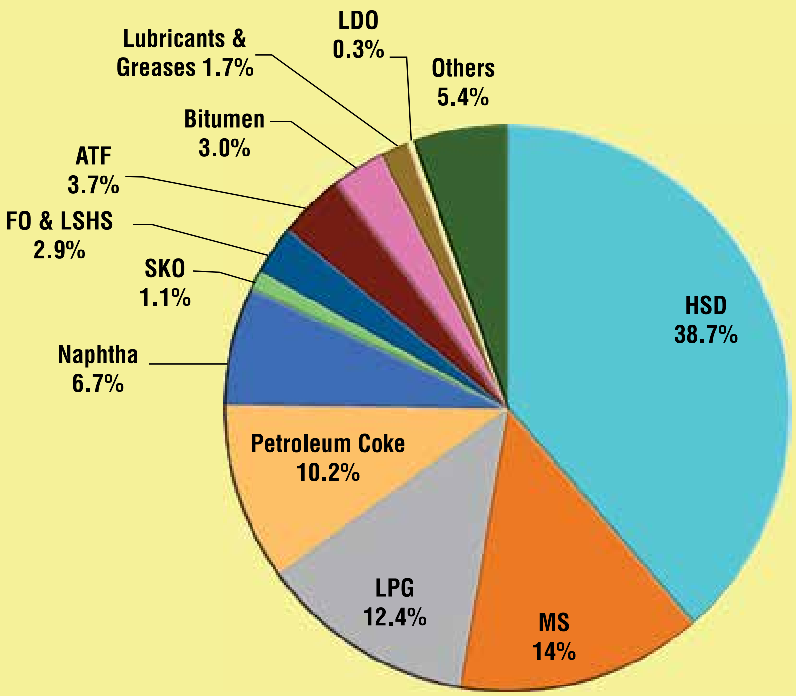
stood at 23.85 BCM. Oil India produced 2.67 BCM and other private operators 4.67 BCM.

***Consumption of Petroleum Products***

According to PPAC figures, Domestic petroleum products consumption in FY'20 totalled 213.7 MMT, growing by just a measly 0.2 percent from FY'19, recording its worst ever growth. The downtrend in consumption was largely attributable to the countrywide lockdown measurers implemented in late-March to contain the spread of Coronavirus resulting in significant demand cutbacks in large segments of the economy, especially in transportation and industry. Consumption of petroleum products during March 2020 was 16.1 MMT as against 19.6 MMT in March last year. Consumption growth was slowing down even before COVID-19. For the 11-month period till February demand grew at just 2 percent relative to the corresponding period in FY'19. Compare this sluggish pace with the average decadal annual growth rate of 4.7 percent, and it indicates the negative demand impact arising out of a broader slowdown in the economy. Further, the current demand slump is counter-cyclical as crude oil prices have trended lower through FY'20.

Looking ahead as per CRISIL Research, domestic petroleum product demand is expected to grow at 3.0-3.5 percent CAGR in the next five years to close to 250 MMT. This is against the robust growth of 5.6 percent in the past five years.

**Oil Product Demand Share**



### *Import and Export*

Growth in crude oil imports also stalled in FY’20 – 226.95 MMT versus 226.49 MMT in FY’19, a historic low growth, as per PPAC data. So, the overall import growth decline is reflective of unenthusiastic demand within the economy throughout the year. Import outlook for 2020 remains largely stagnant at 4.4 Million BPD, as per IHS-Markit, with definite downside risks due to COVID-19. Petroleum product export for FY’20 stood at 65.66 MMT, against 61.09 MMT in FY’19.

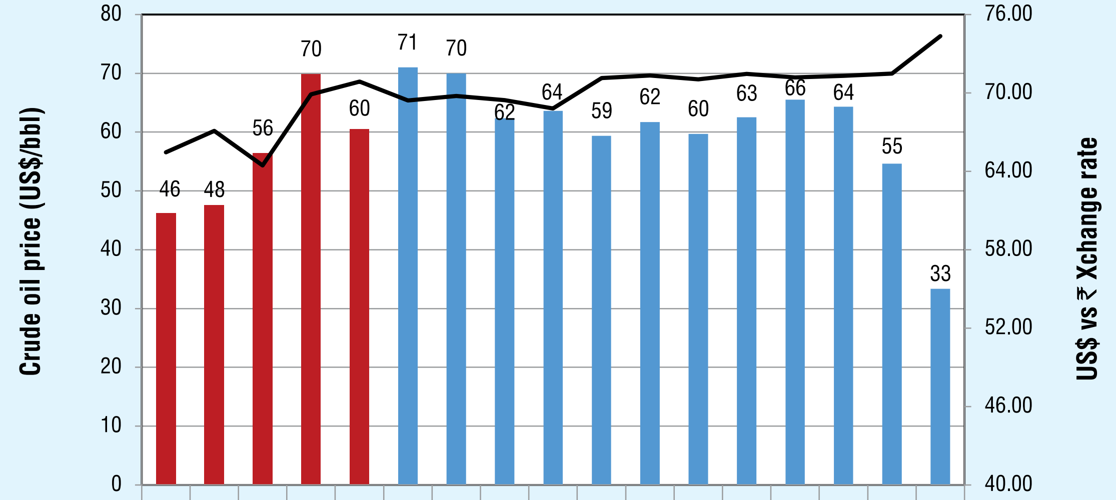
The drop in crude prices had a positive impact on the country’s import bill. Crude import bill for FY’20 was ₹ 7,166.27 billion (USD 101.38 billion) against ₹ 7,831.83 billion (USD 111.91 billion) during FY’19. With crude prices expected to stay low through 2020-21 (USD 34/bbl in 2020 and USD 44/bbl in 2021 as per IHS-Markit), a direct fallout of COVID-19 pandemic, the country stands to gain in terms of its trade as well as fiscal deficit.

### *Crude oil Price: Indian Basket*

Crude Oil price of the Indian basket averaged USD 60.47 per barrel (₹ 4,286 per barrel) during FY’20 compared to USD 69.88 per barrel (₹ 4,884 per barrel) in the previous fiscal (FY’19). The intra-year drop in crude prices – from USD 71/bbl in April 2019 to USD 33.36/bbl in March 2020 – on the back of COVID-19 is steeper than that in FY’15 in percentage terms.

Cognizant of the challenges of operating in a low-priced energy world, ONGC is shaping up its future strategy focused on higher operational efficiencies, cost optimizations, aggressive technology induction and energy sector diversification. The company anticipates USD 40-USD 50/bbl price range as the ‘new normal’ of the oil markets – however, without requisite policy and fiscal support, any price point below USD 30/bbl seriously endangers the commercial viability and sustenance of even its core business.

**Crude Oil Price: Indian Basket**




| | FY’16 | FY’17 | FY’18 | FY’19 | FY’20 | Apr’19 | May’19 | Jun’19 | Jul’19 | Aug’19 | Sep’19 | Oct’19 | Nov’19 | Dec’19 | Jan’20 | Feb’20 | Mar’20 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Crude Price (US $/bbl) | 46.17 | 47.56 | 56.43 | 69.88 | 60.47 | 71.00 | 70.01 | 62.37 | 63.63 | 59.35 | 61.72 | 59.70 | 62.53 | 65.50 | 64.31 | 54.63 | 33.36 |
| Exchange Rate (US $ vs ₹) | 65.46 | 67.09 | 64.44 | 69.88 | 70.88 | 69.43 | 69.77 | 69.44 | 68.81 | 71.15 | 71.33 | 71.04 | 71.45 | 71.19 | 71.31 | 71.49 | 74.35 |

### *Domestic Gas Prices*

Gas has been the focus of most upstream reforms in the past few years as the Government is keen on transforming the country into a gas-based one, particularly along its industrial and manufacturing corridors. The emphasis on gas is also borne out by the ambitious target of doubling pipeline infrastructure and expansion of re-gas facilities as part of a future pan-India gas grid providing equitable and transparent access to all producers and customers.

With the aim of spurring indigenous gas production and increasing transparency, the Government brought in a new pricing framework in 2014, replacing the erstwhile regulated pricing regime with a pricing formula linked to international prices. The Government had also implemented a special pricing regime to incentivize gas development in more difficult terrain (deepwater/ultra-deepwater/HP-HT). But drastic drop in global gas prices have become a source of continuous anxiety for upstream gas players as current prices are even lower than the pre-existing Government-determined gas price for nomination-era fields. This has a negative impact on the commerciality of gas-based projects. After posting a recovery through the first half of FY'20, gas prices have edged lower again in the recent past, and a situation of global over-supply worsened further by the COVID-19 pandemic has dimmed any scope of recovery in the near-term.

| Gas Prices before Revision (NCV basis) | USD 4.2/MMBTU |
|---|---|
| **Gas Prices FY'18 – FY'20 (on GCV basis)** | |
| 1st Apr' 17 – 30th Sep' 17 | USD2.48/MMBTU |
| 1st Oct' 17 – 31st Mar' 18 | USD2.89/MMBTU |
| 1st Apr' 18 – 30th Sep' 18 | USD3.06/MMBTU |
| 1st Oct' 18 – 31st Mar' 19 | USD3.36/MMBTU |
| 1st Apr' 19 – 30th Sep' 19 | USD3.69/MMBTU |
| 1st Oct' 19 – 31st Mar' 20 | USD3.23/MMBTU |

Domestic gas prices for the first 6 months of FY'21 has been set at USD 2.39/MMBTU.

| Ceiling Prices for Gas from HP-HT/Deep/Ultradeepwater (GCV basis) | |
|---|---|
| 1st Apr' 17 – 30th Sep' 17 | USD5.56/MMBTU |
| 1st Oct' 17 – 31st Mar' 18 | USD6.30/MMBTU |
| 1st Apr' 18 – 30th Sep' 18 | USD6.78/MMBTU |
| 1st Oct' 18 – 31st Mar' 19 | USD7.67/MMBTU |
| 1st Apr' 19 – 30th Sep' 19 | USD9.32/MMBTU |
| 1st Oct' 19 – 31st Mar' 20 | USD8.43/MMBTU |

Price ceiling for the first 6 months of FY'21 has been set at USD 5.61/MMBTU.

With LNG available cheap in Asian spot markets, it is understandable that a sustained period of low gas prices has set in, and it poses an acute dilemma around indigenous gas development. However, any stable economic corridor built around gas must always first lean on the stability and security afforded by domestic gas resources while using LNG imports as a useful alternative. Moreover, the volume of the country's proved gas resources is also further validation of the need for continuous support to domestic gas producers.

Setting up of a gas trading hub, helping the domestic market discover the 'right price' for the fuel, which already is one of the key energy sector goals for the Government, could be the most desirable solution to this current bind of price vulnerability which the gas sector finds itself in. In a positive development, India's Gas Exchange, the first nationwide online delivery-based gas trading platform, was launched on 15.06.2020. It potentially paves the way for a more transparent, fair and locally discovered pricing mechanism, essentially eliminating formula-driven pricing control and motivating greater participation from companies, sellers and buyers alike, as well as accelerating the pace of infrastructure creation (pipelines, storage, re-gas facilities etc.). Such a transition alone, will create necessary conditions for a take-off towards a gas based economy.

***Key Domestic Upstream Reforms and Initiatives***

Progressive policy measures and reforms are a necessary catalyst in enhancing the attractiveness and scope of any sector of the economy. Over the past few years, the Government has executed a raft of measures geared to advance the prospects of the upstream hydrocarbon sector, a sector that is of critical importance to the larger aspirations of growth and development of society and economy. While complete energy independence may be a distant reality considering the country's scale of energy needs, higher domestic supplies will certainly go a long way in bolstering the stability of the domestic energy system.

The reforms are a step forward in unlocking the domestic upstream segment by making it more open, business-friendly and remunerative for upstream players of varying sizes and competencies, national or international, state-owned or private entities.

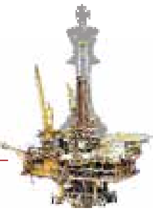
**The Hydrocarbon Exploration and Licensing Policy (HELP):** The Government of India formulated and approved a new exploration and licensing policy named Hydrocarbon Exploration and Licensing Policy "HELP" vide resolution dated 30.03.2016 whereby it has been determined to provide a uniform license to enable E&P operators to explore and extract all hydrocarbons resources including conventional and non-conventional oil and gas resources. Some of the key aspects of this new licensing regime are Open Acreage Licensing, uniform license for all types of hydrocarbons, revenue sharing model, marketing and pricing freedom, low royalty for offshore fields, continuous exploration under contract period etc.

**Open Acreage Licensing Policy (OALP):** To operationalize the HELP framework, Government of India launched the Open Acreage Licensing Programme (OALP) wherein upstream operators are allowed to put in offers for blocks of their choice for contracting based on the data available in the National Data Repository (NDR) at any time by submitting an Expression of Interest (EOI) indicating the area.

Four Rounds of Bidding under OALP have been completed till date and 5$^{th}$ round of bidding was launched on 14.01.2020. Till the culmination of 4 rounds of bidding under OALP, 94 blocks have been awarded under the new exploration policy in last two and a half years. These 94 blocks cover an exploratory area of approximately 1,36,800 sq. km over 16 Indian sedimentary basins. This is expected to generate investment to the tune of USD 2.35 billion (about ₹ 16,450 crore) over the next 3 to 4 years in the exploratory activities alone. ONGC was awarded 17 blocks as an operator in onshore and offshore areas falling in 3-tier category Indian sedimentary basins, adding exploration acreage of 33,572.73 Km$^2$.

**Discovered Small Fields (DSF) Policy:** Launched in 2016 as Marginal Field Policy, it was rechristened as Discovered Small Fields (DSF) Policy under HELP. Broad features of DSF policy are 'Single License' for conventional and non-conventional resources, pricing and marketing freedom, waiver of oil cess for crude oil and condensate, and exploration activity allowed during entire contract duration. It also allows upto 100% participation by foreign companies.

Two rounds of bidding under DSF have been completed till date. 31 Contracts (23 Onland & 8 Offshore) were awarded under First Round covering 43 discoveries on 27$^{th}$ March, 2017 while 23 Contracts (14 Onland + 9 Offshore) were awarded under Second Round on 7$^{th}$ March, 2019 covering 57 discoveries. DSF bid rounds have paved way for entry of 23 new players in Indian E&P industry and are expected to bring in fresh investments in the upstream sector of the country.



ONGC was awarded 5 contract areas (1 onland block and 4 offshore blocks) as part of DSF-II. During FY'20, FDP of all these blocks were submitted by your company to DGH and the approval of onland blocks have been received. Further, FDP of CA and D-33 offshore contract areas has been signed on 16.3.2020 in 1st Management Committee (MC) meeting.

**Marketing and Pricing Freedom for Difficult Gas:** In order to provide impetus to production of gas from difficult plays, Government of India has provided marketing and pricing freedom for gas produced from Deepwater, Ultra Deepwater and High Pressure-High Temperature (HP-HT) fields vide policy dated 21.03.2016. It was on the back of this measure that ONGC progressed with its USD 5 billion deepwater project in Eastern offshore. The formula retains an element of a ceiling. Time has come that the limit of ceiling be removed and prices are left to be discovered through fair play of market forces.

**Enhanced Oil Recovery (EOR) Policy:** Government of India approved a new policy framework on 10th October, 2018 to promote and incentivize Enhanced Recovery (ER)/Improved Recovery (IR)/Unconventional Hydrocarbon (UHC) production methods/techniques. Incentives will be available for a period of 10 years from the date of commencement of Enhanced Recovery (ER) or Unconventional Hydrocarbon project. Fiscal incentives include waiver of 50% of cess on oil production and 75% of applicable royalty on gas production on the eligible quantum of production volume. ONGC, under this policy has planned commercialization of 5 EOR schemes and implementation of 3 EOR pilots. Further, it has initiated process for fast-track pilot design of Chemical EOR in 12 onshore reservoirs of 7 fields.

**Recent Changes to Upstream Policy Framework**

In February 2019, the Government came out with further changes to the upstream policy framework, with a view to bolstering the attractiveness of the domestic upstream business. These new moves are an update to the HELP and OALP policy framework and have come into effect from OALP-IV round onwards. Some key features are: –

- Categorisation of sedimentary basins by maturity
- Tiered royalty incentives to encourage faster project execution
- Abolishment of government revenue share for emerging or frontier basins and introduction of windfall gain revenue sharing
- Capped government revenue share bids with less weightage
- Gas marketing and pricing freedom for all new gas discoveries
- NOCs (ONGC and OIL) allowed to retain fields where discoveries have been made, and induct partners through JV, farm-out or bidding out

**Operational Performance:**

For FY'20, oil & gas production of ONGC Group, including PSC-JVs and from overseas Assets has been 63.21 MMTOE (against 64.88 MMTOE during FY'19). ONGC-operated domestic fields accounted for bulk of the oil and gas production – 63 percent and 80 percent respectively.

Oil and gas production profile from domestic as well as overseas assets during last five years are as given below:

| Oil and Gas Production | FY'20 | FY'19 | FY'18 | FY'17 | FY'16 |
|---|---|---|---|---|---|
| **Crude Oil Production (MMT)** | **33.11** | **34.33** | **34.79** | **33.97** | **31.44** |
| ONGC | 20.71 | 21.11 | 22.31 | 22.25 | 22.36 |
| ONGC's share in JV | 2.64 | 3.12 | 3.13 | 3.29 | 3.57 |
| ONGC Videsh | 9.76 | 10.10 | 9.35 | 8.43 | 5.51 |
| **Natural Gas Production (BCM)** | **30.12** | **30.55** | **29.42** | **27.64** | **25.94** |
| ONGC | 23.85 | 24.75 | 23.48 | 22.09 | 21.18 |
| ONGC's share in JV | 1.04 | 1.06 | 1.13 | 1.18 | 1.35 |
| ONGC Videsh | 5.23 | 4.74 | 4.81 | 4.37 | 3.41 |

### *Proved Reserves*

Position of proved reserves of your company is as below:

| Proved Reserves (MMTOE) | FY'20* | FY'19* | FY'18 | FY'17 | FY'16 |
|---|---|---|---|---|---|
| **Estimated Net Proved O+OEG Reserves** | **960.82** | **991.37** | **982.01** | **928.16** | **909.34** |
| ONGC | 602.55 | 625.52 | 683.46 | 696.47 | 691.28 |
| JV share | 17.82 | 20.07 | 11.42 | 14.46 | 18.59 |
| ONGC Videsh** | 340.45 | 345.78 | 287.13 | 271.23 | 199.47 |

*FY'19 onward Reserves are based on PRMS basis; earlier years were reported based on SPE-classification
**Includes Mozambique (Developing Asset) and CPO-5-Colombia (Discovered Asset) as compared to Note 58.1 of Notes to the Consolidated Financial Statements for the year ended March 31, 2020.

### *Financial Performance: ONGC (Standalone)*

(₹ in Million)

| Particulars | FY'20 | FY'19* | % Increase/ (Decrease) |
|---|---|---|---|
| **Revenue:** | | | |
| Crude Oil | 648,363 | 775,729 | (16.42) |
| Natural Gas | 193,556 | 188,389 | 2.74 |
| Value Added Products | 115,095 | 128,881 | (10.70) |
| Other Operating revenue | 5,122 | 3,547 | 44.40 |
| **Total Revenue from Operations:** | **962,136** | **1,096,546** | **(12.26)** |
| Other Income | 61,050 | 72,652 | (15.97) |
| EBIDTA | 467,083 | 579,773 | (19.44) |
| PBT | 203,687 | 400,291 | (49.12) |
| **PAT** | **134,445** | **267,646** | **(49.77)** |
| EPS | 10.69 | 20.90 | (48.85) |
| Dividend per share | 5.00 | 7.00 | (28.57) |
| Net Worth ** | 1,943,381 | 2,017,896 | (3.69) |
| % Return on net worth | 6.92 | 13.26 | (47.81) |
| Capital Employed | 1,141,830 | 1,091,861 | 4.58 |
| % Return on capital employed# | 22.44 | 36.10 | (37.83) |
| Capital Expenditure | 295,385 | 294,498 | 0.30% |

*Restated
**Includes reserve for equity instruments fair valued through other comprehensive Income
#Return on capital employed is calculated without reducing exceptional item from PBIT. In case exceptional item is reduced from PBIT, ROCE would be 18.15% for 2019-20 and 36.10% for 2018-19.

### *ONGC Group*

(₹ in Million)

| Particulars | FY'20 | FY'19* | % Increase/ (Decrease) |
|---|---|---|---|
| Revenue from Operations | 4,250,014 | 4,536,828 | (6.32) |
| Other Income | 85,316 | 77,299 | 10.37 |
| EBIDTA | 606,769 | 825,488 | (26.50) |
| PBT | 190,681 | 548,456 | (65.23) |
| **Profit after Tax for the year** | **115,601** | **339,380** | **(65.94)** |
| - Profit attributable to Owners of the Company | 109,071 | 305,460 | (64.29) |
| - Profit attributable to Non-Controlling interests | 6,530 | 33,920 | (80.75) |
| EPS | 8.67 | 23.85 | (63.65) |
| Net Worth ** | 2,069,677 | 2,169,347 | (4.59) |
| % Return on net worth | 5.27 | 14.08 | (62.57) |
| Capital Employed | 2,047,548 | 1,950,175 | 4.99 |
| % Return on Capital employed# | 16.18 | 29.39 | (44.94) |

*Restated
**Includes reserve for equity instruments through other comprehensive income
#Return on capital employed is calculated without reducing exceptional item from PBIT. In case exceptional item is reduced from PBIT, ROCE would be 11.77% for 2019-20 and 28.58% for 2018-19.

***Details of Key Changes in Ratio: ONGC (Standalone)***

Details of significant change in ratio (i.e. 25% or more from previous year):-

| Particulars | 2019-20 | 2018-19* | Change in % |
|---|---|---|---|
| (i) Interest Coverage Ratio (Note 1) | 9.95 | 17.06 | (41.68) |
| (ii) Debt Equity Ratio (Note 2) | 0.07 | 0.11 | (36.36) |
| (iii) Operating Profit Margin (%) (Note 3) | 29.20 | 38.78 | (24.70) |
| (iv) Net Profit Margin (%) (Note 4) | 14.00 | 24.40 | (42.62) |
| (v) Return on Net Worth (% (Note 5) | 6.92 | 13.26 | (47.81) |

* restated

**Notes:**

**1) Change in Interest Coverage Ratio:**

The Interest Coverage ratio for current FY'20 is 9.95 against 17.06 in FY 2018-19 i.e. decrease of 41.68%, which is mainly due to decrease in Profit Before Interest & Tax (PBIT) and increase in Finance cost. The decrease in Profit Before Interest & Tax (PBIT) is on account of decrease in revenue from operations by ₹ 134,410 Million mainly due to reduction in crude oil sales revenue by ₹ 127,366 Million as a result of decrease in crude oil prices.

Further the increase in finance cost of ₹ 3,316 Million is mainly due to increase in unwinding of decommissioning provisions by ₹ 3,969 Million and unwinding of lease liabilities by ₹ 2,021 Million which has been partly offset by decrease in interest on borrowings by ₹ 2,681 Million.

**2) Change in Debt Equity Ratio:**

The Debt Equity ratio for FY'20 was 0.07 against 0.11 in FY'19 i.e. decrease of 36.36%, which is on account of decrease in borrowings by ₹ 76,445 Million and decrease in net worth by ₹ 74,515 Million. The decrease in borrowings is mainly due to decrease in current borrowings by ₹ 98,896 Million which is partly offset by increase in non-current borrowings by ₹ 22,451 Million. Further decrease in net worth is mainly due to decrease in total comprehensive income for the year by ₹ 239,822 Million.

**3) Change in Operating Profit Margin Ratio:**

The Operating Profit Margin Ratio for FY'20 was 29.20% against 38.78% in FY'19 i.e. decrease of 24.70% mainly due to substantial decrease in Operating Income Before Interest & Tax by 33.94%. The decrease in Operating Income Before Interest & Tax is mainly due to decrease in revenue from operations by 12.26%, increase in Depreciation, Depletion, Amortisation & Impairment by 20.45% and increase in Provisions and Write-offs by 15.13%.

**4) Change in Net Profit Margin Ratio:**

The Net Profit Margin Ratio for FY'20 was 14% against 24.40% in FY'19 i.e. decrease of 42.62%, mainly on account of substantial decrease of 49.77% in Profit After Tax. The decrease in Profit After Tax is mainly due to decrease in Operating Income Before Interest & Tax by 33.94%, increase in finance cost by 13.31% and a charge of ₹ 48,990 Million towards an exceptional item - impairment during FY'20.

**5) Change in Return on Net worth:**

The Return on Net Worth Ratio in FY'20 was 6.92% against 13.26% in FY'19 i.e. decrease of 47.81% mainly on account of substantial decrease in Profit After Tax by 49.77% and marginal decrease of 3.69% in net worth.

## 4. Opportunities & Threats

Oil and gas markets have always flirted with uncertainty. However, the degree of uncertainty and the frequency of disruptions that the industry has had to contend with over the past decade is quite staggering. The industry continues to be a mainstay of the global energy system but the landscape is in a state of inevitable transition where viability of even the most robust of businesses is being questioned and challenged as multiple forces are converging to force the sector to respond and adapt to the emerging reality.

Price volatility, particularly low prices, remains a serious threat to the long-term sustenance, profitability and investment plans of oil and gas companies. Upstream companies are particularly hit hard here. Always a risk-intensive sector, historically it had the potential for robust returns that outweighed its risk quotient. The industry had aggressively cut costs in response to 2014 price crash and optimism was returning to the upstream segment – characterised by value-accretive exploration, healthy FID numbers and production growth. However, the COVID-19 pandemic has derailed that momentum quite abruptly. As per Wood Mackenzie, despite cashflow breakevens falling dramatically since 2014, most companies require more than $40/bbl to cover spend and distributions. So, low prices in the wake of from COVID-19 presented a worrying situation to almost all companies.

ONGC remains committed in its quest for energy security of the country. However, extremely low crude prices will hurt the company's balance sheet and could force it to take extraordinary measures to tide over the situation. Despite its globally competitive cost structure, the company is exploring further ways, including rationalising project expenses, to bring down its costs further in anticipation of an energy era where low prices are a norm and not an exception. Under the current price regime, the Company has planned an expenditure reduction to the tune of ₹ 60,000 Million. Cost optimization is a key lever for enhancing productivity and profitability. Keeping the same in focus, various initiatives like VED (Vital, Essential & Desirable) analysis of projects, both future and ongoing, exploring cost effective technical solutions for immediate implementation, issuance of guidelines wrt austerity measures to all Key Executives, review of financial powers in BDP, re-negotiations of large value long term contracts, etc. have been undertaken to combat disruptions related to COVID-19 and ever volatile crude prices. Despite the cutbacks in our planned spends for FY'21, your Company could still stare at cashflow deficit if prices do not improve. In light of this distressing business scenario, your Company is pursuing with the Government for possible remedies by way of cess and royalty exemptions/concessions/rationalizations, which if agreed upon, will ease the impending liquidity pain to a large extent.

Considering the damaging impact that COVID-19 has had on oil demand and the more likely scenario of a stuttered recovery, the cutbacks on investments and lower exploration spends may not raise the spectre of a supply crunch in the next 3-4 years in global markets. But the need for higher domestic oil output remains as pressing as ever. ONGC, as such, remains focused on maximizing recovery from its aging fields - a total cumulative gain of over 200 MMT of oil is envisaged from the 31 approved IOR/EOR schemes. Low crude prices significantly dent the commerciality of such schemes which are usually higher on the cost-curve. In this respect, the policy framework for improved recovery in domestic fields is a positive step – it is especially encouraging for EOR projects as it allows for fiscal incentives to be applicable from the date of commercial production.

The threat of renewables, in combination with electrification of the mobility sector, has assumed centrestage in the boardrooms and strategy units of most oil and gas operators. In fact, with USD 35 crude, average returns from renewables projects could actually be higher, as per Wood Mackenzie. Most estimates still predict the relevance of fossil fuels 20 years out – but with most major conventional oil and gas companies clearly committing to time-bound sustainability and climate-related future goals it does strongly indicate the inevitability of transition – a matter of how and when and not 'if'. 2020 has been a moving year in terms of ambitious climate-related commitments among major players with the likes of BP, Royal Dutch

Shell and Total having announced 'net zero' emissions goals by 2050.

The share of Electric Vehicles in the global automobile fleet is still insignificant but it is growing rapidly. BNEF, early on in 2020, predicted 10 Million EVs on the road at the end of the year (1 Million in 2015). Sales may, though, suffer as a consequence of larger auto-sector slowdown in a post COVID-19 world, but long-term growth outlook looks promising – sales will accelerate once storage (battery) costs come down to USD 100/Kwh when it hits cost-parity with conventional ICE vehicles. By 2040, electric vehicles could displace as much as 6.4 MBPD of oil demand, as per BNEF.

Furthermore, in global capital markets more and more fund houses and investors are employing the Environment, Sustainability and Governance (ESG) criteria in making investment decisions. This is an area of action for most E&P players as even to support a very modest level of demand growth, capital requirements for the sector are substantial. BlackRock, the world's largest fund manager, recently announced sustainability and climate-risk will be important parameters for deciding all future investments in energy domain, effectively pressuring companies in carbon-intensive businesses to double down on emissions.

Way back in 2015, ONGC had embraced the target of becoming a 'Carbon-Neutral' company in acknowledgment of the need to be at the vanguard of sustainable energy within the country. Since then it has taken conscious steps in that direction – CDM projects, LED lighting across all locations, paperless office, banning single-use plastics among others. ES 2040 places special importance on non-fossil fuel investments as part of the company's envisioned transformation into a truly diversified energy-major.

As oil and gas companies tackle the holy trifecta of challenges: low prices, energy transition and heightened safety standards, especially in the wake of COVID-19, technology becomes a strong opportunity area. While oil and gas has always been a technology-forward sector in its operational aspect, aggressive adoption of technology across all facets of the business is likely to become a norm sooner than later with potentially remarkable results in productivity, safety and costs. Costs and productivity become vitally important in a low-price era where companies struggle to protect their balance sheets. While finding costs for ONGC have come down noticeably in recent years, the same does not hold for our production costs because of a mature portfolio with legacy contracts. It becomes critical while implementing complex and capital-heavy projects such as KG-DWN-98/2 deepwater project.

The E&P sector is witnessing a fundamental and irreversible change in the way it runs its business and manages its operations as part of the Industry 4.0 ecosystem as digitalization and technologies like AI become more and more mainstream. While prior to the COVID-19 pandemic the general consensus was on a 'gradual and considered' transition, the massive disruption that the industry has had to weather due to the pandemic has effectively ensured that the transition will be faster, more aggressive and more pervasive.

Digital technologies might also prove invaluable for Scope 1 and 2 emissions (internal emissions), according to a report by BNEF. Drones, sensors, satellite and camera data are essential in tracking potent methane emissions at oil wells and from pipelines, while machine learning is valuable in optimizing energy use in refining. The potential for technology's positive impact on cost control becomes even more pronounced during periods of low prices – such as the current COVID-19 situation, when the size of the workforce in oil and gas tends to shrink. Remote monitoring and automation technologies now mean that oil fields can be operated by fewer people and algorithms can take over the work of certain technicians or supervisors. Use of analytics for predictive maintenance and energy efficiency are other possible areas of technological impact.

ONGC is fully cognizant of this emerging reality where digital technologies like AI are likely to have an outsized impact on business health. Even before the pandemic struck, ONGC had already operationalized an organization wide paperless-office approach – DISHA. We also are aggressively assessing and inducting cutting-edge technologies to ensure the company is future-ready. During FY'20, ONGC implemented technologies such as Advanced Remote Sensing and Imaging tool (ERDAS Imagine), Big Data Analytics and Broadband Processing among others.

During nation-wide lockdown, remote access of existing ERP framework (SAP-ICE) through VPN have been provided to executives concerned for maintaining the continuity of operations which has worked quite satisfactorily and provided excellent results.

Further, ONGC has embarked on its journey for upgradation of existing ERP framework to S4 HANA. It offers unique advantages to each stakeholder like enhanced performance, reduced cycle time of report generation, lower maintenance costs, increased contextual awareness, democratized data access and enabling organization to be ready for the "digital core".

ONGC is in the process of setting up of a Digital Centre of Excellence (DCOE) which will spearhead the use of Artificial Intelligence in diverse fields of company like Production, Drilling, Exploration and support functions like HR, Finance and MM. We are also actively considering an organization-wide rejig focused on shared services and centralisation of support-services activity in the next few months to reflect this new normal of a digital business ecosystem.

Closer to core business area, the domestic hydrocarbon province is likely to offer plenty of exciting opportunities for oil and gas explorers over the next few years. The Government's prioritization of the oil and gas sector, particularly the domestic upstream segment evidenced by its impressive pace of key reforms in the area, lends credence to that outlook. Our prognosticated resource base already stands expanded (42 BT versus erstwhile 28 BT), as per the latest reassessment exercise. Out of this about 12 BT has already been discovered, with a large potential of about 30 BT yet to be discovered. The Government's move to allow greater incentives for exploration in under-explored areas is indicative of its emphasis on expanding the domestic resource availability. Further, the completion of the National Seismic Project, led by ONGC, should improve information on our basins.

As the country's leading energy explorer with an extensive in-house support infrastructure, ONGC is well positioned to take advantage of the upcoming opportunities in the space and is focused on maximize its reserves base as well as oil & gas production in the domestic acreages in pursuit of economic sustenance, value creation and market dominance. Some of the opportunity areas are: Deeper synrift plays in different basins especially in onshore/transitional/SW areas in KG, Cauvery, Cambay, Kutch, Saurashtra and Mumbai offshore Basins; Field growth in existing fields in Cambay, Mumbai, Kutch, KG, Cauvery and A&AA Basins; Acceleration of efforts for exploration in Bengal, Vindhyan, Mahanadi and other newly discovered basins; Exploration for sub-basalt/Mesozoic play especially in Cambay, Kutch and Saurashtra offshore & Kerala Konkan basins; and unconventional resources. Primary hurdles to achieving the desired results in these areas come by way of them being technology-intensive and complex, their economic viability in a low price regime, and timely environmental and state clearances.

## 5. Risks and Concerns

**Price:** As with any industry, the risk of price is foremost in terms of impact on business. Aversion to price swings is particularly severe in the upstream oil and gas segment because of the high-risk quotient involved in its operations and the capital-intensive nature of its projects. COVID-19 has pushed the possible trajectory of crude oil price into the complete unknown – demand has crashed spectacularly, yet it is hard to be certain of V-type recovery even though the factors were completely outside of the industry's sphere of influence. The room for further optimisation of costs and efficiency is possibly lower because it comes right on the back of hard but difficult implementation of the same routine post 2014 – as Wood Mackenzie confirms, more than half of advanced pre-FID projects break even below USD 50/bbl, but almost all struggle at USD 30/bbl. The figure for some regimes could be still higher because of adverse fiscal regime, higher amount of royalty, cess or other leakages. Most major operators are using this difficult period as a sign of things to come. BP, for example, said it aims to reduce underlying breakeven to below USD 35/bbl in 2021. Global benchmark Brent averaged USD 64/bbl in 2019 – but that is projected to drop to USD 34/bbl in 2020 and has been projected to rise to USD 44/bbl in 2021, as per IHS-Markit.

Domestically, the extremely low gas prices are a cause of anxiety for gas producers. After a period of recovery, gas prices have started to trend south in recent months – gas price for H1 FY'21 is USD 2.39/MMBTU. At that price point most gas projects are running cash-negative. Without the necessary policy support and fiscal incentives the prospect of a gas-based economy looks difficult. It would be prudent to set a price floor for gas – allowing companies to plan projects in advance with a worst-case scenario factored into investment consideration. Although marketing and pricing freedom has been granted to new gas projects, it is not yet extended to legacy gas which constitutes bulk of the country's gas output.

Furthermore, the level of cess imposed on domestically produced crude oil is another limiting factor to improved earnings performance. The 20% ad-valorem at today's price levels seems too high, essentially defeating the entire purpose of modifying the cess levy. Moreover, cess incurred by producers is not recoverable from refineries and thus, forms part of cost of production of crude oil.

Extraordinary circumstances on account of the emergence of COVID-19 as a major health threat have also heightened the risk of operational disruptions. While ONGC's production did not suffer drastically in the wake of the nation lockdown, sustaining operations and critical supply volumes during the period was an extremely difficult exercise, given the associated risks to our manpower as well as the significant logistical challenges. At the peak of lockdown impact in mid-April, over 60 percent of our drilling rigs were stalled – effectively bringing to a halt all development projects that were underway with resources focused exclusively on maintaining base output. Besides production, exploratory drilling and seismic acquisition, processing of seismic data as well as G&G interpretation projects were also significantly affected. The lockdown has resulted in non-fulfilment of the annual targets both in respect of exploratory drilling and seismic API. The disruption of scheduled exploration activities was more severe in onland sectors compared to offshore areas - seismic acquisition in Assam & Assam-Arakan, Cambay, Frontier Basins and Jaisalmer Basin were affected with a cumulative loss of about 10-15 LKM of 2D and about 100-150 SKM of 3D seismic data acquisition.

**Geopolitics and Sovereign Fiscal Policies:** There is a possibility that crisis like the one unleashed on the globe by COVID-19 will make global collaboration a reasonable choice for countries as they devise a response framework to the situation, but it could also precipitate greater rivalries among major powers and regional blocs leading to potential geopolitical distress in the energy arena. With US hit hard by the infection, and China the origin of the virus and the economies of the petroleum-rich economies badly hurt, there are a lot of moving pieces that could result in disturbing developments in the next few years with tangible impact on the oil and gas business. An offshoot of such a situation could be a return to hard resource nationalism and protectionist tendencies among sovereign governments further heightening the risk quotient to the upstream investment decisions overseas. If early signs are an indication of shape of things to come, such tendencies are already manifesting across the globe, country after country. Stability of sovereign systems is of particular importance to ONGC in relation to its exposure to overseas markets through ONGC Videsh' participation.

**Risk of Human Capital:** While the anticipated retirement of the past generation of 'oilmen' was at the heart of the 'big crew change' scenario, today the challenge is all about attracting and retaining talent in an industry that is fighting a battle to retain its relevance  not just as a lucrative but also an aspirational sector for the younger generation. Further, this has come at a time when the fundamentals of the traditional energy business are also being affected by the low energy prices. However, while in the past, oil and gas companies mostly considered people from specific disciplines, now as companies themselves undergo transformation there is also the opportunity to engage people with skillsets in the digital domains or cleaner energy areas. Also, with digital technology at the core of this new-age energy company, manpower requirements are also not likely to be at the level it was years ago.

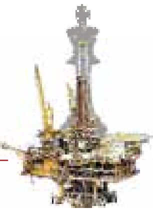
**HSE Risk:** Operational safety is a high-risk element for most upstream operations. In fact, along with Safety, current industry emphasis on Sustainability requires companies to adopt a more holistic approach through a well-designed and strong HSE framework. ONGC has implemented updated OISD Standards to improve contingency combat capabilities. International underwriters, enabling a lower-than-peer insurance premium for these assets, have rated ONGC offshore assets under 'acceptable risk'.

Finally, Safety around Health has become the topmost priority for everyone in the age of COVID-19. The current year has been a test for the best of us – it has also been a lesson in how to respond and adapt under extreme and unforeseen situations. The very physical nature of upstream operations does not lend itself well to social distancing measures required to fight the disease – but ONGC has managed to deliver as a business without jeopardizing the health of its energy soldiers. We can say that we are now in a much better position to tackle emergencies of this nature. It also has given us reason to further explore all possible areas where we can use technology as a useful intervention – not merely as a replacement – where lives are not risked, but business marches on.

***Energy Strategy 2040:***

Energy Strategy 2040 is the strategic blueprint of ONGC for its future. It is a necessary step towards imagining the possibilities and potential in tomorrow's energy ecosystem. While the 'Energy Transition' was one of the fundamental drivers of the roadmap – it was also a clear acknowledgement of the company's capacities and appetite for growth outside its core business. We adopted it in 2019 – which means COVID-19 whirlwind has come quite early on in its journey. While the damage to the global economy and energy markets has been unprecedented, the message remains the same: Change.

COVID-19 has not in anyway altered our view of the future, nor has it constrained the organization's ambitions for transformation into a future-ready entity with strong presence across



the gamut of energy business, and squarely focused on sustainability and meaningful value-creation. It has, in fact, added a much-needed lever of urgency and sharper focus for its implementation. The goals in each of the growth areas remain unchanged but there is a definite need to reassess the risk profile of investments in view of drastic reduction in profitability of core upstream business. The key milestones of Energy Strategy 2040 across difference business areas are as follows:

- ***Upstream:***
  - o Expand group production from 65 MMTOE to 110 MMTOE in 2040.
  - o Priority accorded to select difficult plays (HP-HT, Ultradeepwater) with high-prospectivity and low stretch from current core, development of in-house EOR solutions to maximize legacy production, exploration-focussed technology partner-ships
  - o Internationally, focus shifts to plays with volume in host regimes with a positive G2G relationship with India to secure stable energy long-term supplies
  - o Focus on shorter business cycles and avoidance of high breakeven projects
- ***Downstream (Refining & Petchem):***
  - o Total refining capacity is expected to triple from 35 MMTPA to 100 MMTPA
  - o Expansion in petchem to 9.5 MMT from current 3.8 MMT - based on the robust demand of outlook of 8%-9% CAGR for the country as well as ONGC's significant presence in the market through OMPL, OPAL and HPCL's petchem investments
  - o Significant room for deriving operational synergies through integrated crude sourcing, centralized trading, capability and infrastructure sharing etc.
- ***Beyond O&G:***
  - o Power and Renewables capacity expansion to 5 GW
  - o Gas business: Expand into CGD/re-gas through group entities at scale with strong technology and trading capabilities
  - o Venture fund corpus of ~$1 billion in select frontier themes such as Clean energy, AI or Reservoir/field services technology etc.; a hedge against disruptions

  We have set a timeline till 2025 to also achieve a strategic restructuring of the group businesses keeping in mind internal synergies and best-case scenario for growth. A completely separate entity focused on Power and Renewables is being explored in view of the remarkable business diversification opportunity that the space presence, Government's priority focus and ONGC's strategic fit as a proven player in the domestic energy arena.

## 6. Outlook

Your Company's outlook for the future remains positive on the basis of its fundamentally strong core business of E&P. Presented below is a brief overview of our current exploration status as well as efforts in emerging areas and production enhancement efforts.

### A. Exploration

### I. Exploration Acreage & Mining Lease

Your Company holds the largest exploration acreage in India as an operator. As on 31.03.2020, ONGC holds a total of 7 Nomination PEL blocks (5106.05 $Km^2$), 358 Nomination PML blocks (Long Term: 327 and Short Term (7 year): 31) having an acreage area of 54,321.75 $Km^2$ and 1 Pre-NELP block (892.0 $Km^2$). In NELP regime, your company has 23 active NELP blocks comprising 21,126.17 $Km^2$ of PEL area and 10 PMLs carved out from NELP blocks with an acreage area of 1380.78 $Km^2$ (5 PMLs in Gujarat, 1 PML in Andhra Pradesh, 3 in shallow water and 1 deep-water PML). Besides, ONGC as non-operator has participative interest (PI) in 2 blocks having acreages area of 567.00 $Km^2$.

In addition, ONGC also holds 17 OALP blocks (13 on-land, 3 shallow water and 1 deep-water areas) covering an area of 33,572.73 $Km^2$ awarded till the end of OALP-IV bidding round. Also as non-operator, it has 3 OALP acreages covering an area of 1558 $Km^2$. In DSF-II round, your company was also awarded 5 contract areas with PML acreage area of 946.81 $Km^2$.

## II. Exploration Performance

During the year 2019-20, your Company has notified 12 discoveries (7 New Prospects and 5 New Pools) in its nomination acreages.

A significant discovery R-12-6 discovery was made during the year in the reverted field "Ratna and R-Series fields", in Mumbai Offshore (SW) which was handed over to ONGC in 2016. This discovery has resulted in substantial reserve accretion in Bassein Pay and opened up area for further exploration. Also, the hydrocarbon indication in Panna play is an additional lead for exploration of the play in the area. YS-6-2 (Sub) discovery in KG Offshore is a significant stimulus for HP-HT synrift exploration in KG Offshore and has established the commercial potential of the Lower Syn-rift play corridor continuing from Deen-Dayal field in KG Shallow water. VN#3 discovery in Cauvery onland is also a noteworthy finding in Andimadam formation and has brought rising flanks around Nagapattinam graben into exploration focus and also opening up large area. This discovery will help in its conversion into long term PML.

During the year 2019-20, Sundalbari field of West Tripura has witnessed two significant discoveries (SD-12 and SD-15) in new sands of Middle and Upper Bhuban Formations respectively. These leads have given impetus for targeting deeper prospects in vast area for further exploration of new play in Sundalbari field.

During FY'20, ONGC has monetized 22 discoveries. Out of these, 4 discoveries were made in the current year and remaining 18 belong to preceding years. As on 01.04.2020, accretion of In-Place Hydrocarbons (3P-Proved, Probable and Possible), from the Company operated fields in India, stood at 98.99 MMTOE, out of which more than 55 % accretion has been due to exploratory efforts. Total In-Place Reserve Accretion during 2019-20 in domestic basins, including the Company's share in PSC JVs, stands at 106.14 MMTOE (07.14 MMTOE from JVs).

As on 01.04.2020, total In-Place Hydrocarbon Volume of ONGC Operated and JV (Domestic) Fields stands at 9,997.22 MMTOE against 10,002.63 MMTOE as on 01.04.2019. The Estimated Ultimate Recovery (3P) at the end of FY'20 has been estimated at 3,286.63 MMTOE against 3,251.60 for FY'19.

## III. Unconventional & Alternate sources of energy

### a) Shale Gas/Oil exploration:

Your Company has assessed shale gas/oil potential in 24 blocks from 50 nomination PML blocks identified for shale gas/oil exploration in the country. As on 31.03.2020, ONGC has completed drilling of 29 wells (of which 10 are exclusive shale wells and 19 are dual objective wells) in four basins viz. A&AA, Cambay, Cauvery and KG Basins. During 2019-20, 2 exclusive shale wells (NJSGA in Cambay Basin and MDSGA in KG Basin) and one dual objective well PGAE (KG Basin) were drilled. Currently, one dual objective well LKEAA in KG Basin is under drilling. Efforts are on to establish the shale gas/oil potential in the identified blocks. Indications of presence of shale oil have been recorded in some wells namely JMSGA, NSGB and NJSGA in Cambay Basin and WGSGA in KG Basin during activation after hydro-

fracturing. One zone within Nawagam Middle Pay (Tight Reservoir) of shale well NGSGA of Cambay Basin was hydro-fractured and on activation produced oil. The shale well WGSGA in KG Basin requires further activation whereas another well GNSGC in Cambay Basin is waiting for hydro-fracturing.

**b) Coal Bed Methane (CBM):**

Of the 9 original blocks that the company was awarded as part of the CBM bidding rounds including nomination, the Company relinquished 5 blocks on the basis of data generated from exploratory efforts and currently is operating 4 blocks (Jharia, Bokaro and North Karanpura in Jharkhand and Raniganj in West Bengal) where exploration activities have been completed. Developmental activities are at an advanced stage in three of these blocks viz. Bokaro, Jharia and North Karanpura.

**c) Gas Hydrate Exploration:**

Your Company has been an active participant in gas hydrates exploratory research in India under National Gas Hydrate Program (NGHP) of GoI since its inception in 1997. With the focus on the pilot production testing, the gas hydrate reservoirs discovered during NGHP-02 (Block KG-DWN- 98/5) have been delineated and Geocellular modelling for the gas hydrate rich reservoir has been completed to get detailed cell wise geophysical/reservoir parameters around the proposed site for pilot production test during next NGHP-03 expedition. Your company is also working on identification of gas hydrate prospective areas in part of CY-DWN-2004/1 and MNDWN-2002/1 block in Cauvery and Mahanadi Basin respectively for future field expeditions. Besides, your company is working on pre-stack seismic data analysis for Gas hydrates characterization/delineation in part of KGDWN 98/2 Block in KG offshore.

Gas Hydrate Research & Technology Centre (GHRTC) at Mumbai, your Company's dedicated Gas Hydrates research hub, this year acquired QMS-ISO 9001-2015 certification and has also been recognized as an R&D unit by Department of Scientific and Industrial Research (DSIR) which for the first time enables GHRTC to claim weighted deduction in Income Tax (150%) against the expenditure towards R&D activities.

**d) Basement Exploration:**

To continue its efforts towards Basement Exploration, during the year 2019-20, your company has characterized basement reservoirs in different basins through various initiatives including fracture characterisation and fracture distribution modelling including drilling of 22 wells together with 11 exploratory wells with Basement as a main objective in different acreages of ONGC falling in A&AA, Cambay, Cauvery, KG and Western Offshore Basins. An innovative work flow has been adopted for the first time in Fracture Characterisation of intrusive bodies within Mesozoic Sequence in different blocks viz. GK-28/42, GK-OSN-2009/1, GK-OSN-2010/1, GS-OSN-2004/1, falling in Kutch-Saurashtra area in Western Offshore. The entire study was carried out on facies model of Trap by preparing GCM and fracture modelling supplemented with stochastic porosity mapping and calibrations. The study helped in identification of five prospects in GK-28/42 area for future exploration. Basement prospectivity analysis based on Automatic Fault Extraction and Vector Analysis around B-45, B-192 and WO-24 fields, South west of Mumbai High area has also been completed during the year with identification of two more prospects. Your company has been deeply involved in successful planning and monitoring basement reservoir in Thirunagari, Pundi and Panadanallur fields of Cauvery Basin. This year wells Padra-132,135,136 in Cambay basin produced oil and gas and in totality the production curve has shown a sharp rise in the Trap section in last five years in the Padra area due to optimal placement of wells in the fractured zones. Twenty three new locations have been firmed up in Padra area for targeting specific fractures.

### e) Exploration in HP-HT & Tight Reservoir:

HP-HT and Tight reservoirs have been an exploration and development challenge for your company. Despite the challenges, your Company has successfully established hydrocarbon in Bhuvnagiri, Malleswaram, Periyakudi, Kottalanka, Bantimulli South, Yanam shallow offshore, GS-OSN-2004, G-4-6 and certain areas of Assam Arakan Fold Belt.

During the year 2019-2020, the HP-HT and tight gas plays had a mixed bag of success and failure. Exploration in Yanam shallow offshore in KG basin has discovered gaseous hydrocarbons from the lower synrift sequence in the well YS-6-2 sub (drilled in the year 2018-19) indicating development of sweet spots. Your company has notified YS-6-2 sub gas discovery as a new prospect. The successful testing of the well using the state-of-the-art technologies and testing fluids endorsed the capabilities of the company. On the other front, the wells in Deendayal block, where testing with multiple HP-HT hydro-fracturing did not yield the desired results and continue to be a challenge in developing the complex HP-HT reservoirs.

Geocellular Modelling, dynamic modelling and reservoir simulation studies of Nagyalanka field were undertaken and 9 development locations were identified out of which three locations are prioritised for drilling and multistage hydro-fracturing where an incremental oil production from these locations is around 300 $m^3$. Multiple hydro-fracturing in the DDW-D5 has been completed and during the year two wells DDW-D6 and DDW-D7 have been taken up for drilling. Another well B-41-2 in Mumbai Offshore basin has been drilled which on testing did not give any encouraging results.

Your company is producing from many of the HP-HT fields viz. Periyakudi in Cauvery Basin, Bantumilli South, Nagayalanka field in KG Onland and Deen Dayal-West field in KG Offshore.

### B. Development of new fields

Despite the slowdown in domestic oil demand, higher indigenous oil and gas supplies is an imperative for the country given its significant energy deficit. In pursuit of greater energy security for the country in the arena of oil and gas, your Company continues to commit substantial resources in shoring up output from its upstream assets. It covers investments in green field projects as well as projects to maximize production from our legacy fields.

As on 01.04.2020, 17 major projects are under implementation with a total projected cost of around ₹ 625,925 Million with envisaged gain of ~121 MMTOE. Among these is ONGC's mega offshore deep-water project in East Coast, Cluster-2 Development of KG-DWN-98/2, is in advanced stage of implementation. Gas production commenced from 5th March 2020 onwards from its first well U3-B of U–field. Also, during FY'20, eleven major projects (9 development & 2 Infrastructure) costing around ₹ 249,302.00 Million were completed.

## 7. Internal Control Systems

To manage this large portfolio, your Company has institutionalized robust internal control systems to continuously monitor critical businesses, functions and operations; particularly field operations.

The top management of your Company monitors and reviews various activities on continuous basis. A set of standardized procedures and guidelines has been issued for all the facets of activities to ensure that best practices are adopted and those percolate even up to ground level. Performance of every business unit is monitored by the respective directorates for suitable corrective measures, if any, in time.

Your Company has a dedicated Performance Management and Benchmarking Group (PMBG) which monitors the performance of each business unit against the Key Performance

Indicators (KPIs) defined in the Performance Contracts between the top management and the Key Executives. These performance contracts are aligned to the goals and objectives of the organization.

As part of its push for systemic transformation and strengthening of control systems, your Company has placed adequate emphasis on institutionalization of tools, practices and systems that facilitate greater operational efficiencies and workplace productivity. The 'Integrated Material Management Manual' of the Company has been revamped to ensure procurement of quality materials and services and identification of world-class vendors. 'Book of Delegated Powers' (BDP) was revamped with the objective to empower working level officers and to place commensurate accountability on all decision makers and the same is being reviewed periodically to align with business needs. Your Company has also introduced E-Grievance handling mechanism for quick redressal of grievances of its various stake-holders.

Occupational Health, Safety and Environmental protection are the adopted motto of your Company. Achieving highest standards in these areas remains a priority for your Company. Internal and external audits have been institutionalized and are conducted on a continuous basis to ensure compliance to various industry norms and benchmarks.

Your Company has dedicated Internal Audit (IA) group which carries out audits in-house. At the same time, based on requirement, specialized agencies are engaged to carry out audit in the identified areas. Statutory auditors are appointed by Comptroller and Auditor General (CAG) of India for fixed tenures. Audit committee of the Board oversees the functioning of Internal Audit and control systems.

Third party safety audits are conducted regularly for offshore and onshore installations by established national and international HSE agencies such as Oil Industry Safety Directorate ("OISD"), an organization under the control of the MoPNG, which issues safety guidelines. Further, subject to the safety regulations prescribed by the Directorate General of Mines and Safety (DGMS), each work center has teams dedicated to HSE, which execute the safety guidelines prescribed by OISD as well as DGMS. HSE teams are also responsible for obtaining necessary licenses and clearances from the State Pollution Control Boards.

All transactions in the company are carried out on SAP R/3 ERP based business portal. Proper and adequate system of internal control exists to ensure that all aspects are safeguarded and protected against loss from unauthorized use or disposition and that each transaction is authorized, recorded and reported. The system further ensures that financial and other records are fact-based and reliable for preparing the financial statements.

During the FY'20, 375 Process Level Controls were tested at 26 locations and 89 Entity Level Controls were tested at HQ level. Total 57 gaps were observed during such testing. Gaps are taken up with process owners for remedial action and its closure. Remedial action is in progress for balance 2 controls only and is being monitored closely for early closure. Besides, system controls have also been strengthened to avoid recurrence of such gaps.

Outcome Budget analysis: Your Company has established the linkages of budget expenditure with anticipated outcomes to have clear sight on the future growth orientation parameters. Survey and Exploratory Drilling Expenditure is linked with the target of Reserve Accretion along with analysis of past trend of the outcomes based on these expenditure. Reserve Replacement Ratio trend inclusive of the Budget targets is also made part of the analysis. Expenditure proposed in Budget towards Development drilling and creation of Capital Facilities is co-related with the incremental gain in Oil and Gas production targets for next 5 years. Some of the other parameters included for outcome budget analysis are profitability variation analysis, budgeted Balance Sheet and Cash Flow, sensitivity analysis on profitability and cash flow as a result of changes in Crude Price and Exchange Rate.

## 8. Human Resource Development

While the success of every organization is critically predicated on the competency and motivation of its workforce, the significance of 'human capital' is even more pronounced in a sector that is inherently high risk, capital intensive and technology-led. Your organization has always valued its most important resource, its competent manpower. Due to the sincere efforts of a vast pool of these experienced and talented scientists, engineers and professionals, the Company is able to passionately take care of the energy needs of the country. 'Strengthen capabilities' has been the focus area all along in the Company's pursuits towards structured Human Resource Development. COVID-19 has brought with it a different technology driven world where more can be generated through less. The new scenario offers efficient discharge responsibilities with least movement with technology offering additional advantage of implementing tools to ensure transparency and objectivity of decision making. The organisation aspires to deliver more and better under this technology enabled New Normal. Manpower transition is a critical issue keeping in view crew change in next few years. The basic principle revolves around grooming younger generations as future 'energy leaders'. Talent replenishment and bridging competency gap become crucial aspect for human resource development. Further, your Company believes that continuous development of its human resource fosters engagement. There are multifaceted efforts for grooming technical talent and develop managerial competence. Structured training programmes have been developed to impart required skills to the people in identified critical areas. In the post COVID-19 landscape, the Company has seamlessly moved most of its training regimen onto digital platforms, thereby minimizing any disruption to the knowledge upgradation of its workforce.

Besides training, work association with industry leaders in the challenging areas of business is yet another attempt to improve capabilities. Your Company also took structured initiatives to provide a desirable work-life balance to the employees as well as improving the living and working conditions. The endeavours of your Company, towards Human Resource development, are well recognized in the industry.

## 9. Corporate Governance

The initiatives taken by your Company are detailed in the Corporate Governance report, a part of the Annual report.

## 10. Corporate Social Responsibility (CSR)

Initiatives taken by your Company towards CSR are detailed in Board's Report.

## 11. Cautionary Statement

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

# Corporate Governance Report

Corporate Governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate Governance also provides the structure through which the objectives of the Company are set, and the means of attaining those objectives and monitoring.

Corporate governance implies the way in which a company is managed to ensure that all of its stakeholders get their fair share in its earnings and assets. Good corporate governance involves the commitment of a company to run its businesses in a legal, ethical and transparent manner.

### 1.1 Corporate Governance Philosophy of ONGC

- **Compliance** of laws, rules and regulations in letter and spirit in the interest of stakeholders.
- System of risk analysis and measures to minimize/migrate through **risk management.**
- A **sound system of internal control** to achieve business objectives in short, medium and long term.
- **Adherence to ethical standards** for effective management and distribution of wealth and discharge of social responsibility for sustainable development of stakeholders.
- Clearly **defined standards** against which performance of responsibilities are measured.
- **Accuracy and transparency** in disclosures regarding operations, performance, risk and financial status.
- Timely and balanced **disclosure** of all material information to all the Stakeholders.

**1.2** Further, the Company has ensured compliance with the objectives of 'the principles of Corporate Governance' stated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as under:

### A. RIGHTS OF SHAREHOLDERS

The Company has taken all necessary steps to protect the Rights of Shareholders and seeks approval of the shareholders as and when required as per the provisions of the Companies Act, 2013 or other applicable legislations.

The Company issues press releases regarding the important events and the same are submitted to Stock Exchanges for information of the valued investors.

The Annual Report and the notice of the Annual General Meeting (AGM) explains exhaustively the procedures governing the AGM, voting procedures etc. Sufficient opportunity is provided to the shareholders to raise queries to the Board of Directors and queries pertaining to accounts, Company's future prospects etc. are clarified at the meeting.

The Company has a Board level Stakeholders' Relationship Committee which meets periodically to redress the grievances of shareholders. The shareholders have the facility of directly approaching the Company as well as the Registrar and Share Transfer Agent (RTA) to address their queries/grievances, which are generally addressed within a fortnight.

Interests of the minority shareholders are protected and there was no instance of abusive action by controlling shareholders.

### B. TIMELY INFORMATION

The Company sends notices through email to all shareholders who have provided their e-mail ID with the Company and/or depository participants in addition to such shareholder communication on its website.

Further, Company encourages investors to register their e-mail ID to receive annual report via e-mail.

The Annual Report of the Company is compiled exhaustively to provide every conceivable information on the functioning of the Company.

The website of the Company is updated continuously to keep the stakeholders informed of various developments including Notice of General Meeting, Annual Reports, quarterly results, dividend information and other statutory information.

## C. EQUITABLE TREATMENT

All the equity shareholders are treated equitably - irrespective of their location. For effective participation of the Shareholders, Company dispatches the notice for General Meeting to Shareholders well in advance.

Further, the e-voting facility is provided to all Shareholders. Simple and inexpensive procedures are adopted to cast vote electronically.

## D. ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

The Business Responsibility Report of the Company carries an exclusive section spelling the steps being taken by the Company in this regard. The Company, being a listed Public Sector Enterprise, conducts and governs itself with Ethics, Transparency and Accountability as per law of the land and ensures compliance of all the policies, rules, regulations, guidelines, directives mandated by the Government of India.

For effective participation in Corporate Governance, the Company disseminates various announcements from time to time through stock exchanges filings, newspapers, Company website and other media to the stakeholders concerned.

Further, the Company is covered under the provisions of Right to Information Act, 2005 and it provides all information to the citizens of India as provided under the Act. The Company has a Vigilance Department which is headed by an officer on deputation from the Government of India in the rank of Joint Secretary or above.

The Company has implemented a Whistle Blower Mechanism which gives opportunity to the directors and employees to raise any concern of unethical or illegal or immoral activity occurring in the Company.

## E. DISCLOSURE AND TRANSPARENCY

The Company ensures timely and complete dissemination of information on all matters which are required to be made public. The website of the Company and the Annual Report of the Company contain exhaustive information regarding every aspect of the functioning, financial health, ownership and governance practices of the Company.

All disclosures are made by the Company in the formats as prescribed under relevant enactments/regulations in respect of accounting, financial and non-financial matters.

The Company disseminates information through press releases, official website and/or through the Stock Exchanges and access to all these modes are free for all users.

The Company maintains minutes of the proceedings of all meetings (Board/Board Level Committees/General meeting) as per the Secretarial Standards prescribed under the Companies Act, 2013. The minutes are being maintained explicitly recording dissenting opinions as stipulated under law.

## F. RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Article 95 of the Articles of Association of the Company provides that the business of the

Company shall be managed by the Board of Directors. However, based on the organizational requirements for day-to-day operations the Board of Directors has approved a Book of Delegated Powers (BDP) and other manuals like Materials Management, Works Manual etc., which spell out the processes and define different levels (Executive Committee/Whole-time Director/Key Executive and below) at which any decision is to be taken and the said BDP and other manuals are reviewed from time to time to ensure that they are updated and meet the needs of the organization.

The Board members as well as Key Managerial Personnel are required to declare from time to time their interest in all contracts and their shareholdings etc. which are noted by the Board. The Company ensures that all related party transactions are brought to the notice/ approval of the Audit Committee/Board.

The Company being a Central Public Sector Enterprise (CPSE) all the Directors are appointed/ re-appointed by the President of India, through the Administrative Ministry. The evaluation of the performance of the Directors and the Board including the fulfilment of independence criteria of Independent Directors as required are being carried out by the Government of India as per its own internal processes and that the Board of the Company has no role in this regard.

The Agenda Items, circulated in advance to the members of the Board, are exhaustive in nature. Further, presentations are made during the course of discussion wherever required for the information of the Directors. The Independent Directors are provided with every conceivable information to ensure that the interests of the minority shareholders are protected. Every agenda is examined and discussed in detail before necessary decision is taken. The Committees of the Board deliberate upon major proposals before being recommended to the Board.

The Board regularly monitors the Action Taken Report on its decisions. Risk areas are outlined and mitigation processes are put in place.

The terms of reference, quorum, periodicity of meeting etc. are clearly defined for each of the Board Committees, and approved by the Board.

The Board members disclose from time to time all the required information to the Board. The Board performs key functions by fulfilling the responsibilities for achieving economy, efficiency and effectiveness for Company vis-à-vis shareholders' value creation.

The Directors are nominated for various training programs conducted by reputed organizations/ bodies including the Department of Public Enterprises (DPE), Standing Conference of Public Enterprises (SCOPE) and Confederation of Indian Industry (CII) from time to time.

### 1.3 Corporate Governance Recognitions

The Company's Corporate Governance practices had secured many accolades from Indian Chamber of Commerce, Institute of Directors and Institute of Company Secretaries of India. The Company continues with the spirit of Corporate Governance in every sphere of its activities.

## 2. BOARD OF DIRECTORS

### 2.1 Composition

The Board of Directors ensures the Company's prosperity by collectively directing the Company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders. The Company, being a Government Company, the appointment of Directors are being done by Government of India. The Chairman and Managing Director (CMD) and Six Functional Directors viz. Director (Finance), Director (Offshore), Director (Human Resource), Director (Exploration), Director (Technology & Field Services) and Director

(Onshore) are the Whole-Time Directors who spearhead the day to day operations of the Company. Strategic decision(s) are made under the overall supervision, control and guidance of the Board of Directors of the Company, which includes Government Nominee Directors and Independent Directors.

Present constitution of the Board of Directors has an optimum combination of Executive Directors and Non-Executive Directors duly complying with the statutory requirements. However, as on 31.03.2020, there were 11 Directors (including two women Directors) on the Board, comprising of 7 Executive Directors (including the Chairman and Managing Director) and 4 Non-Executive Directors - 2 Government Nominee Directors and 2 Independent Directors.

The Composition of Board was in compliance in terms of Regulation 17(1) of the Listing Regulations from 19.07.2019 to 18.11.2019 with 9 Independent Directors on the Board upon appointment of one Independent Director in the vacancy caused due to resignation on 23.03.2019. However, subsequent to the completion of tenure of 3 Independent Directors on 19.11.2019, another 3 Independent Directors on 30.01.2020 and 1 Independent Director on 05.02.2020, as on 31.03.2020 the composition of the Board of Directors was not in line with the said requirement which provides that at least half of the Board of Directors of the listed entity shall consist of Independent Directors, if chairperson is an Executive Director.

Accordingly, the Company has requested the Ministry of Petroleum and Natural Gas from time to time for appointment of requisite number of Independent Directors to fill the vacancies arose, in compliance of the Listing Regulations.

**2.2 Matrix Providing the Skills/Competence/ Expertise of the Members of the Board:**

The Board of the Company comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees. The Board of Directors ensures highest standard of Corporate Governance.

The skills/competence/expertise matrix of the Board of Directors of the Company is summarized as under:

| Sl. No. | Skills/Competence/Expertise | Description |
|---|---|---|
| 1. | Organizational leadership | Experience/Exposure of leading Public/Private/Government organisation/division. |
| 2. | Managerial competence | Experience/Exposure in respective area of expertise including management of human resources to uphold the highest standard of professional specialisation and commitment. |
| 3. | Finance including corporate finance | Knowledge/Exposure/Experience in management of finances of organisations. |
| 4. | Core business competence | Knowledge/Expertise/Experience in the core business of the Company and ability to adapt with technological developments. |
| 5. | Environmental, Social and Governance (ESG) | Knowledge/exposure to Environmental, Social and governance domain. |
| 6. | Planning, budgeting and project experience | Strategic Planning and budgeting experience of the macro level and experience in implementation of Projects/Schemes |

Further, in line with the requirements under Schedule V paragraph (c) sub-paragraph (h) clause (ii) of the Listing Regulations, the skills/competence/expertise matrix of the present Directors is as under:

| SL. No. | Name of Director | Area of Expertise | | | | | |
|---|---|---|---|---|---|---|---|
| | | Organizational Leadership | Managerial Competence | Finance including Corporate Finance | Core Business Competence | Environmental, Social and Governance (ESG) | Planning, budgeting and project experience |
| 1. | Shri Shashi Shanker, Chairman & Managing Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | Shri Subhash Kumar, Director (Finance) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3. | Shri Rajesh Kakkar, Director (Offshore) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. | Dr. Alka Mittal, Director (HR) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. | Shri Rajesh Kumar Srivastava, Director (Exploration) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6. | Shri Om Prakash Singh, Director (Technology & Field Services) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7. | Shri Anurag Sharma, Director (Onshore) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 8. | Shri Rajesh Aggarwal, Govt. Nominee Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 9. | Shri Amar Nath, Govt. Nominee Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 10. | Smt. Ganga Murthy, Independent Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 11. | Shri Amitava Bhattacharyya, Independent Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

**2.3** The Independent Director have confirmed that they fulfill the conditions specified in the Listing Regulations and the Companies Act, 2013 and are independent of the Management.

**2.4** None of the Independent Director resigned during the year.

### 2.5 Board/Committee Meetings and Procedures

As a good governance practice and as per the guidance note issued by the Institute of Company Secretaries of India, the Board approves in advance, a tentative schedule of the Board Meetings to be held during the ensuing financial year considering the requirements under applicable laws w.r.t minimum number of meetings and maximum permissible time gap between two consecutive meetings. Additional meetings are also convened as and when required. In case of exigency resolutions are passed by circulation as provided under the Companies Act, 2013.

The Company also offers video conferencing facility to the Directors to enable them to participate as provided under law.

The agenda for the meetings are circulated in advance for informed decision making by the Directors. However, the agenda items containing unpublished price sensitive information and agenda at shorter notice are tabled at the relevant meeting of Board/Committee, with the permission of the Directors. The Company Secretary attends all the meetings of the Board and Committees and prepares draft minutes of such meetings.

The Company has adopted the paperless Board process with the introduction of in-house online Board portal, named as, G-Board (Green-Board) thereby circulation and preservation of all agenda items through online process which resulted in saving paper and carbon footprint, reducing the cycle time to make documents available to the Board/Committee Members and maintaining required confidentiality.

### 2.6 Training of Non-Executive Board Members

In line with Clause 3.7 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, issued by Government of India, Department of Public Enterprises and requirements under regulation 4(2)(f)(iii)(4) of the Listing Regulations with regard to training of Directors, the Company has following training policy for Non-Executive Directors:

- o Induction Training/Familiarization Program
- o External Training.

Non-Executive Board members are eminent personalities having wide experience in the field of business, education, industry, commerce and administration. Their presence on the Board is advantageous and fruitful in arriving at strategic decisions. The training policy of Directors and the details of familiarization/training programmes organized during financial year 2019-20 are available at web-link: https://www.ongcindia.com/wps/wcm/connect/en/investors/independent-director/

### 2.7 Board Meetings

During the financial year 2019-20, Eleven (11) meetings of Board were held on 22nd April 2019, 10th May 2019, 30th May 2019, 20th June 2019, 26th July 2019, 13th August 2019, 27th September 2019, 14th November, 2019, 7th January 2020, 14th February 2020 and 16th March 2020.

The information as required to be disclosed under Schedule V of the Listing Regulations, pertaining to Board and related matters including number of Board Meetings attended by Directors during the financial year 2019¬20, attendance at the last Annual General Meeting by them and the number of other Directorship/Committee Membership in various companies as on 31.03.2020 are tabulated below:-

| Names and Designation | No. of Meeting Held during tenure (A) | Attendance by Directors | | Whether attended last AGM held on 30.09.2019 | Details upto 31.03.2020 | | |
|---|---|---|---|---|---|---|---|
| | | | | | No. of Directorships in companies# | No. of Committee memberships across all companies* | |
| | | No. of meetings (B) | % (B/A) | | | As Chairman | As Member |
| **a) Executive Directors** | | | | | | | |
| Shri Shashi Shanker, CMD | 11 | 11 | 100 | Yes | 7 | - | - |
| Shri Subhash Kumar, Director (Finance) | 11 | 11 | 100 | Yes | 6 | - | 4 |
| Shri Rajesh Kakkar, Director (Offshore) | 11 | 11 | 100 | Yes | 3 | - | 1 |
| Shri S. K. Moitra, Director (Onshore) | 11 | 10 | 91 | Yes | 2 | 1 | 2 |
| Dr. Alka Mittal, Director (HR) | 11 | 11 | 100 | Yes | 1 | - | 2 |

<table>
<tr><th rowspan="3">Names and Designation</th><th rowspan="3">No. of Meeting Held during tenure (A)</th><th colspan="2" rowspan="2">Attendance by Directors</th><th rowspan="3">Whether attended last AGM held on 30.09.2019</th><th colspan="3">Details upto 31.03.2020</th></tr>
<tr><th rowspan="2">No. of Directorships in companies#</th><th colspan="2">No. of Committee memberships across all companies*</th></tr>
<tr><th>No. of meetings (B)</th><th>% (B/A)</th><th>As Chairman</th><th>As Member</th></tr>
<tr><td>Shri R K Srivastava<br>Director (Exploration)<br>(w.e.f. 02.08.2019)</td><td>6</td><td>6</td><td>100</td><td>Yes</td><td>1</td><td>-</td><td>1</td></tr>
<tr><td>Shri N. C. Pandey,<br>Director (T&FS)<br>(upto 31.03.2020)</td><td>11</td><td>10</td><td>91</td><td>Yes</td><td>2</td><td>-</td><td>-</td></tr>
<tr><td>Shri A K Dwivedi,<br>Director (Exploration)<br>(upto 31.07.2019)</td><td>5</td><td>5</td><td>100</td><td colspan="4">Not Applicable</td></tr>
<tr><td colspan="8">b) Government Nominee Directors</td></tr>
<tr><td>Shri Rajesh Aggarwal,<br>Additional Secretary &<br>Financial Advisor<br>(w.e.f. 24.03.2020)</td><td>-</td><td>-</td><td>-</td><td>Not Applicable</td><td>2</td><td>1</td><td>1</td></tr>
<tr><td>Shri Amar Nath<br>Joint Secretary (E)</td><td>11</td><td>10</td><td>91</td><td>Yes</td><td>1</td><td>-</td><td>1</td></tr>
<tr><td>Shri Rajiv Bansal,<br>Additional Secretary &<br>Financial Advisor<br>(upto 17.02.2020)</td><td>10</td><td>8</td><td>80</td><td>No</td><td colspan="3">Not Applicable</td></tr>
<tr><td colspan="8">c) Independent Directors</td></tr>
<tr><td>Smt. Ganga Murthy</td><td>11</td><td>11</td><td>100</td><td>Yes</td><td>-</td><td>2</td><td>-</td></tr>
<tr><td>Shri Amitava Bhattacharyya<br>(w.e.f. 19.07.2019)</td><td>7</td><td>7</td><td>100</td><td>Yes</td><td>-</td><td>-</td><td>2</td></tr>
<tr><td>Shri Ajai Malhotra<br>(upto 19.11.2019)</td><td>8</td><td>7</td><td>87.5</td><td>Yes</td><td colspan="3" rowspan="8">Not Applicable</td></tr>
<tr><td>Prof. Shireesh B. Kedare<br>(upto 19.11.2019)</td><td>8</td><td>6</td><td>75</td><td>No</td></tr>
<tr><td>Shri K. M. Padmanabhan<br>(upto 19.11.2019)</td><td>8</td><td>8</td><td>100</td><td>Yes</td></tr>
<tr><td>Shri Deepak Sethi<br>(upto 30.01.2020)</td><td>9</td><td>9</td><td>100</td><td>Yes</td></tr>
<tr><td>Shri Vivek Mallya<br>(upto 30.01.2020)</td><td>9</td><td>8</td><td>89</td><td>Yes</td></tr>
<tr><td>Shri Sumit Bose<br>(upto 30.01.2020)</td><td>9</td><td>8</td><td>89</td><td>Yes</td></tr>
<tr><td>Dr. Santrupt B. Misra<br>(upto 05.02.2020)</td><td>9</td><td>7</td><td>78</td><td>Yes</td></tr>
</table>

*#Does not include Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.*

**Chairmanship/Membership of the Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies (including ONGC) in line with the format of Corporate governance report to be filed with the stock exchanges in terms of Regulation 27(2) and also keeping in view the requirement of limit of Committees under clause 26(b) of the Listing Regulations.*

***Notes:***

*(i) The Company being a CPSE, all Directors are appointed/nominated by the Government of India;*

*(ii) Directors are not per se related to each other;*

*(iii) Directors do not have any pecuniary relationships or transactions with the Company (except remuneration, including sitting fees, as they are entitled);*

*(iv) The Directorships/Committee Memberships in other companies are based on the latest disclosure received from respective Directors on the Board;*

*(v) None of the Director is a Member of more than 10 Committees or Chairman of more than 5 Committees, across all the companies in which he/she is a Director as mentioned under Regulation 26(1)(a) & (b) of Listing Regulations.*

Further, as required under para 2(c) of Part C of Schedule V of the Listing Regulations the category for directorship and the name of other listed entity as on 31.03.2020 are mentioned hereunder:

| Sl. No. | Name of Director | Name of Listed Entity | Category of Directorship |
|---|---|---|---|
| 1 | Shri Shashi Shanker, CMD | Mangalore Refinery and Petrochemicals Limited. | ONGC Nominee - Director |
| | | Petronet LNG Limited. | ONGC Nominee - Director |
| | | ONGC Petro-additions Limited | ONGC Nominee - Director |
| 2 | Shri Subhash Kumar, Director (Finance) | Hindustan Petroleum Corporation Limited. | Government Nominee - Director |
| | | Mangalore Refinery and Petrochemicals Limited. | ONGC Nominee - Director |
| | | ONGC Petro additions Limited | ONGC Nominee - Director |
| 3 | Shri Rajesh Kakkar, Director (Offshore) | ONGC Petro additions Limited | ONGC Nominee - Director |
| 4 | Shri Amar Nath, Government Nominee Director | Oil India Limited | Government Nominee - Director |
| 5 | Rajesh Aggarwal, Government Nominee Director | Bharat Petroleum Corporation Limited | Government Nominee - Director |

## 3. BOARD LEVEL COMMITTEES

The Board has been assisted by adequate Board Level Committees (BLCs). The Company Secretary acts as the Secretary to all the BLCs.

The details inter-alia, pertaining to composition, brief of Terms of Reference (ToR), meeting and attendance of BLCs of the Company, in terms of Part C of Schedule V of Listing Regulations, are enumerated below:

### 3.1 Audit Committee

ToR for Audit Committee has been approved by the Board of Directors considering the requirements under the Companies Act, 2013, Listing Regulations, DPE Guidelines on Corporate Governance for CPSEs -2010 and also the organizational requirements.

During the year under review, Eight (8) meetings of Audit Committee were held on 29 - 30th May 2019, 19th June 2019, 26th July 2019, 13th August 2019, 14th November, 2019, 6th January 2020, 14th February 2020 and 16th March 2020.

The details of members of the Committee including change, if any, in their tenure, number of meetings held during the year and attendance of the members are as under:-

| Members | No. of Meeting Held during tenure (A) | Attendance by Members | |
|---|---|---|---|
| | | No. of meetings (B) | % (B/A) |
| Smt. Ganga Murthy (Chairperson from 31.01.2020) | 2 | 2 | 100 |
| Shri Amitava Bhattacharyya (From 14.02.2020) | 2 | 2 | 100 |
| Shri S K Moitra (upto 31.05.2020) | 8 | 7 | 88 |
| Shri K. M. Padmanabhan (Chairman upto 19.11.2019) | 5 | 5 | 100 |
| Shri Sumit Bose (Chairman from 20.11.2019 - 30.01.2020) | 6 | 5 | 83 |
| Shri Vivek Mallya (upto 30.01.2020) | 6 | 5 | 83 |
| Shri Deepak Sethi (upto 30.01.2020) | 6 | 6 | 100 |
| Shri Rajesh Kakkar (upto 20.11.2019) | 5 | 5 | 100 |

### 3.2 Nomination and Remuneration Committee

Based on the ToRs as specified under the Companies Act, 2013, Listing Regulations, DPE Guidelines on Corporate Governance for CPSEs-2010 and also the administrative requirements of the Company, the Nomination and Remuneration Committee (NRC) has been constituted by the Board.

Further, the Company, being a Government Company, the appointment, tenure and remuneration of functional directors are decided by the Government of India. The sitting fees of Independent Directors were approved by the Board as per provisions of the Companies Act, 2013. The role of NRC has been extended to formulate and recommend to the Board all HR related strategy/policy matters. The remuneration of the employees of the Company including senior management personnel is decided by the Board in line with applicable DPE Guidelines. It is mandatory for NRC to decide the annual Bonus/variable pay pool and policy for its distribution among the employees of the Company within the limits as provided under DPE Guidelines.

The provisions of the Companies Act, 2013 relating to criteria for appointment of Director(s), policy relating to the remuneration of Director(s) and performance evaluation pertaining to NRC shall not be applicable to Government Companies. Similar exemption is anticipated from SEBI in terms of requirements under Listing Regulations.

During the year, Seven (7) meetings of NRC were held on 29th May 2019, 19th June 2019, 13th August 2019, 24th September 2019, 13th November 2019, 6th January 2020 and 13th February 2020.

The details of members including change, if any, in their tenure, number of meetings held during the year and attendance of the members are as under:

| Members | No. of Meeting Held during tenure (A) | Attendance by Members | |
|---|---|---|---|
| | | No. of meetings (B) | % (B/A) |
| Shri Ganga Murthy (Chairperson from 31.01.2020, earlier she was a member) | 7 | 7 | 100 |
| Shri Amitava Bhattacharyya (From 31.01.2020) | 1 | 1 | 100 |
| Shri Amar Nath (From 20.03.2020) | - | - | - |
| Dr. Santrupt B. Misra (Chairman upto 30.01.2020) | 6 | 6 | 100 |
| Shri Shashi Shanker (upto 30.01.2020) | 6 | 5 | 83 |
| Shri Rajiv Bansal (upto 17.02.2020) | 7 | 6 | 85 |
| Shri K. M. Padmanabhan (upto 19.11.2019) | 5 | 5 | 100 |

### 3.2.1 Directors' Remuneration

The details of Remuneration paid to the Directors during the financial year 2019-20, as required under regulation 34(3) read with Schedule V of the Listing Regulations are as under:

### (a) Executive Directors

| DETAILS OF REMUNERATION PAID TO CMD AND WHOLE-TIME DIRECTORS OF THE COMPANY (Amount ₹ in Million) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Details from 01.04.2019 to 31.03.2020 | | | | | | | | | |
| Sl. No. | Name/Designation | Salary including DA | Other Benefits & perks | Leave Encashment /gratuity on retirement | Performance incentive Provision/ Payment | Contribu-tion of PF | Provision for Leave, Gratuity and Post Retirement Benefits as per revised AS-15 | Total Amount | Current tenure extending to |
| 1 | Shri Shashi Shanker, CMD | 4.20 | 1.24 | - | 1.65 | 0.89 | 0.58 | 8.57 | 31.03.21 |
| 2 | Shri Ajay Kumar Dwivedi, Director (Exploration) (upto 31.07.2019) | 1.16 | 2.01 | 3.13 | 0.46 | 0.29 | 0.17 | 7.21 | 31.07.19 |
| 3 | Shri Subhash Kumar Director (Finance) | 3.86 | 0.40 | - | 1.09 | 0.71 | 0.17 | 6.24 | 31.12.21 |
| 4 | Shri Rajesh Kakkar Director (Offshore) | 3.92 | 1.35 | - | 1.28 | 0.83 | 0.63 | 8.02 | 30.04.21 |
| 5 | Shri S K Moitra, Director (Onshore) | 3.72 | 1.41 | - | 1.26 | 0.82 | 0.52 | 7.73 | 31.05.20 |
| 6 | Shri N C Pandey Director (T&FS) | 3.88 | 1.7 | - | 1.3 | 0.85 | 0.66 | 8.4 | 31.03.20 |
| 7 | Dr. Alka Mittal Director (HR) | 4.76 | 0.29 | - | 1.23 | 0.87 | 0.45 | 7.6 | 31.08.22 |
| 8. | Shri Rajesh Kumar Srivastava Director (Exploration) (w.e.f. 02.08.2019) | 2.69 | 0.82 | | 1.11 | 0.58 | 0.29 | 5.49 | 31.12.22 |
| | **Sub Total (A)** | **28.20** | **9.24** | **3.13** | **9.38** | **5.83** | **3.47** | **59.25** | |

***Note:***

1. *Performance related pay of Executive Directors is paid as per DPE norms.*
2. *Notice period of 3 months or salary in lieu thereof is required for severance of services of Executive Directors.*

(b) Independent Directors

Pursuant to Section 197 of the Companies Act, 2013 read with Article 110 & 111 of the Articles of Association of the Company and other applicable provisions, Independent Directors are paid sitting fees @ ₹ 40,000/- for each meeting of the Board attended by them and ₹ 30,000/- for each meeting of the Committee attended by them as members. Further, terms and conditions for appointment of Independent Directors is placed at the website of the Company https://www.ongcindia.com/wps/wcm/connect/en/investors/independent-director/.

The details of sitting fees paid to Independent Directors (net of GST) for the financial year 2020 is given below:

| Name of Independent Director | Sitting fees (₹ in Million) |
|---|---|
| Smt. Ganga Murthy | 1.01 |
| Shri Amitava Bhattacharyya (w.e.f 19.07.2019) | 0.52 |
| Shri Ajai Malhotra (upto 19.11.2019) | 0.43 |
| Prof. Shireesh B. Kedare (upto 19.11.2019) | 0.36 |
| Shri K. M. Padmanabhan (upto 19.11.2019) | 0.62 |
| Shri Deepak Sethi (upto 30.01.2020) | 0.60 |
| Shri Vivek Mallya (upto 30.01.2020) | 0.68 |
| Shri Sumit Bose (upto 30.01.2020) | 0.47 |
| Dr. Santrupt B. Misra (upto 05.02.2020) | 0.55 |
| **Total** | **5.24** |

(c) Government Nominee Directors

Government Nominee Directors being the representatives of Promoters are neither paid any remuneration nor sitting fees.

(d) Company Secretary and other Senior Officers

The remuneration of senior officers just below the level of Board of Directors, appointment or removal of them including Company Secretary, as specified in Part A(E) of Schedule (II) of Listing Regulations, are governed by the provisions of the Companies Act 2013 and DPE guidelines and internal policies and procedures of the Company as approved/reported to the Board from time to time.

### 3.2.2 Stock Options

The Company has not issued any Stock Options to its Directors/Employees during the financial year under review.

### 3.2.3 Equity Shares held by Directors

The details of the Equity Shares held by the Non-Executive Directors in the Company as per the declarations made by them are as under:

| Name of Directors | No. of Shares held as on 31.03.2020 |
|---|---|
| Shri Rajesh Aggarwal, Government Nominee Director | Nil |
| Shri Amar Nath, Government Nominee Director | Nil |
| Smt. Ganga Murthy, Independent Director | 435 |
| Shri Amitava Bhattacharyya, Independent Director | Nil |

## 3.3 Stakeholders' Relationship Committee (SRC)

ToR of SRC is in line with the requirement of Regulation 20(4) of the Listing Regulations. SRC also looks into various aspects of interest of shareholders of the Company. The Committee also oversees and reviews performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor services. There was 1 (One) meeting of the SRC held on 13.02.2020 in the year under review, whereat all the Members were present.

The composition of SRC is as under:

Chairperson – Smt. Ganga Murthy – Independent Director

Members – Shri Subhash Kumar – Director (Finance), Shri Sanjay Kumar Moitra – Director (Onshore), Dr. Alka Mittal – Director (HR), Shri Rajesh Kumar Srivastava – Director (Exploration) and Shri Amitava Bhattacharyya – Independent Director.

### 3.3.1 Compliance Officer

Shri M E V Selvamm, Company Secretary & Executive Director, is the Compliance Officer.

### 3.3.2 Registrar and Share Transfer Agent (RTA)

Alankit Assignments Limited, is the Registrar and Share Transfer Agent (RTA) of the Company. Contact details of the RTA is as under:-

Address: Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110055
Phone No.: 011- 42541234/011- 42541953
Fax No: 011- 42541201
Website: www.alankit.com
e-mails: alankit_ongc@alankit.com and
jksingla@alankit.com

### 3.3.3 Redressal of Investors' Grievance

The Company addresses all complaints and grievances of the investors expeditiously and resolves them within specified timeline, except in case of dispute over facts or legal constraints.

No request for share transfer is pending beyond 30 days except those that are disputed or sub-judice. All requests for de-materialization of shares processed and confirmation communicated to investors and Depository Participants normally within 10-12 working days by RTA.

During the year, 52 complaints, including non-receipt of dividend/annual report, were received from the shareholders and the same were resolved to the satisfaction of shareholders. There were 10 complaints (7 at BSE and 3 at SCORES/SEBI) pending as on 31.03.2020.

### 3.3.4 Settlement of Grievances

Investors may register their complaints in the manner stated below:

| Sl. No. | Nature of Complaint | Contact | Action to be taken |
|---|---|---|---|
| 1. | Dividend from financial years 2012-13 (Final Dividend) to 2019-20 (Interim) and matters pertaining to Bonus Shares and shares held in Physical mode;<br><br>***For Physical Shares-***<br>Change of address, status, Bank/ECS mandate, e-mail ID registration etc. | Alankit Assignments Limited,<br>Alankit House, 4E/2,<br>Jhandewalan Extension,<br>New Delhi - 110055<br>Phone No. 011- 42541234/<br>011- 42541953<br>Fax No: 011- 42541201<br>Website: www.alankit.com<br>e-mails: alankit_ongc@alankit.com and jksingla@alankit.com | Letter on plain paper stating the nature of complaint and shall mention Folio/DPID/Client ID No; lodging of original shares and other documents/instruments as the case may be.<br>Members are requested to apply for renewal or issue of duplicate dividend warrants for the Final Dividend 2012-13 on or before 29.10.2020 as the same will be transferred by the Company to the Investor Education & Protection Fund (IEPF)* set up by Govt. of India. Thereafter, claim can be made as per procedure prescribed under the IEPF Rules issued by the Ministry of Corporate Affairs, Govt. of India. |
| 2. | For shares held in Demat- Change of address, status, Bank/ECS mandate, e-mail ID registration etc. | Respective Depository Participant (DP) with whom the Shareholder is maintaining his/her demat account. | As per the instructions of respective DP. |
| 3. | Complaints of any other category | Company Secretary,<br>Oil and Natural Gas Corporation Ltd.,<br>Deendayal Urja Bhawan, 5,<br>Nelson Mandela Marg, Vasant Kunj,<br>New Delhi-110070.<br>Phone: 011-26754073<br>e-mail: secretariat@ongc.co.in | On plain paper stating nature of complaint, folio/DPID/ Client ID, Name and address, e-mail ID and contact details. |

**However, shareholder(s) whose unclaimed or unpaid dividend amount has been transferred by the Company to IEPF may claim the same from the IEPF Authority by filing Form IEPF-5 along with requisite documents. Further details and procedure are available on the weblink http://www.iepf.gov.in/IEPFA/refund.html*

*Note: For seamless payment of dividend, Investors holding shares in demat form are requested to update their client master (maintained with DP) with active bank account details along with IFSC, e-mail address, and mobile contact number.*

*Investors holding shares in physical form are requested to register their active bank account details for transfer of dividend directly.*

### 3.3.5 Investor Relations Cell

In line with global practices, the Company is committed towards maintaining, the highest standards of Corporate Governance, reinforcing the relationship between the Company and its Shareholders. The information frequently required by investors and analysts are available on the Company's website www.ongcindia.com under the 'Investor' page. The website provides updates on financial statements, investor-related events and presentations, annual reports, dividend information and shareholding pattern along with media releases, company overview and report on Corporate Governance etc. Existing and potential investors are able to interact with the Company through this link for their queries and for seeking information.

A Core Team comprising of senior and experienced officials, headed by the Director (Finance), has been assigned the responsibility of up-keep of the said link and to serve as a platform for the shareholders to express their opinions, views, suggestions, to understand the influencing factors in their investment decision-making process. Besides, this, the team is also instrumental in maintaining close liaison and to share information through periodic meets including tele-conferencing in India and abroad, regular interactions with investment bankers, research analysts and institutional investors. The Company is committed to take such additional steps as may be necessary to fulfil the expectations of the stakeholders.

## 4.0 OTHER FUNCTIONAL/ACTIVITY SPECIFIC COMMITTEES

Apart from the above, the Board has constituted other statutory Committees viz. Corporate Social Responsibility Committee, Risk Management Committee, Committee for Issue of Share Certificates and other Committees including Project Appraisal and Review Committee, Health Safety and Environment Committee, Committee on Dispute Resolution, Research and Development Committee and Asha Kiran.

## 5.0 MEETINGS OF INDEPENDENT DIRECTORS

As required under Schedule IV of the Companies Act, 2013, the Independent Directors are required to hold at least one meeting in a year. During the FY'20, there was One (1) meeting of Independent Directors held on 13.02.2020

## 6.0 CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

Pursuant to Regulation 26(3) of Listing Regulations all the members of Board and senior management personal have affirmed compliance with the code of conduct of the Company, as placed on the Company's website www.ongcindia.com

A declaration signed by the Chairman & Managing Director on 25.07.2020 is given below:

*"I hereby confirm that the Company has obtained from the members of the Board and senior management (Key Executives), affirmation that they have complied with the Code of Conduct of Board of Directors and senior management in respect of the financial year 2019-20"*

## 7.0 VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has Vigilance Department and objective of the vigilance function is to ensure maintenance of the adequate level of integrity among all employees of the Company. The Whistle Blower Policy of the Company, as approved by the Board of Directors, provides ample opportunities to encourage the directors and employees to register complaints against the unethical practices, actual or suspected fraudulent transactions in the organization to the notice of the competent authority. No employees has been denied access to the Chairperson of Audit Committee.

## 8.0 CODE ON INSIDER TRADING

The Company has policy on Prohibition of Insider Trading (PIT) Policy on 30.05.2019, as stipulated under SEBI (Prohibition of Insider Trading) Regulations, 2015. Policy of the Company may be accessed at https://www.ongcindia.com/wps/wcm/connect/en/investors/policies/

Further, the Company has placed appropriate restrictive covenants in the Code of Conduct applicable for members of the Board and Senior Management Personnel for regulating their trading in the securities of the Company.

## 9.0 COMPLIANCE CERTIFICATE BY CEO/CFO

In terms of Regulation 17(8) of Listing Regulations, the Compliance certificate issued by the CEO and CFO on the financial statements and internal controls relating to financial reporting for the year 2019-20 was placed before the Board at the meeting held on 30.06.20.

## 10.0 SUBSIDIARY MONITORING FRAMEWORK

The Company has Four (4) direct subsidiary companies ONGC Videsh Ltd, Mangalore Refinery and Petrochemicals Ltd, Hindustan Petroleum Corporation Ltd and Petronet MHB Ltd.

In terms of the Listing Regulations and DPE guidelines, performance of the subsidiary companies are reviewed by the Audit Committee and the Board of the Company.

### Material Unlisted Subsidiary

The Company does not have any material unlisted subsidiary company. The policy on material subsidiaries of the Company is available at weblink: https://www.ongcindia.com/wps/wcm/connect/en/investors/policies/

## 11.0 ANNUAL GENERAL MEETINGS

Location, date and time of the AGMs held during the preceding 3 years are as under:

| Year | Location | Date | Time (IST) | Special Resolution(s) |
|---|---|---|---|---|
| 2016-17 (24th AGM) | Manekshaw Auditorium, Manekshaw Centre, Parade Road, Khyber Lines, Delhi Cantonment, Delhi-110010 | 27.09.2017 | 10.00 a.m. | Yes |
| 2017-18 (25th AGM) | | 28.09.2018 | 10.00 a.m. | Yes |
| 2018-19 (26th AGM) | Pragyan Auditorium, All India Council for Technical Education, Nelson Mandela Marg, Vasant Kunj, New Delhi-110067 | 30.08.2019 | 10.00 a.m. | Yes |

*During the year under review no resolution was passed through postal ballot.*

## 12. DISCLOSURE

### 12.1 Material Contracts/Related Party Transactions

The Company has not entered into any material financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms etc., in which they are either directly or through their relatives interested as Directors and/or Partners except with certain PSUs, where the Directors are Directors without the required shareholdings.

The details of transactions with related parties are disclosed in Note No. 45 of the Notes to Financial Statements for the year ended 31st March 2020. The Company has disclosed details of transactions with related parties as per the disclosure requirements of Indian Accounting Standard – 24 on Related Party disclosures and the exemption granted to Government companies. The policy on related party transactions of the Company may be accessed at https://www.ongcindia.com/wps/wcm/connect/en/investors/policies/

### 12.2 Compliances

The Company has complied with applicable rules (except as otherwise stated in this report) and the requirement of regulatory authorities on capital market and no penalties or strictures were imposed on the Company during last three years.

All returns/reports were filed with stock exchanges/other authorities within the stipulated timelines.

## 13. MEANS OF COMMUNICATION

- **Quarterly/Annual Results:** The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges, immediately after approval of Board. These financial results are normally published in the leading English and vernacular newspapers having nationwide circulation. The results are also displayed on the website of the Company www.ongcindia.com for wider circulation.

- **News Release, Presentation etc.:** The official news releases, detailed presentations made to media, institutional investors, financial analysts etc. are displayed on the Company's website www.ongcindia.com.

- **Website:** The Company's website www.ongcindia.com contains separate dedicated section 'Investor Relations' where the information for shareholders is available. Full Annual Report, Shareholding Pattern and Corporate Governance Report etc. are also available on the web-site.

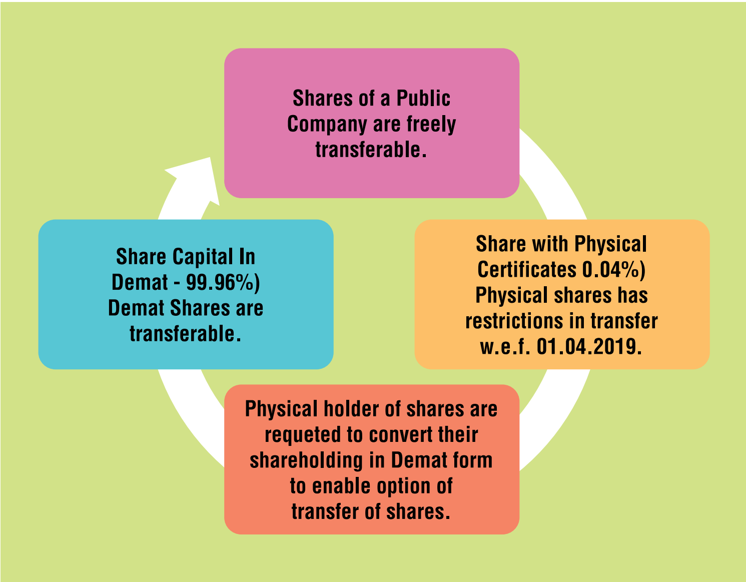
- **Annual Report:** Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Board's Report, Management Discussion and Analysis Report, Business Responsibility Report, Corporate Governance Report, Auditors' Report, including Information for the Shareholders and other important information is circulated to the members and others entitled thereto.

- **Green Initiative:** As a part of Green initiative the Company sends the copy of the Annual Report along with the notice convening the AGM through e-mail to those shareholders who have registered their e-mail ID with the DPs/RTAs and have not opted for physical copy of the Annual Report.

  In terms of exemption granted by the Ministry of Corporate Affairs and the SEBI, the Company shall provide only digital copy of Annual Reports and Notice of AGM to the shareholders.

  Further, management also encourages least use of papers to preserve the environment. The Company has dedicated portal which enables "Digitization Integration and Standardization Harnessing Automation"-(DISHA - Paperless Office) for employees to avoid use of physical papers.

## 14. SHAREHOLDERS' INFORMATION




Transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository.

**In view of the above, shareholders holding shares in physical form are advised to get their shares dematerlised to enable the option of transfer of shares.**

### 14.1 Annual General Meeting

| | |
|---|---|
| Date | Friday, 9th October 2020 |
| Time | 11:00 Hrs. |
| Mode | Video Conferencing or Other Audio Visual Means |

### 14.2 Financial Calendar

| Adoption of Quarterly Results for the Quarter ending | Tentative date of the meeting of the Board |
|---|---|
| 30th June 2020<br>(with limited review by Auditors) | Tuesday, 1st September 2020 |
| 30th September 2020<br>(with limited review by Statutory Auditors) | Thursday, 12th November 2020 |
| 31st December 2020<br>(with limited review by Statutory Auditors) | Saturday, 13th February 2021 |
| 31st March 2021 (audited) | Saturday, 29th May 2021 |

These dates are tentative and subject to change and the last date for submission of the unaudited quarterly and year to date financial results to the stock exchange is within forty-five days of end of each quarter (except the last quarter). The last date for submission of the financial results of the last quarter and year ended is within sixty days from the end of the financial year.

### 14.3 Listing On Stock Exchanges:

The equity shares of the Company are part of the Sensex and S&P CNX Nifty Index and are listed on the following Stock Exchanges:

| Name & Address | Telephone/Fax/e-mail ID/Website ID | Trading Symbol |
|---|---|---|
| National Stock Exchange of India Ltd. (NSE),<br>Exchange Plaza, C-1,<br>G Block, Bandra-Kurla Complex,<br>Bandra(E),<br>Mumbai-400051 | Telephone: 022-26598100-8114<br>Fax: 022-26598120<br>e-mail: ignse@nse.co.in<br>Website: www.nse-india.com | ONGC |
| BSE Limited (BSE),<br>P.J.Towers,<br>Dalal Street, Fort<br>Mumbai-400001 | Telephone:022-22721233/4<br>Fax: 022-22721919<br>e-mail: bsehelp@bseindia.com<br>Website: www.bseindia.com | 500312 |

### 14.4 Listing Fees

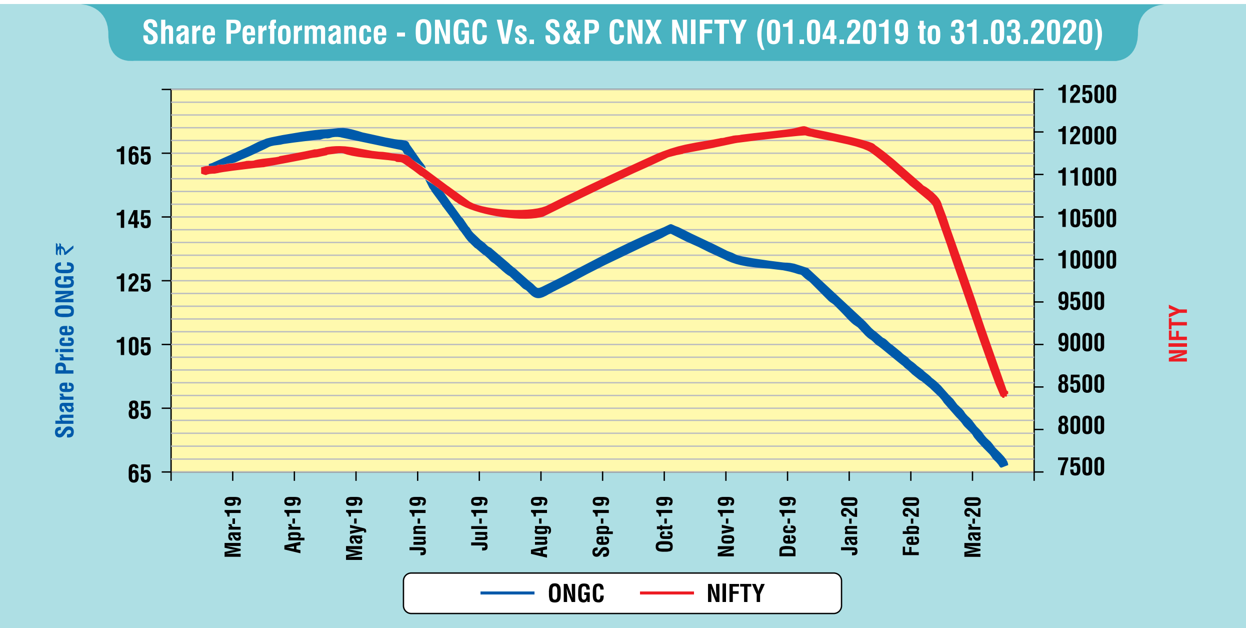
Annual listing fees for the year 2019-20 have been paid to the Stock Exchanges.

### 14.5 Custodian Fees

Custodian Fee to NSDL and CDSL, for Company's equity share bearing the ISIN code INE213A01029, has been paid for the year 2019-20.

### 14.6 Stock Market Information*

The stock price performance of ONGC scrip during the period 1st April 2019 to 31st March 2020 in comparison to NSE is plotted below:




***Data is based on closing price of respective month for ONGC as well as NIFTY.**

### 14.6.1 Market Price Data:

The Monthly High and Low (traded price) and Number of shares traded (volume) at NSE and BSE for the financial year 2019-20 are as under:

| Month | National Stock Exchange* | | | Bombay Stock Exchange* | | |
|---|---|---|---|---|---|---|
| | High (Rs) | Low (Rs) | Volume | High (Rs) | Low (Rs) | Volume |
| Apr-19 | 171.15 | 153.30 | 322751617 | 171.00 | 153.35 | 7359490 |
| May-19 | 178.90 | 160.85 | 229106692 | 178.95 | 161.00 | 7083993 |
| Jun-19 | 173.50 | 162.95 | 184559027 | 173.50 | 163.00 | 4875609 |
| Jul-19 | 170.40 | 136.25 | 284760847 | 170.40 | 136.30 | 10184792 |
| Aug-19 | 139.75 | 115.75 | 234732187 | 139.70 | 115.75 | 7575009 |
| Sep-19 | 140.85 | 115.55 | 271431139 | 140.65 | 115.55 | 16921088 |
| Oct-19 | 146.15 | 123.95 | 229637480 | 145.95 | 123.95 | 11807315 |
| Nov-19 | 149.65 | 129.25 | 165118194 | 149.65 | 129.30 | 7429433 |
| Dec-19 | 131.45 | 124.05 | 168140402 | 133.00 | 124.10 | 7693255 |
| Jan-20 | 133.40 | 106.75 | 345488466 | 133.40 | 106.80 | 12325856 |
| Feb-20 | 109.75 | 89.50 | 457641519 | 110.70 | 89.55 | 14518415 |
| Mar-20 | 95.00 | 50.00 | 1132464142 | 95.00 | 51.80 | 58066038 |
| **Total** | | | **4025831712** | | | **165840293** |

**Source: Websites of BSE and NSE*

### 14.7 Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Sale price of crude oil is denominated in United States Dollar (USD) though billed and received in Indian Rupees (INR). The Company is, therefore, exposed to foreign currency risk principally out of INR appreciating against USD. Foreign Currency risks on account of receipts/ revenue and payments/expenses are managed by netting off naturally-occurring opposite exposures through export earnings, wherever possible and carry unhedged exposures for the residual considering the natural hedge available to it from domestic sales.

## 15. SHARE TRANSFER/TRANSMISSION SYSTEM

Pursuant to circular issued by SEBI transfer of share in physical form is not allowed after 01.04.2019. However, there was one request for transfer of shares processed during the FY'20 in physical form as provided under law.

Further, even after aforesaid circular related to prohibition of physical transfer of shares after 01.04.2019, as on 31.03.2020 there were 47,80,264 shares held in physical form by 4,932 members.

Therefore, Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

The requests received for consolidation and issue of duplicate shares are overseen by Board level Committee for Issue of Share Certificates (CISC). A summary of transmission of securities so reviewed are placed at Board Meetings along with minutes of CISC. The share certificates duly endorsed are sent to the shareholders by RTA. Confirmation in respect to the requests for dematerialization of shares are sent to the respective depositories i.e. NSDL and CDSL, expeditiously.

Pursuant to the Regulation 40(9) and (10) of Listing Regulation, certificates on half yearly basis confirming due compliance of share transfer formalities by the Company, certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 2018 are sent to the stock exchanges.

In addition, in compliance with regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, a Reconciliation of Share Capital Audit report issued by Practising Company Secretary, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges.

The total number of transfer deeds processed and shares transferred (physical share transfer) during the last three (3) years were as under:

| Years | No. of transfer deeds processed | No. of shares transferred |
|---|---|---|
| 2019-20 | 1 | 636 |
| 2018-19 | 11,953 | 90,880 |
| 2017-18 | 4,774 | 48,739 |

## 16. SHAREHOLDING PATTERN AS ON 31ST MARCH 2020

| Sl. No. | Category | No. of Shareholders | No. of Shares | % to Equity |
|---|---|---|---|---|
| 1. | President of India | 1 | 7599608458 | 60.41 |
| 2. | Insurance companies | 29 | 1278956958 | 10.17 |
| 3. | IOCL | 1 | 986885142 | 7.84 |
| 4. | Foreign Institutional Investors & Foreign Portfolio Investors | 623 | 958013997 | 7.62 |
| 5. | Mutual Funds | 30 | 874776933 | 6.95 |
| 6. | GAIL | 1 | 308401602 | 2.45 |
| 7. | Public (Individual) | 841146 | 337300037 | 2.68 |
| 8. | Banks/Financial Institutions/ | 20 | 93524833 | 0.74 |
| 9. | Trust | 65 | 39104695 | 0.32 |
| 10. | Other Body Corporates | 2360 | 35346093 | 0.28 |
| 11. | HUF | 5944 | 25607944 | 0.20 |
| 12. | Clearing Members | 411 | 21449543 | 0.17 |
| 13. | Non Resident Indian/Non Resident Non Rapatriâtes | 13805 | 14254015 | 0.11 |
| 14. | Employees | 2613 | 3986147 | 0.03 |
| 15. | Alternate Investment Funds | 6 | 1890274 | 0.02 |
| 16. | Investor Education And Protection Fund | 1 | 1105998 | 0.01 |
| 17. | NBFC | 15 | 62368 | 0.00 |
| 18. | Foreign bank/Foreign National | 6 | 4169 | 0.00 |
| | **Total** | **8,67,077** | **12,58,02,79,206** | **100.00** |

### 16.1 Top 10 Shareholders as on 31st March 2020

| S.No. | Name of Share Holders | No. of shares held | % of total shareholding |
|---|---|---|---|
| 1 | President of India | 7599608458 | 60.41 |
| 2 | Life Insurance Corporation of India | 1192185831 | 9.48 |
| 3 | Indian Oil Corporation Limited | 986885142 | 7.84 |
| 4 | GAIL (India) Limited | 308401602 | 2.45 |
| 5 | CPSE Exchange Traded Scheme (CPSE ETF) | 303953202 | 2.42 |
| 6 | ICICI Prudential Equity & Debt Fund | 95178786 | 0.76 |
| 7 | ICICI Prudential Multi-Asset Fund | 70230728 | 0.56 |
| 8 | Fidelity Puritan Trust Fidelity Series Intrinsic Opportunities Fund | 60000616 | 0.48 |
| 9 | SBI-ETF Nifty 50 | 52979896 | 0.42 |
| 10 | Vanguard Total International Stock Index Fund | 52911354 | 0.42 |

### 16.2 Distribution of Shareholding by Size as on 31st March 2020

| Category | No. of shareholders | | | % of holder | No. of shares | | | % of Share Holding |
|---|---|---|---|---|---|---|---|---|
| | Physical holders | Demat holders | Total holders | | Physical shares | Demat shares | Total holding | |
| 1 to 500 | 1868 | 729650 | 731518 | 84.37 | 244006 | 88208277 | 88452283 | 0.70 |
| 501 to 1000 | 331 | 71599 | 71930 | 8.30 | 261533 | 52018176 | 52279709 | 0.42 |
| 1001 to 2000 | 681 | 31329 | 32010 | 3.68 | 1015359 | 45563848 | 46579207 | 0.37 |
| 2001 to 3000 | 100 | 10321 | 10421 | 1.20 | 240586 | 26132081 | 26372667 | 0.21 |
| 3001 to 4000 | 117 | 5606 | 5723 | 0.66 | 409080 | 19835511 | 20244591 | 0.16 |
| 4001 to 5000 | 86 | 4438 | 4524 | 0.52 | 375420 | 20257673 | 20633093 | 0.16 |
| 5001 to 10000 | 405 | 7549 | 7954 | 0.92 | 2217180 | 50580319 | 52797499 | 0.42 |
| 10001 to above | 3 | 2994 | 2997 | 0.35 | 17100 | 12272903057 | 12272920157 | 97.56 |
| Total | 3591 | 863486 | 867077 | 100.00 | 4780264 | 12575498942 | 12580279206 | 100.00 |

### 16.3 Geographical Distribution of Shareholders as on 31st March 2020

| Locations | No. of Folios/holders | %age | Holding | %age |
|---|---|---|---|---|
| DELHI | 54596 | 6.1 | 7947492022 | 63.17 |
| MUMBAI | 142616 | 15.92 | 4339451501 | 34.50 |
| CHENNAI | 29246 | 3.27 | 28852238 | 0.23 |
| CALCUTTA | 37471 | 4.18 | 25152663 | 0.20 |
| AHMEDABAD | 44215 | 4.94 | 24044073 | 0.19 |
| VADODARA | 24388 | 2.72 | 14016589 | 0.11 |
| BANGALORE | 37170 | 4.15 | 15346804 | 0.12 |
| PUNE | 29831 | 3.33 | 8652702 | 0.07 |
| HYDERABAD | 22837 | 2.54 | 9061410 | 0.07 |
| OTHER LOCATIONS | 444707 | 52.85 | 168209204 | 1.34 |
| TOTAL | 867077 | 100.00 | 12580279206 | 100.00 |

### 16.4 History of Paid-up Equity Share Capital

| Year | No. of Shares | Cumulative | Details |
|---|---|---|---|
| 1993-94 | 10 | 10 | Initial Subscription to the Memorandum Of Association on 23rd June 1993. |
| 1993-94 | 34,28,53,716 | 34,28,53,726 | Issued to the President of India on 1st February 1994 on transfer of Undertaking of Oil and Natural Gas Commission in terms of Oil and Natural Gas Commission (Transfer of Undertaking and Repeal) Act, 1993. |
| 1994-95 | 66,39,300 | 34,94,93,026 | Issued to the Employees at a premium of ₹ 260 per Share (includes 600 shares issued in 1995-96). |
| 1995-96 | 107,64,40,966 | 142,59,33,992 | Issue of Bonus Shares in ratio of 3.08:1 on 24.04.1995 by Capitalization of General Reserve. |
| 2006-07 | (-)18,972 | 142,59,15,020 | Forfeiture of Shares on 12.04.2006. |
| | 71,29,57,510 | 213,88,72,530 | Issue of Bonus Shares in ratio of 1:2 on 08.11.2006 by Capitalization of General Reserve. |
| 2010-11 | - | 8,555,490,120 | Each equity Share of the Company was split from the face value of ₹ 10 into two equity shares of the face value of ₹ 5 each.<br>Bonus Shares were issued in the ratio of 1:1 by Capitalization of Reserves to the shareholders as on 09.02.2011 (Record Date). |
| 2016-17 | 4,277,745,060 | 12,833,235,180 | Issue of Bonus Shares in ratio of 1:2 on 18.12.2016 by Capitalization of General Reserves. |
| 2018-19 | (25,29,55,974) | 12,58,02,79,206 | Buy-Back of shares @ ₹ 159 per shares (1.97% of pre-buyback capital). Record date 04.01.2019. Buyback was completed on 22.02.2019. |

## 17. CORPORATE BENEFITS DIVIDEND HISTORY

| Years | Rate (%) | Per Share (₹) | Amount (₹ in Million) |
|---|---|---|---|
| **2013-14** | | | |
| > First Interim | 100 | 5.00 | 42,777.45 |
| > Second Interim | 85 | 4.25 | 36,360.83 |
| > Final | 5 | 0.25 | 2,138.87 |
| **2014-15** | | | |
| > First Interim | 100 | 5.0 | 42,777.45 |
| > Second Interim | 80 | 4.0 | 34,221.96 |
| > Final | 10 | 0.5 | 4,277.75 |
| **2015-16** | | | |
| > First Interim | 90 | 4.50 | 38,499.71 |
| > Second Interim | 15 | 0.75 | 6,416.68 |
| > Final | 65 | 3.25 | 27,805.34 |
| **2016-17** | | | |
| > First Interim | 90 | 4.50 | 38,499.71 |
| > Second Interim (Post- bonus) | 45 | 2.25 | 28,874.78 |
| > Final | 16 | 0.80 | 10,266.61 |

| Years | Rate (%) | Per Share (₹) | Amount (₹ in Million) |
|---|---|---|---|
| **2017-18** | | | |
| > First Interim | 60 | 3.00 | 38,499.71 |
| > Second Interim | 45 | 2.25 | 28,874.89 |
| > Final (proposed) | 27 | 1.35 | 17,324.87 |
| **2018-19** | | | |
| > First Interim | 105 | 5.25 | 66,046.53 |
| > Second Interim | 20 | 1.00 | 12,580.28 |
| > Final (proposed) | 15 | 0.75 | 9,435.21 |
| **2019-20** | | | |
| > Interim Dividend | 100 | 5 | 62,901.40 |

*Members who have not encashed their dividends pertaining to the aforesaid periods may approach the RTA or the Company for obtaining payment/s thereof.*

## 18. INVESTOR EDUCATION & PROTECTION FUND (IEPF)

### 18.1 Transfer of Unpaid/Unclaimed Dividend Amount to IEPF

During FY'20, ₹ 77,72.436, ₹ 88,75,124 and ₹ 2,02,35,870 pertaining to unpaid/unclaimed dividend for the FY'12 (2nd interim & Final) and FY'13 (1st Interim) respectively were transferred to the IEPF set up by the Central Government. There were no amount due and pending to be transferred to the IEPF as at the end of the year.

Given below are the proposed dates for transfer of the unclaimed dividend to IEPF which is due to be transferred during FY'21 by the Company:-

| Financial Year | Date of Declaration | Proposed Date/Date for transfer to IEPF |
|---|---|---|
| 2012-13 (2nd Interim) | 20.03.2013 | 26.05.2020 |
| 2012-13 (Final) | 25.09.2013 | 01.12.2020 |
| 2013-14 (1st Interim) | 06.12.2013 | 11.02.2021 |

### 18.2 Shares Transferred to IEPF

Pursuant to provisions of the Companies Act, 2013 read with IEPF Rules the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more are required to be transferred to the demat account of the IEPF Authority.

During FY'20, the Company transferred 7,19,891 equity shares to the IEPF Authority.

Detail of Nodal and Deputy Nodal Officer of the Company as under the provisions of IEPF is as below:

Nodal Officer: Shri M E V Selvamm
Company Secretary
Contact.: +91 11 26754080

Deputy Nodal Officer: Shri S B Singh
Deputy Company Secretary
Contact.: +91 11 26754085

The details of Nodal Officer and Deputy Nodal Officer of the Company and other details related to unpaid dividend amount and shares transferred to IEPF are available at the website at https://www.ongcindia.com/wps/wcm/connect/en/investors/transfer-of-shares-to-iepf/

## 19. DEMATERIALIZATION OF SHARES AND LIQUIDITY (As on 31.03.2020)

| S. No. | Description | No. of Folios/ holders | No. of Shares | % of total Equity Capital |
|---|---|---|---|---|
| 1 | CDSL | 373155 | 9315861941 | 74.05 |
| 2 | NSDL | 517465 | 3259637001 | 25.91 |
| 3 | Physical | 4932 | 4780264 | 0.04 |
| | Total | 895552* | 12580279206 | 100 |

*Folio numbers having same PAN are not clubbed.*

The shares of the Company are in compulsory dematerialized segment and are available for trading in depository system of both National Securities Depository Limited (NSDL) and

Central Depository Services (India) Limited (CDSL).

## 20. OUTSTANDING GDRs/ADRs/WARRANTS OR CONVERTIBLE INSTRUMENTS

There are no GDRs/ADRs/Warrants or Convertible Instruments have been issued by the Company.

## 21. CREDIT RATINGS

Information on credit ratings have been provided at Para 21 of the Board's Report.

## 22. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

There is no share lying in the demat suspense account.

## 23. ASSETS/BASINS/PLANTS/INSTITUTES

### A. Assets/Exploratory Assets

1. Mumbai High Asset, Mumbai
2. Neelam & Heera Asset, Mumbai
3. Bassein & Satellite Asset, Mumbai
4. Eastern Offshore Asset, Kakkinada
5. Ahmedabad Asset, Ahmedabad
6. Ankleshwar Asset, Ankleshwar
7. Mehsana Asset, Mehsana
8. Rajahmundry Asset, Rajahmundry
9. Cauvey Asset, Karaikal
10. Assam Asset, Nazira
11. Tripura Asset, Agartala
12. Cambay Asset, Cambay
13. CBM Asset, Bokaro
14. Jorhat Asset, Jorhat
15. HPHT Asset, Kakinada
16. Rajasthan Kutch Onland Exploratory Asset (RKOEA)
17. Assam Arakkan Fold Belt Exploratory Asset (AAFBEA)

### B. BASINS

1. Western Offshore Basin, Mumbai
2. Western Onshore Basin, Vadodara
3. KG-PG Basin, Chennai
4. Cauvery Basin, Chennai
5. Assam & Assam-Arakan Basin, Jorhat
6. MBA Basin, Kolkata
7. Frontier Basin, Dehradun

### C. PLANTS

1. Uran Plant, Maharashtra
2. Hazira Plant, Gujarat
3. C2 C3 Plant, Dahej, Gujarat

### D. INSTITUTES

1. Keshava Deva Malaviya Institute of Petroleum Exploration (KDMIPE), Dehradun
2. Institute of Drilling Technology (IDT), Dehradun
3. Institute of Reservoir Studies (IRS), Ahmedabad
4. Institute of Oil & Gas Production Technology (IOGPT), Navi Mumbai
5. Institute of Engineering & Ocean Technology (IEOT), Navi Mumbai
6. Geo-data Processing & Interpretation Center (GEOPIC), Dehradun
7. ONGC Academy, Dehradun
8. Institute of Petroleum Safety, Health & Environment Management (IPSHEM), Goa
9. Institute of Biotechnology & Geotectonics Studies (INBIGS), Jorhat
10. School of Maintenance Practices (SMP), Vadodara
11. Centre for Excellence in Well Logging (CEWELL), Vadodara
12. Gas Hydrate Research & Technology Centre (GHR&TC), Panvel

## 24. COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Secretarial Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V (E) of the Listing Regulation-2015, is enclosed as Annexure-A to this Report.

## 25. SECRETARIAL AUDIT REPORT AND CERTIFICATE(S) FROM COMPANY SECRETARY IN PRACTICE

The Secretarial Audit has been conducted by M/s Ashu Gupta & Co., Practicing Company Secretaries with respect to compliance to the applicable provisions of Companies Act, 2013, Listing Regulations and DPE Guidelines. The Secretarial Audit Report shall form part of Boards' Report.

In terms of requirements of SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08.02.2019, M/s. Ashu Gupta & Co. has examined the compliances relation to applicable SEBI Guidelines and has issued Annual Secretarial Compliance report, which was submitted to stock exchanges on 31.07.2020.

Further, M/s Ashu Gupta & Co., Practicing Company Secretaries, has also issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as Annexure B.

## 26. ADOPTION OF NON-MANDATORY REQUIREMENTS

Beside the mandatory requirement of the Listing Regulation, the Internal Auditor reports directly to the Audit Committee.

## 27. GUIDELINES ON CORPORATE GOVERNANCE BY THE DPE

In May 2010, the Department of Public Enterprises (DPE) has issued Guidelines on Corporate Governance for Central Public Sector Enterprises which are now mandatory in nature. The Company is complying with these guidelines.

No Presidential Directives have been issued during the period 1st April 2019 to 31st March 2020.

No items of expenditure have been debited in books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management.

The General Administrative expenses were 5.22% of total expenses during 2019-20 as against 5.17% during the previous year.

## 28. FEE TO STATUTORY AUDITORS

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

**₹ in Million**

| Payment to Statutory Auditors | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---|---|---|
| Audit Fees | 32.57 | 27.08 |
| Certification and Other Services | 14.40 | 13.44 |
| Travelling and Out of Pocket Expenses | 18.30 | 20.24 |
| Total | 65.27 | 60.76 |

## 29. COMPLAINTS PERTAINING TO SEXUAL HARASSMENT

The details of complaints filed, disposed off and pending during the financial year pertaining to sexual harassment is provided in the Business Responsibility Report (under principal 3– wellbeing of all employees) of this Annual Report.

# Certificate on Corporate Governance Compliances

To,

The Members of Oil and Natural Gas Corporation Limited

We have examined the compliance of the conditions of Corporate Governance by Oil and Natural Gas Corporation Limited (CIN: L74899DL1993GOI054155) ("the Company") for the year ended 31st March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and in the Guidelines on Corporate Governance for Central Public Sector Enterprises (DPE Guidelines) issued by the Department of Public Enterprises, Government of India, to the extent applicable during the year.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance, subject to the following:

i) Board composition and evaluation: Regulations 17(1)(a) & 1(b) of Listing Regulations and Clause 3.1 of DPE Guidelines require that (a) at least 50% of the total strength of the Board of the Company shall comprise of Independent Directors, and (b) Executive Directors on the Board of the Company shall not exceed 50% of total strength. The composition of the Board of Directors of the Company was not in compliance of the same except for the period of 19th July 2019 to 18th November 2019, due to vacancies in Independent Directors. Further, as required by Regulations 17(10) and 25(4) of Listing Regulations, evaluation of performance of Independent Directors by the Board and review performance of non-independent directors, the Chairperson and the Board of Directors as a whole by the Independent Directors was not carried out during the year.

ii) Related Party Transactions: Regulation 23(2) of the Listing Regulations requires that all Related Party Transactions shall require prior approval of the Audit Committee. However, approval of the Audit Committee for the Related Party Transactions to be undertaken during the Financial Year 2019-20 was obtained in the meeting of the Audit Committee held on 26th July 2019 i.e. after the first quarter.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the Listing Regulations and DPE Guidelines, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For JMC & Associates
Company Secretaries

Sd/-
CS Mukesh Chand Jain
FCS 10483
COP 22307

New Delhi
04th August 2020

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

## (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
**OIL AND NATURAL GAS CORPORATION LIMITED**
Plot No. 5A- 5B Nelson Mandela Road,
Vasant Kunj, New Delhi-110070

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **OIL AND NATURAL GAS CORPORATION LIMITED** (hereinafter referred to as 'the Company'), having CIN: L74899DL1993GOI054155 and having registered office at Plot No. 5A- 5B Nelson Mandela Road, Vasant Kunj, New Delhi-110070, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Directors, we hereby certify that none of the Directors on the Board of the Company as on **31st March 2020** as stated below, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority(ies):

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1 | Shri Shashi Shanker | 06447938 | 01/12/2012 |
| 2 | Shri Amar Nath | 05130108 | 28/06/2016 |
| 3 | Smt. Ganga Murthy | 07943103 | 23/09/2017 |
| 4 | Shri Subhash Kumar | 07905656 | 31/01/2018 |
| 5 | Shri Rajesh Shyamsunder Kakkar | 08029135 | 19/02/2018 |
| 6 | Shri Sanjay Kumar Moitra | 08065998 | 18/04/2018 |
| 7 | Shri Navin Chandra Pandey | 08252350 | 29/10/2018 |
| 8 | Dr. Alka Mittal | 07272207 | 27/11/2018 |
| 9 | Shri Amitava Bhattacharyya | 08512212 | 19/07/2019 |
| 10 | Shri Rajesh Kumar Srivastava | 08513272 | 02/08/2019 |
| 11 | Shri Rajesh Madanlal Aggarwal | 03566931 | 24/03/2020 |

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ashu Gupta & Co.
Company Secretaries

Sd/-
Ashu Gupta
FCS No. : 4123
C.P. No.: 6646

New Delhi
05th August 2020

Strategy and Planning go hand in hand - ONGCians at Mumbai Offshore

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN)** : L74899DL1993GOI054155
2. **Name** : Oil and Natural Gas Corporation Limited.
3. **Registered address** : Plot No. 5A-5B, Nelson Mandela Road, Vasant Kunj, South West Delhi-110070, India
4. **Website** : www.ongcindia.com
5. **E-mail id** : secretariat@ongc.co.in
6. **Financial Year reported** : 2019-20
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

| Group | Class | Sub Class | Description |
|---|---|---|---|
| 061 | 061 | 06101<br>06102 | Offshore extraction of crude Petroleum<br>Onshore extraction of crude Petroleum |
| 062 | 062 | 06201<br>06202 | Offshore extraction of Natural gas<br>Onshore extraction of Natural gas |
| 091 | 0910 | 09101<br>09102<br>09103<br>09104 | Services incidental to offshore oil extraction<br>Services incidental to onshore oil extraction<br>Services incidental to offshore gas extraction<br>Services incidental to onshore gas extraction |
| 493 | 4930 | 49300 | Transport via Pipeline |
| 192 | 1920 | 19201 | Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals |

8. **List three key products/ services that the Company manufactures/provides (as in balance sheet):**

   (i) Crude Oil

   (ii) Natural Gas

   (iii) Liquefied Petroleum Gas

9. **Total number of locations where business activity is undertaken by the Company**

   (a) Operational Locations: The Company has Pan-India business activities spread across the length and breadth of the country, both onshore and offshore. The major locations of the Company is mentioned at Sl. No.23 of the Corporate Governance Report, a document forming part of the Annual Report.

   (b) Subsidiaries and Associates: Details of subsidiaries and Associates are provided at notes to accounts 45.1 (Standalone Financial Statements) to the Board's Reports.

(c) Number of International Locations: ONGC Videsh, the wholly-owned subsidiary of your Company for E&P activities outside India, has participation in 37 oil and gas projects in 17 countries, viz. - Azerbaijan (2 projects), Bangladesh (2 Projects), Brazil (2 projects), Colombia (7 projects), Iran (1 project), Iraq (1 project), Israel (1 project), Kazakhstan (1 project), Libya (1 project), Mozambique (1 Project), Myanmar (6 projects), Russia (3 projects), South Sudan (2 projects), Syria (2 projects), UAE (1 project), Venezuela (2 projects) and Vietnam (2 projects).

Further, Hindustan Petroleum Corporation Limited (HPCL), the other subsidiary of the Company holds two blocksT/L1 and T/18P respectively in Australia through its subsidiary PPCL. HPCL Middle East FZCO, a 100% Subsidiary of HPCL as a free zone company under Dubai Airport Free Zone and Establishment Card was issued for the company. HPCL Middle East FZCO was established for trading of lubricants and greases, petrochemicals and refined petroleum products.

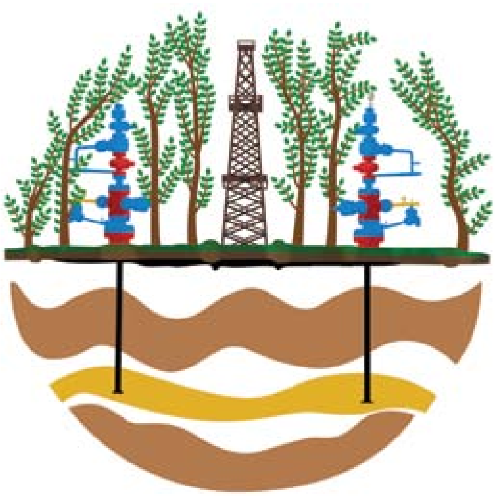
**10. Markets served by the Company –Local/ State/ National**

The Company is marketing its domestic products, mainly Crude Oil to Public Sector refiners – Indian Oil Corporation Ltd., Bharat Petroleum Corporation Limited, HPCL, Numaligarh Refinery Limited, Chennai Petroleum Corporation Limited and Mangalore Refinery & Petrochemicals Ltd and Natural gas mainly marketed through GAIL (India) Ltd. However, part of the gas is also marketed directly by the Company.

The Value Added Products are marketed in bulk to the PSU Oil Marketing Companies (OMC), ONGC Petro-additions Limited (OPaL) (an associate of the Company) and balance to private companies.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | | |
|---|---|---|---|
| 1. | Paid up Capital (₹ in Million) | : | 62,902 |
| 2. | Total Turnover (₹ in Million) | : | 962,136 |
| 3. | Total profit after taxes (₹ in Million) | : | 134,445 |
| 4. | Total Spending on (CSR) (₹ in Million) | : | 6,070 |
| 5. | Total Spending on (CSR) as % of PAT | : | 4.51 |



6. List of activities and goals towards the expenditures under 4 above have been incurred:-

| Sl. No. | Sector of Activities |
|---|---|
| 1 | Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation.<br>No Poverty (Sustainable Development Goal-1);<br>Zero Hunger (Sustainable Development Goal-2);<br>Good Health and Well being (Sustainable Development Goal-3);<br>Clean Water and Sanitation (Sustainable Development Goal-6). |
| 2 | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, & the differently abled and livelihood enhancement projects.<br>Quality Education (Sustainable Development Goal-4);<br>Decent Work and Economic Growth (Sustainable Development Goal-8). |
| 3 | Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.<br>Gender Equality (Sustainable Development Goal-5);<br>Reduced Inequality (Sustainable Development Goal-10). |
| 4 | Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;<br>Sustainable Cities and Communities (Sustainable Development Goal-5);<br>Affordable and Clean Energy (Sustainable Development Goal-7);<br>Climate Action (Sustainable Development Goal-13);<br>Life on Land (Sustainable Development Goal-15). |
| 5 | **Other Areas**<br>(1) Rural development projects;<br>(2) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art;<br>(3) Setting up public libraries; promotion and development of traditional art and handicrafts;<br>(4) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports. |

## SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, please refer note no. 45.1 of the Standalone Financial Statements.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(ies)**

   Since the Subsidiary Companies are separate entities, they carry out Business Responsibility initiatives on their own as per the policies applicable to the respective companies.

3. **Do any other entity/entities (e.g. suppliers,**

**distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

The BR initiative of the Company has the cooperation of all its stakeholders, including Government of India, employees, vendors, customers and the local populace. However, it may be impracticable to assess the extent of their support in facilitating the BR initiatives of the Company.

## SECTION D: BR INFORMATION

**1. Details of Director/ Directors responsible for BR**

(a) Details of the Director responsible for implementation of the BR policy/ policies

| | | | |
|---|---|---|---|
| 1. | DIN Number | : | 06447938 |
| 2. | Name | : | Shri Shashi Shanker |
| 3. | Designation | : | Chairman and Managing Director |

(b) Details of the BR head

| Sr. No. | Particulars | Details |
|---|---|---|
| 1 | DIN Number (if applicable) | Not Applicable |
| 2 | Name | Shri S K Shrivastava |
| 3 | Designation | Group General Manager – Chief of CM&SG |
| 4 | Telephone number | +91 11 26754003 |
| 5 | e-mail id | srivastava_sk1@ongc.co.in |

**2. Principle-wise (as per NVGs) BR Policy/ policies (Reply in Yes/ No)**

**Name of principles:**

P 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability;

P 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle;

P 3 Businesses should promote the well-being of all employees;

P 4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized;

P 5 Businesses should respect and promote human rights;

P 6 Businesses should respect, protect, and make efforts to restore the environment;

P 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner;

P 8 Businesses should support inclusive growth and equitable development;

P 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner;

<table>
<tr><th>Sl. No.</th><th>Questions</th><th>P1</th><th>P2**</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>1.</td><td>Do you have a policy/policies for:</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>N.A.</td><td>Yes</td><td>Yes</td></tr>
<tr><td>2.</td><td>Has the policy been formulated in consultation with the relevant stakeholders?</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>-</td><td>Yes</td><td>Yes</td></tr>
<tr><td>3.</td><td>Does the policy conform to any national/ international standards? If yes, specify. (50 words)</td><td colspan="9">Company policies have been formulated in compliance to applicable statutes/ guidelines/ rules/ regulations of the Government of India. These policies were formulated keeping in view industry best practices and standards.</td></tr>
<tr><td rowspan="2">4.</td><td rowspan="2">Has the policy been approved by the Board? Has it been signed by MD/ Owner/ CEO/ Appropriate Board Director?</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>-</td><td>Yes</td><td>Yes</td></tr>
<tr><td colspan="9">Policies of the Company have been approved by the Board/ Competent Authorities as per Board Delegated Powers.</td></tr>
<tr><td>5.</td><td>Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>-</td><td>Yes</td><td>Yes</td></tr>
<tr><td>6.</td><td>Indicate the link for the policy to be viewed online?</td><td colspan="9">https://www.ongcindia.com/wps/wcm/connect/en/investors/policies/</td></tr>
<tr><td>7.</td><td>Has the policy been formally communicated to all relevant internal and external stakeholders?</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>-</td><td>Yes</td><td>Yes</td></tr>
<tr><td>8.</td><td>Does the Company have in-house structure to implement the policy/ policies?</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>-</td><td>Yes</td><td>Yes</td></tr>
<tr><td>9.</td><td>Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>-</td><td>Yes</td><td>Yes</td></tr>
<tr><td>10.</td><td>Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?</td><td colspan="9">Being a responsible PSU, the Company follows all policies in real working conditions. Company's operations are audited annually by both internal and external agencies. Corporate group sustainability report is published annually and the said reports are assured by GRI accredited independent agencies.</td></tr>
</table>

**Note:**

1 P2**Company policies hold true as long as the products are under its supervision. Once the products are delivered to its customer PSEs , the products come under the policy guidelines of the customer.

2 P7 has been marked as 'N.A'/ not applicable. The Company always complies with all applicable regulations issued by statutory bodies. It transparently discloses its environmental, social and financial parameters in public platforms maintaining applicable national and international protocols.

3. Governance related to BR

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1year.**

Details of the Board and Board Level Committee meetings held during the financial year 2019-20 is provided at Para nos. 2 and 3 of the Corporate Governance Report.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company has been publishing both BR and Corporate ONGC Group Sustainability Report annually. The Annual Report and Sustainability Report reports may be accessed respectively at following web-links:

https://www.ongcindia.com/wps/wcm/connect/en/investors/annual-reports/

https://www.ongcindia.com/wps/wcm/connect/en/sustainability/sustainability-reports/

## SECTION E: PRINCIPLE-WISE PERFORMANCE

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

**Principle 1.1**

**Do you have policy/policies for principle 1?**

The Company, being a listed CPSE, conducts and governs itself with Ethics, Transparency and Accountability as per the policies mandated by Department of Public Enterprises (DPE), Guidelines on Corporate Governance, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other guidelines and policies of the DPE in particular and Govt. of India in general.

The Company also pursues some of the following policy initiatives voluntarily towards Ethics, Transparency and Accountability:

- The Company has a well-defined and a well codified Book of Delegated Powers (which is reviewed and updated from time to time with the approval of the Board), HR Manual, Integrated Materials Management Manual (which has also been reviewed, revised in 2019) and Finance Manual for ensuring continuity, transparency and fairness in observing the laid down procedures. The Company has an Enterprise Risk Management Cell (ERM), risk framework, risk policy and risk portfolio which are periodically monitored by the Risk Management Committee, Audit Committee and the Board.
- The Company has a well-structured vigilance department with units spread across the organization at various Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices in the working of the organization.
- The Company has a Whistle Blower Policy meant to provide a channel to the Employees to report genuine concerns about unethical behaviour, actual or suspected fraud within the organization.
- The Company has adopted a model Integrity Pact (in association with Transparency International) being entered with every bidder to enable them to raise any issues with regard to tenders floated from time to time. The Company is the first among Indian companies to introduce signing of the Integrity Pact. People of high repute and integrity are appointed as Independent External Monitors to oversee implementation of the said Integrity Pact with the bidders.

**Principle 1.2**

**Has the policy been formulated in consultation with the relevant stakeholders?**

All policies have been formulated after consultations and discussions with relevant stakeholders and further the same gets reviewed from time-to-time to cater to emerging and new business realities/ paradigms, after wider consultations amongst stakeholders. The Company being a Public Sector Enterprise pursues policies laid down by the Government of India and other statutory bodies. The policies are framed as per guidelines provided by statutory bodies and operational requirements of the Company.

**Principle 1.3**

**Does the policy conform to any national/ international standards? If yes, specify? (50 words)**

The policy conforms to statutes and policies of the Government of India, DPE and other statutory / regulatory bodies. Further, the Company voluntarily follows international standards for transparency, including the ones prescribed by the Transparency International and Global Reporting Initiative (GRI).

**Principle 1.4**

**Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?**

All policies as mandated by statutory / regulatory bodies are followed by the Company. All other policies/manuals of the Company are implemented as duly approved by the Board of Directors or, as the case may be, the Competent Authority.

**Principle 1.5**

**Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**

The Company has an Audit Committee which has Terms of Reference (ToR) as per the Listing Regulations and the Companies Act, 2013 and the said ToR is approved by the Board. The Company also has a well-structured vigilance department with units spread across the organization at various Assets, Basins and Plants constantly ushering transparency, efficiency and integrity and best corporate practices. Further, implementation of Principles is overseen by the executives of the Company.

**Principle 1.6**

**Indicate the link for the policy to be viewed online?**

The website of the Company (www.ongcindia.com) has reference to various tenets as stated in the principle under the section on Corporate Governance.

Policies of the Company may be accessed at https://www.ongcindia.com/wps/wcm/connect/en/investors/policies/

**Principle 1.7**

**Has the policy been formally communicated to all relevant internal and external stakeholders?**

The Company policies and operational framework are available on the Company's website –"ongcindia.com" for external stakeholders and on "reports.ongc.co.in" for employees.

The engagement routes across all the stakeholders are:

- The Customers are engaged through Crude Oil Sales Agreement (COSA), Gas Sales Agreement (GSA) and regular meetings with B2B partners.
- The Communities in and around our areas of operation are engaged through CSR projects.
- Business partners/ vendors are engaged through vendor meets, business partners meet and pre-bid conferences.
- Contract workers are engaged through regular trainings and SAHYOG Scheme.
- Employees are engaged through open house forums like –Vichar Manthan, Vichar Dhara, Vichar Vishlesan, Mantrana, etc., employee web portal and also through various in-house magazines.
- Regular engagement of Employees and other external stakeholders (like Suppliers, Vendors, Customers, Regulators, NGOs etc.) is also carried out as a mandatory input to ONGC Group Sustainability Report for identifying and prioritizing materiality issues of ONGC Group.
- Government and regulatory bodies are engaged through meetings with the administrative ministry i.e. Ministry of Petroleum & Natural Gas (MOP&NG), DPE, Oil Industry Safety Directorate (OISD), Oil Industry Development Board (OIDB) and Directorate General of Hydrocarbons (DGH).
- Shareholders and investors are engaged

through Annual General Meeting, Investor and Analysts' Meets, Investors' Conferences, corporate website www.ongcindia.com and press releases/ press conferences etc.

**Principle 1.8**

**Does the Company have in-house structure to implement the policy/policies?**

The Company follows the laid down policy as per the companes' manuals for every critical activity such as – procurement, payment, tendering, contracting, human resources, finance and other functions that are governed by well documented policies available for reference to all concerned.

**Principle 1.9**

**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**

Yes.

A structured four tier Grievance Management System is in place in the Company to address employee grievances related to policy/ policies. The channel of grievance is Reporting Authority of the employee, Sectional In-charge, Key Executive, Appeals Committee. Appeals Committee has outside professionals as members and is empowered to suggest measures to prevent similar grievances in future. CMD takes the final decision in totality on the grievance of the employee with inputs from Director (HR), if required.

For external stakeholders, the Company has a well laid down grievance redressal system in place with adequate provisions to escalate the matters up to the level of Board. Considering nature of grievances, complaint may be appropriately placed before Board Level Committee(s) namely the Audit Committee or the Stakeholders Relationship Committee. Both the Board level Committees are headed by Independent Director.

The Company voluntarily facilitates resolving grievances through Independent External Monitors (IEMs) and through Outside Expert Committee (OEC). Further, there is an exclusive website maintained for grievance redressal (https://grievance.ongc.co.in).

**Principle 1.10**

**Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**

The implementation of obligations with regard to Corporate Governance as contained in Listing Regulations are brought out in the Corporate Governance Report and audited by an Independent Practising Company Secretary. Other policies are reviewed from time to time.

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**

   All the policies relating to ethics, bribery and corruption are "inclusive" and cover Company as well as its employees and all other external stakeholders.

2. **Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others:**

   Yes, the policy is extended to suppliers and contractors of the Company.

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The following are the details of the representation made by vendors which were dealt thorough various grievance redressal mechanisms in year 2019– 20:

| IEM (Independent External Monitors) | Cases |
|---|---|
| Total nos. of Complaints received in FY'20 | 20 |
| Opinion Issued | 17 |
| Withdrawn | NIL |
| Sub-judice | NIL |
| Not addressed to IEMs | 01(tender cancelled) |
| Rolled over to FY'21 | 02 |

**Arbitration Cases**

| | |
|---|---|
| Opening balance as on 01.04.2019 | 77 |
| Added | 08 |
| Disposed in favour the Company | 08 |
| Disposed against the Company | 09 |
| Closing Balance as on 31.03.2020 | 68 |

**OEC (Outside Expert Committee) Cases**

| | |
|---|---|
| Opening balance as on 01.04.2019 | 12 |
| Added | 13 |
| Disposed in favour the Company | |
| Disposed against the Company | 04* |
| Closing Balance as on 31.03.2020 | 21 |

**04*** OEC is a conciliation proceeding. Recommendations of OEC are submitted before the Executive Committee – EC (a Committee of Functional Directors) or Board considering disputed amount involved therein. If the recommendation is found reasonable then same is accepted by EC or Board. Otherwise parties may invoke either arbitration or court cases. Hence, it cannot be said that the matter is decided in favour or against ONGC.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

**Principle 2.1:**

**Do you have policy/policies for principle 2?**

The Company pursues its business activities in a safe and sustainable manner. All work practices, procedures and production endeavours comply with the highest Health, Safety and Environment standards as per the Industry norms, Government and relevant statutory bodies. All its installations are ISO 9001, ISO 14001 and OHSAS 18001 certified. All the products of the Company conform strictly to the respective product-making-procedures, laws, statutes and standards governing their production. The exploration and production (E&P) business activities are pursued and aligned in such a manner that E&P of resources is done in a sustainable manner encompassing their life cycle.

**Principle 2.2:**

**Has the policy been formulated in consultation with the relevant stakeholders?**

The Company follows all work practices, procedures and production endeavours pertaining to its area of activities/operations as mandated by Industry, Government and relevant statutory bodies.

**Principle 2.3:**

**Does the policy conform to any national/ international standards? If yes, specify?**

Yes. The Company follows the international standards, practices and Standard Operating Procedures as followed by other E&P companies across the world. Besides, the Company being a National Oil Company, adheres to all the statutes and policies of the Government of India and other statutory bodies such as DGH and OISD.

**Principle 2.4:**

**Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?**

MoPNG is the administrative ministry for the Hydrocarbon industry in the country. All other areas of operations fall under various laws as enacted by the Govt. of India. Accordingly, all internal policies, conforming to the directives of the Government, are approved by the Board or authority delegated for the same by the Board.

**Principle 2.5:**

**Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**

The Board oversees the compliance and implementation of the policies through its Committees as detailed in the Corporate Governance Report forming part of the Annual Report.

**Principle 2.6:**

**Indicate the link for the policy to be viewed online?**

Refer link indicated earlier in Principle 1.6.

**Principle 2.7:**

**Has the policy been formally communicated to all relevant internal and external stakeholders?**

Awareness about HSE policy is must for every employee and other stakeholders directly impacted by Company's operations. The Company policies and operational framework are available on the Company's website as well as its intranet.

**Principle 2.8:**

**Does the Company have in-house structure to implement the policy/policies?**

Yes. The Company has well-established in-house infrastructure, manpower pool, documented Standard Operating Procedure and other executive and administrative machineries to implement the given policies in the area of safe and sustainable production of goods and services of the Company. The HSE (Health, Safety and Environment) department of the Company along with senior management acts as the nodal department to execute and oversee policies pertaining to safe, healthy and environment friendly operations and compliance with sustainability parameters as mandated and desired. The Carbon Management and Sustainability Group (CM&SG) in association with work centres takes up sustainable development projects across the organisation for conservation of natural resources and reduction of carbon and water footprint of the organisation.

**Principle 2.9:**

**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**

Yes, as detailed earlier in Principle 1.9.

**Principle 2.10:**

**Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**

The Company is subjected to various audits such as Statutory Audit by six Chartered Accountants firms appointed by the Comptroller and Auditor General, Government Audit through C&AG, Cost Audit, Secretarial Audit, Corporate Governance Audit, Technical Audits, Quality Audit, Energy Audit and Safety audit. These audits confirm compliance with various internal and external policies.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   A) Crude Oil; and

   B) Natural Gas

   It is well known that the above products are having negative impact on the environment. However, they are also fulfilling the energy requirement to sustain the social development. Because of the portability, energy – rich nature and ability to deliver energy at a constant rate, fossil fuels are still the major energy sources of the world.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   Crude oil and natural gas exploration and production activities are energy as well as water intensive. The Company has taken up various measures for reducing its energy consumption; complemented by regular energy audits of all its installations. Water audits of work centres are also carried out to assess the water use and water discharge pattern and adopt various adaptation measures. Uran plant of the Company will be setting up a 10,000 $M^3$/day capacity Seawater Desalination Plant, scalable to 20,000 $M^3$/day capacity, which will eliminate the total fresh water requirement of the plant, in couple of years from now. With this project alone, Company's water footprint would be reduced initially by 16% and up-to 32% with the scaling up of capacity of the plant.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

The Company has put in place a well-devised procedure for sustainable sourcing - Material Management Policy. This Policy is placed on the Company's website that helps in required sourcing for operations and other business activities in a steady, continuous and sustainable manner. The Company has policies of long-term contracts and rate-contracts to ensure that operations and business pursuits do not suffer owing to externalities.

Sustainability and Sustainable Development has been embedded in work practices as a Corporate Mantra and are aligned with Kyoto protocol negotiations, GHG mitigation, Carbon management, sustainability and greening the vendor chain.

**If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

In FY'20, the Company generated 216.936 million units (MU) of wind energy out of which 72.253 MU was consumed internally and the remaining was sold. In the same period solar energy generated, sold and consumed were 72.253 MU, 1.176 MU and 32.2 MU respectively. To fulfil its internal requirements, the Company consumes Natural gas, High Speed Diesel (HSD) and Aviation Turbine Fuel (ATF). Except its C2-C3 plant in Dahej, Natural gas demand of the Company is met by internal production. In FY'20, 12.09% and 98.77% of HSD and ATF requirements were fulfilled internally by the Company.

Hazira plant is supplied with fresh water in a sustainable manner by Company's own water lifting facility that lifts fresh water from River Tapti. Fresh water demand of Ankleshwar Asset is also almost entirely met by two water treatment plants lifting water from River Tapti and River Narmada.

4. **Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?**

Yes, being a central public sector enterprise (CPSE), the Company's procurement policy and practices are guided by the Government Policies and practices. These are based on transparent procurement mechanisms which promote procurement from technically competent suppliers. However, care is also taken for the interest of local suppliers and contractors within the frame-work of the guidelines issued by the Government of India.

**If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company has always encouraged local suppliers to participate in its tendering process and also promote them through vendor development programs. Continued pursuit in this direction has improved participation of small local players and socio-economic development of communities in and around operational locations. At work centres, Vendors Meet is regularly held to explain procedures and policies pertaining to the procurements of goods and services to help small local vendors. The Company has taken necessary steps for implementation of the public procurement policy for procurement from medium and small enterprises (MSEs). Necessary provisions have been incorporated in all tenders for materials and services. In general minimum 25% of the requirement has been reserved for eligible MSEs in tenders. Procurement of ₹ 2,3298.5 million was carried out from MSE Vendors during the year 2019-20 (which is 30.40% of annual procurement plan as per Public Procurement Policy for MSEs). The Company has a Policy regarding procurement through the Government e-Marketplace (GeM). The Company procured materials worth ₹ 701 million during FY'20 as against ₹ 106 million during FY'19. Supply chain of the Company comprises about 1,444 business partners.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is**

**the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Yes. Solid waste, such as condemned equipment, packaging materials and electronic waste are auctioned off to authorised recyclers. Produced water and waste water are treated suitably and a portion of it is recycled. In FY 2019-20, 75% of waste water and 45% of produced water were recycled and reused.

**Principle 3: Businesses should promote the wellbeing of all employees.**

**Principle 3.1**

**Do you have policy/policies for principle 3?**

Yes. The Company has a wide range of HR policies covering all categories of the employees (workers, officers, women employees, SC/ST employees, sports persons etc.). It addresses all aspects of professional skill and knowledge up-gradation, employee motivation and welfare measures, employees' health (Preliminary Medical Examination) and general wellbeing measures, women empowerment, empowerment of SC/ST and other disadvantageous class of employees, separation/superannuation and post-retirement welfare measures.

**Principle 3.2**

**Has the policy been formulated in consultation with the relevant stakeholders?**

The HR policies of the Company have been formulated in line with DPE guidelines and after due consultation with Collectives and representatives of employees.

**Principle 3.3**

**Does the policy conform to any national/ international standards? If yes, specify? (50 words)**

HR Policies of the Company conform to the best of International and National standards. The Company is perceived to be one of the best employers in the country.

**Principle 3.4**

**Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?**

All HR policies are approved by Board or Competent Authorities as delegated by the Board and signed accordingly.

**Principle 3.5**

**Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**

The Board of Directors has constituted a Board level Committee namely Nomination and Remuneration Committee to oversee the major decisions in the area of human resources.

**Principle 3.6**

**Indicate the link for the policy to be viewed online?**

The HR policy's and order/ circulars related to Human Resource are webhosted on "reports.ongc.co.in" for wider circulation among employees and necessary information is hosted at "ongcindia.com" for other stakeholders including prospective employees.

**Principle 3.7**

**Has the policy been formally communicated to all relevant internal and external stakeholders?**

Yes. The Company's HR policies are available on-line on the Company's website as well as on the Company's internal portal – "reports.ongc.co.in". All policies, procedures and work-flows are documented and are available on-line for easy access, use and information by all employees. Any new initiatives, changes or new announcements are communicated to employees on-line through internal websites and also through formal orders posted on work-centre's intranet notice boards and through circulation to individuals.

**Principle 3.8**

**Does the Company have in-house structure to implement the policy/policies?**

The Company has a structured Human Resources

Department, headed by Director (HR), which implements the policies throughout the Company.

**Principle 3.9**

**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**

Yes. The Company has a structured employees' grievance redressal mechanism. Details have been provided at Principle 1.9 above. The mechanism/ procedures allow employees to escalate their grievances to the level of the Director (HR) of the Company and in some cases even to the Executive Committee for justifiable redressal of issues and concerns. Collectives and Officers association are engaged/ associated at every stage to discuss/ negotiate the policy issues and address their concerns. An Executive Director level position oversees employee relations and industrial relations (ER&IR) and maintains cordial, motivated and a spirited work atmosphere. All the employees have access to the Chairman and Managing Director and Functional Directors through e-mails as well.

**Principle 3.10**

**Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**

The HR policies and practices are reviewed at regular intervals taking cognizance of emerging realities. Regular independent audits, both internal and external, are being conducted to gauge level of employee engagement and satisfaction. Wherever desired and warranted, expert advice from external agencies/ consultancies is solicited to ramp up our practices/ policies to best of industry standards.

The Company has carried out independent audit / evaluation of HR policies under the PCMM Framework during 2018-19 through external consultant.

1. Total number of employees : 30,105 (as on 31.03.2020)

2. Total number of employees hired on temporary/ contractual/casual basis.
   - Contractual workers : 25,027 (Including Seasonal and LSTK contract workers)
   - Tenure based : 599
   - Casual workers/contingent : 224

3. Please indicate the number of permanent women employees : 2,209

4. Please indicate the number of permanent employees with disabilities : 412

5. Do you have an employee association that is recognized by management?

   Yes.

   **A. Executive Cadre:** The Association of Scientific and Technical Officers (ASTO) has been recognized to represent the issues related to the executives.

   **B. Non-Executive Cadre:** Twelve recognized unions as under:

   1. ONGC (BOP) Karmachari Sanghatana, Mumbai
   2. ONGC Employees' Association, Kolkata
   3. Petroleum Employees Union, Chennai
   4. Petroleum Employees Union, Karaikal
   5. Petroleum Employees Union, Rajahmundry
   6. Petroleum Employees Union, Ahmedabad
   7. ONGC Mazdoor Sangh, Ankleshwar
   8. ONGC Employees Mazdoor Sabha, Baroda
   9. ONGC Purbanchal Employees' Association Sivasagar
   10. ONGC Staff Union, Dehradun
   11. ONGC Workers Union, Agartala
   12. Trade Union of ONGC Workers, Silchar.

   Besides above, All India SC/ST Employees Welfare Association and All India OBC/ MOBC

Employees Welfare Association are recognized by the Company to represent the specific employee groups.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   About 90% executives are members of ASTO. The non-executive cadres of employees are affiliated to twelve recognized unions. They represent all the unionized categories of employees in their respective work-centres, though some employees may hold membership with more than one union.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as at the end of the financial year.**

| Sl. No | Category | No. of complaints filed during the financial year | No. of complaints pending at the end of the financial year |
|---|---|---|---|
| 1 | Child labour / forced labour / involuntary labour | NIL | NIL |
| 2 | Sexual harassment | 02 | 01 |
| 3 | Discriminatory employment | NIL | NIL |

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

| | |
|---|---|
| • Permanent Employees<br>• Permanent Women Employees<br>• Casual/Temporary/ Contractual Employees<br>• Employees with Disabilities | 19,990 employees were provided training through all the institutes of ONGC covering 1,77,937 training man days including permanent women employees and employees with disabilities. Apart from the above, casual, temporary and contractual employees were given requisite training in safety of operations. |

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

**Principle 4.1**

**Do you have policy/ policies for principle 4?**

Yes. The Company complies with Government directives for upliftment of weaker sections of the society. It is fully committed to the welfare of marginalized and vulnerable sections of society. Each of our Strategic Business Units (SBU) has the responsibility to identify and engage with relevant stakeholders to establish a symbiotic relationship.

The Company has a number of policies in place to address the interests of all stakeholders. As a CPSE, the Company pursues all such policies as mandated by the Government. The Corporate Social Responsibility (CSR) and Sustainable Development policy along with a host of policies of the Government of India are directed towards disadvantaged, vulnerable and marginalized sections of the society. Company's goal is to 'Connect, Listen, Respond, Sustain' – leading to business value creation with Economic, Social and Environmental sustainability in view.

As per CSR Policy, the Company has a well-defined set of objectives, clearly delineated beneficiaries, strategy and project activities which characterize its social projects. The relevant provisions of Section 135 read with Schedule VII of the Companies Act, 2013 have also been taken into account while finalizing the aforesaid policy. The projects are designed to yield discernible, long-term, sustainable benefits for the communities specially disadvantaged, vulnerable and marginalized sections. By contributing towards community developments, we foster a symbiotic relationship with our stakeholders across communities to create more employment opportunities to realize our strategic objective of growing responsibly while improving the livelihoods of people.

The table below depicts the manner in which the Company engages to address the interest of all stake-holders:

| Stakeholders | Mode of engagement |
|---|---|
| Customers | Structured engagement through Crude Oil Sales Agreement (COSA) and Gas Sales Agreement (GSA); Regular / periodic meetings with B2B partners and also through external stakeholders meet. |
| Communities | Direct engagement at work centers through CSR programmes, HR department, Corporate Communications, Installation Managers, Mines Managers, and Asset/ Basin/Plant Managers. |
| Business partners/ contractors/vendors | Vendor meets; Business partner meets; Pre-bid conferences and also through external stakeholders meet. |
| Contract workers | Safety trainings and SAHAYOG Scheme. |
| Employees | Open House; Vichar-Manthan; Vichar-Dhara; Vichar-Vishlesan; Mantrana; Employee web portal and also through internal stakeholders meet. Regular bilateral meetings with employee Unions and Associations. |
| Regulatory bodies (DGMS, NSE, BSE, SEBI, OISD, OIDB, and Government bodies) | Structured engagement through meetings with administrative Ministry MOP&NG, Director General of Hydrocarbon, DPE, Oil Industry Safety Directorate, Oil Industry Development Board, etc. and also through external stakeholder meet. |
| Shareholders, investors | Investor and Analyst Meet; AGM; Investor Conferences; Conference Calls, One-on-One and Group Meetings; Corporate web site and press releases/ press conference and also through external stakeholder meet. |

**Principle 4.2**

**Has the policy been formulated in consultation with the relevant stakeholders?**

The CSR policy is in compliance with the Companies Act, 2013, Companies (CSR Policy) Rules, 2014 and DPE Guidelines.

**Principle 4.3**

**Does the policy conform to any national / international standards? if Yes, specify?**

The policy and laid down procedures conforms to statutes and policies of the Govt. of India, DPE and other statutory bodies.

**Principle 4.4**

**Has the policy been approved by the Board? If Yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?**

All such policies being pursued by the Company are duly approved by the Board of Directors and uploaded on the Company's website.

**Principle 4.5**

**Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**

Yes. Director (HR) has been delegated power to implement CSR initiatives. The implementation of CSR policy is to be overseen by the Corporate Social Responsibility (CSR) Committee, a Board Level Committee constituted for this purpose. Further, in line with the approval of the Board, a non-profit entity by name 'ONGC Foundation' has been formed and registered under the Indian Trust Act, 1882 for carrying out CSR activities.

**Principle 4.6**

**Indicate the link for the policy to be viewed online?**

The website of the Company, www.ongcindia.com, has a link to the CSR Dept. page, where the CSR policy is available.

**Principle 4.7**

**Has the policy been formally communicated to all relevant internal and external stakeholders?**

Yes, for internal stakeholders, all these policies are available on-line on Company websites and also perpetuated through its Collectives, Officers Association and other relevant associations. For external stakeholders, communication in this regard is pursued through interactions at multiple levels.

**Principle 4.8**

**Does the Company have in-house structure to implement the policy/ policies?**

The Company has a structured framework and laid down well documented procedures in place to execute and implement its policies. There is an exclusive Department for CSR- headed by Chief CSR, to implement CSR activities of the Company.

**Principle 4.9**

**Does the Company have a grievance redressal mechanism related to the policy/policies to address the stakeholders' grievance related to the policy / policies?**

Yes.

**PRINCIPLE 4.10**

**Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**

Yes.

1. **Has the company mapped its internal and external stakeholders?**

   Yes.

2. **Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes. Over the years, Company has moved from a 'charity-based philanthropy' approach to a 'stakeholder participation' approach where the communities in and around Company's operational areas are seen as important stakeholders and therefore their development is seen in alignment with the company's business development. Since Company's areas of operation are remote and backward areas, the process of engaging with the external stakeholders, including the community in and around areas of operation, gives us significant input relating to the needs of the disadvantaged and vulnerable marginal stakeholders. Besides this over a last couple of years the Company has carried out baseline survey and need assessment around a few of our areas of operation to have greater insight into the needs of the community through structured interactions and feedbacks.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The CSR policy of the Company covers CSR Projects / Programmes undertaken by Company listed in Schedule-VII of the Act, within the geographical limits of India, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment. This way the ultimate objective is to reach the bottom of the pyramid in our demographic strata and touch their lives in a positive manner. Thus, while Company has engaged in serving the society through various welfare measures since its inception, it has now adopted a more structured approach in undertaking such welfare measures. Many projects related to infrastructure development, education and healthcare have been undertaken in remote areas mainly populated with such disadvantaged groups.

**Principle 5: Businesses should respect and promote human rights**

**Principle 5.1**

**Do you have policy/policies for principle 5?**

All policies of the Company take into account the Human Rights of not only employees but also people likely to be affected by the operations of the Company.

The Company is committed to conduct its business operations and strategies with the ten universally accepted principles in the area of Human Rights, Child labour, Anti-corruption and Environment. The Company embraces and supports those ten principles, particularly that on Human Rights viz.: "Businesses should support and respect the protection of internationally proclaimed human rights" and "Make sure that they are not complicit in human rights abuses". The Company is fully committed to the principles of United Nations Global Compact on human rights and subscribes to the international agreements/conventions such as Kyoto Protocol, Montreal Protocol, UNCLOS (MMD), SOLAS and MARPOL within the framework of Government of India directives. The Company ensures compliance with various labour legislations such as Payment of Wages Act 1936, Minimum Wages Act 1948, Equal Remuneration Act 1976, Industrial Disputes Act 1947, Employees State Insurance Act 1948, Employees Provident Fund and Miscellaneous Provisions Act 1952, Contract Labour (R&A) Act, 1970, Child Labour (Prohibition and Regulation) Act 1986 etc. As a responsible Principal employer, the Company ensures that contract labours are treated fairly as per law and for any complaints or disputes, the contractor is advised to settle the issue in accordance with the law. Various in-house policies like service rules, leave rules, gratuity rule, CPF rules, House Building Advance, Conveyance advance, Education loans also confirm to Human Right values. The Company has also implemented Fair Wage Policy for contractors' workers to provide them wages much above the minimum wages and other statutory and non-statutory benefits.

**Principle 5.2**

**Has the policy been formulated in consultation with the relevant stakeholders?**

The Company being a CPSE is primarily guided by Government of India policies. The entire gamut of its policies, rules and regulations which govern its functioning have "people first" as its fulcrum.The Fair Wage Policy for contract labourers was formulated in consultation with trade unions representing these workmen.

**Principle 5.3**

**Does the policy conform to any national/ international standards? If yes, specify? (50 words)**

The policies of the Company are in line with national standards and relevant international standards for its operations and business pursuits.

**Principle 5.4**

**Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?**

All the policies are approved either by the Board or by designated Competent Authorities as authorised by Board.

**Principle 5.5**

**Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**

Each Policy incorporates safeguards to ensure that its functioning is overseen by a Competent Authority / Committee.

**Principle 5.6**

**Indicate the link for the policy to be viewed online?**

The website of the Company www.ongcindia.com has the link to various policies, rules and regulations of the Company.

**Principle 5.7**

**Has the policy been formally communicated to all relevant internal and external stakeholders?**

All Policies of the Company have been suitably communicated to concerned stakeholders, both internal as well as external.

**Principle 5.8**

**Does the Company have in-house structure to implement the policy/policies?**

Yes. The Company has put in place a structured set-up with adequate empowerment to implement requisite policies.

**Principle 5.9**

**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**

Yes (as detailed under Principle 1.9 above).

**Principle 5.10**

**Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**

The policies, rules and regulations in the direction as stipulated by the principle 5 are subject to periodic audit/reviews both by internal and external agencies.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   Yes, the policies towards upholding the Human Rights extends to suppliers and contractors of the Company.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Please refer answer to para 3 of Principle 1.10.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

**Principle 6.1**

**Do you have policy/policies for principle 6?**

The Company has always ensured that it protects and cares for the environment. The Company has an integrated HSE Policy and also separate policies for Environment Management, Sustainable Development, Waste Management and e-waste policy. The Company continually strives to mitigate the environmental impact that may arise from its business activities such as exploration, drilling and production, by investing in state-of-art technologies, effluent and solid waste management, environment monitoring and reporting, bio-diversity conservation efforts and up-gradation and sustenance of environment management systems. The Company has a robust process of internal and external audit and management review to maintain its integrated QHSE management system and regularly reviews its policies and maps risks. Some notable HSE practices are – Regular QHSE internal audit, Fire safety measures, regular fire mock drill, health checkup program, Material Safety Data Sheet, Personal Protective Equipment, implementation of Environment Management Systems, Occupational Health Safety, Near miss reporting, Governance, Risk management and Compliance reporting.

**Principle 6.2**

**Has the policy been formulated in consultation with the relevant stakeholders?**

Yes. All policies of the Company have been formulated in consultation with stakeholders, primarily in consultation with and under the guidelines of MoPNG and Ministry of Environment, Govt. of India and other statutory bodies.

**Principle 6.3**

**Does the policy conform to any national / international standards? If yes, specify? (50 words)**

Applicable rules and regulations of the Nation, OISD standards, DGMS guidelines, ISO standards, API standards, Kyoto Protocol, Scientific data and Best Practices are considered while framing up policies. Thus in principle, all policies conform to national/ international standards, guidelines, and best practices. The HSE policy of the Company is in line with ISO – 9001, 14001 and OHSAS – 18001 standards.

**Principle 6.4**

**Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?**

Yes, the policy has been approved by the Board and signed by the CMD.

**Principle 6.5**

**Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?**

There is an HSE Committee of the Board which monitors all issues concerning HSE, including policy matters.

**Principle 6.6**

**Indicate the link for the policy to be viewed online?**

The website of the Company, www.ongcindia.com, has a separate link for HSE activities. The employees can view/download the policies from the company's intranet site "reports.ongc.co.in".

**Principle 6.7**

**Has the policy been formally communicated to all relevant internal and external stakeholders?**

The HSE Policy is displayed at all the work centres and it has been communicated to each employee as well as contractual employees. Further, the Company continuously engages with stakeholders at multiple levels through diverse channels, which helps in the formulation of Company's policies directed at progressively enriching practices and sustainable operations over time.

**Principle 6.8**

**Does the Company have in-house structure to implement the policy/policies?**

The Company has dedicated HSE Department at Corporate level as well as at the Strategic Business Units (SBUs) level comprising Assets, Basin, Plants and Institutes. Safety officers suitably trained and certified are posted at SBU levels to effectively implement the policies and report safety performance.

**Principle 6.9**

**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**

Yes. In order to make our stakeholder interface more collaborative, the Company has a public grievance portal www.ongcindia.com. The portal is a step further to empower each stakeholder viz. citizen/vendor/employee/ former-employee to register their grievances through a single window on corporate web portal. A structured apparatus has been operationalized to process the grievances within a limited time frame to establish ethics and transparency.

**Principle 6.10**

**Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**

The Company undertakes HSE audit at regular pre-defined intervals. External bodies engaged in granting ISO-9001, ISO-14001, OHSAS-18001 and other certification agencies conduct regular audits within the certification period to oversee that pre-requisites are being met before granting extensions to these certification. Internal and External QHSE Audits are conducted on regular intervals to examine various issues related to HSE including conformity to policies, statutes, standards, guidelines and practices.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ others.**

   The HSE policy and processes cover all the stakeholders of the Company. All suppliers, NGOs and other Business partners doing business with the Company within the

Company's premise subscribe to the Company's policies and commitment to the environment. The policies of the Company extend to its wholly owned subsidiaries and to joint ventures after getting approval of its JV partners on the tenets and premises of environmental commitment. Policies are also shared with all the suppliers and contractors while placing the supply/ work orders.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

The Company is aware of the risks arising due to climate change. It has a dedicated CM&SG team with a specific mandate to position ONGC as the leading organization in sustainable development (SD) and to voluntarily take up Carbon Management as an activity to synergize all business activities with sustainable development particularly to address issues related to climate change risks and opportunities arising from carbon mitigation initiatives. The management has been active in engaging with national and international climate change forums to ensure that the organization stays current with global climate change negotiations and India's domestic commitments. Fugitive methane emissions from Oil and Natural gas systems are primarily the result of normal operations and system disruptions. These emissions can be cost-effectively reduced by upgrading technologies or equipment, and by improving operations. The Global Methane Initiative (GMI) is an action-oriented initiative from United States Environmental Protection Agency to reduce global fugitive methane emissions to enhance economic growth, promote energy security, improve the environment, and reduce greenhouse gases emission. The GMI facilitates cooperative mitigation activities that result in bringing more gas to markets through the Identification, Quantification, and Reduction (IQR) path.

During August, 2007, the Company tied up with United States Environmental Protection Agency for GMI activities, then known as Methane to Market projects and formed a dedicated in-house team to carry out gas leak surveys to arrest fugitive methane emission in operational process.

**3. Does the Company identify and assess potential environmental risks?**

Yes. During the Environment Impact Assessment process, the company identifies and assesses the Environmental Risks associated with the projects. This EIA is a pre-requisite for the Environmental Clearances issued by the Ministry of Environment, Forests and Climate Change. Based on the identified risks, Environment Management Plans are prepared to minimize the risks. Projects are established only after obtaining the required clearances. The company has implemented globally recognized Environmental Management System like ISO 14001 and OHSAS 18001 at all its operational work centres.

The Company in association with other Oil and Gas sector PSUs had conducted "a study on Climate Change Risks and Preparedness for Oil and Gas Sector in India" through TERI, New Delhi in the year 2018.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so.**

The Company has been a pioneer in India to adopt the Kyoto protocol and commenced its CDM journey in 2006. So far we have registered a total of 15 CDM projects with United Nations Framework Convention on Climate Change (UNFCCC) with an Emissions Reduction Potential of approx. 2.1 million $TCO_2$ equivalent every year. In spite of the sluggish carbon market, the company is continuing the verification of existing CDM projects and registration of new CDM projects for protection of our environment. Presently 03 new CDM projects are under validation.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.?**

Yes. The Company has taken a host of initiatives to pursue clean technologies, energy efficiency measures and renewable energy pursuits. During FY'20, ONGC has implemented about 07 MW of Solar Power Plants making the total installed capacity of solar power to 25 MW. Another 6.6 MW Solar Power Projects are under construction and will be functional very soon. The solar capacity will be further increased to 50 MW by 2020-21. Together with the 153 MW Wind Power, the total installed capacity of Renewable Energy is 178 MW as on 31.03.2020.

During the year 73,000 conventional lights were replaced with LED lights across various work centers of the Company, taking the total to 2.80 Lakh LED Lights under implementation of LED lighting program.

Continuous innovation and induction of new technologies is a business as usual way in the Company. During the year Micro-Turbines were installed for producing electric power in installations of remote areas. HSD is generally used for power generation in remote areas. But the Micro turbines utilize low pressure natural gas, usually flared in the absence of feasible mechanism for its evacuation. Thus the Micro turbines offer the double advantages of utilization of clean fuel and reduced flaring. Dynamic Gas Blending in large diesel engines of Caterpillar Engines were also taken up which reduces the diesel consumption in these engines. Both these technologies would be scaled up for application in other work centres/fields.

**If yes, please give hyperlink for web page:**

http://www.ongcindia.com/wps/wcm/connect/ongcindia/Home/Initiatives/Corporate+Sustainability/

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. The emissions and waste generated by the Company are within the permissible limits. Annual Environment Compliance reports are submitted by the respective work units to respective State Pollution Control Boards (SPCB). All the installations comply with environmental regulations. Procedures are in place for storage, handling and disposal of hazardous chemicals and wastes.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:**

There are few incidental instances of environmental pollution as per regulations. All issues have been resolved with CPCB/ SPCB.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**Principles 7.1 to 7.9**

The Company being the National Oil Company of India under the control of the Government of India, through the MOPNG, public and regulatory policies relating to operation of E&P companies in India as prescribed by the Government of India are followed in total. The Company, per se, is not engaged in directly influencing public and regulatory policy. Being CPSE, the necessity of having a policy on influencing the public and regulatory policies is not felt. However, all outward communications are governed by business ethics and transparency.

**Principle 7.10**

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes. The Company has association with a number of trade chambers and associations such as:

- Federation of Indian Chambers of Commerce and Industry (FICCI);
- Confederation of Indian Industries (CII);
- Standing Conference on Public Enterprises (SCOPE);
- Federation of Indian Petroleum Industry (FIPI).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company has always advocated constructive suggestions in areas of taxation matters, pricing policies, subsidy sharing, exploration and licensing policies, policies towards pursuing the energy security, sustainable development, corporate social responsibility and amendment to labour laws that are beneficial to the Industry in specific and society in general.

**Principle 8: Businesses should support inclusive growth and equitable development.**

**Principle 8.1**

**Do you have policy/ policies for principle 8?**

The Company has a structured mechanism for Corporate Social Responsibility. It aims to strengthen the fabric of society that the Company operates in. Through partners we identify the needs of the communities, and select and implement programs that address those needs. The CSR projects are targeted towards empowering the weakest sections of the society, such as children, women, and the elderly. The programs generate employment and business opportunities improving the living standards of the community and thereby improving the economy of the region.

**Principle 8.2**

**Has the policy been formulated in consultation with the relevant stakeholders?**

The Company follows CSR Policy confirming to applicable provisions of the Companies Act, 2013 and the DPE Guidelines formulated by the Government of India.

**Principle 8.3**

**Does the policy conform to any national/ international standards? If Yes, specify? (50 words)**

Yes. As specified at Para 8.2 above.

**Principle 8.4**

**Has the policy been approved by the Board? If Yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?**

Yes, CSR policy of the Company is approved by the Board. All activities pursued under CSR schemes are approved by the Competent Authority as per the Companies Act, 2013 and/ or Company's Book of Delegated Powers-2015.

**Principle 8.5**

**Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**

The Company has a Committee on CSR in terms of Section 135 of the Companies Act, 2013 and the DPE Guidelines on CSR & SD. The Director (HR) is the nodal Functional Director for implementation of CSR initiatives of the Company.

**Principle 8.6**

**Indicate the link for the policy to be viewed online?**

The Company's website, www.ongcindia.com, has link to CSR policy.

**Principle 8.7**

**Has the policy been formally communicated to all relevant internal and external stakeholders?**

Yes, for internal stakeholders, all these policies are available on-line on Company websites and also perpetuated through its Collectives, Officers Association and other relevant associations. For external stakeholders, communication in this regard is pursued through interactions at multiple levels.

**Principle 8.8**

**Does the Company have in-house structure to implement the policy/ policies?**

The Company has a structured framework and laid down well documented procedures in place to execute and implement its policies. There is an exclusive Department for CSR- headed by Chief CSR, to implement CSR activities throughout the organization.

**Principle 8.9**

**Does the Company have a grievance redressal mechanism related to the policy/policies to address the stakeholders' grievance related to the policy / policies?**

Yes.

**Principle 8.10**

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

   The Company is committed to understand the developmental needs of economically weaker, differently abled and less privileged sections in identified geographical locations in India primarily around the remote operational areas of the Company thus creating a more inclusive and equitable world .

   Corporate Social Responsibility (CSR) is a structured mechanism of engaging and benefiting the local communities. It aims to strengthen the fabric of the society. Through our implementation partners we identify the needs of the communities, and select and implement programs that address those needs. CSR projects of the Company are targeted towards empowering the weakest sections of the society, such as children, women, and the elderly. In addition, Company's programs generate employment and business opportunities, improving the living standards of the community in turn improving the economy of the region.

2. **Are the programs/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?**

   The CSR projects or programs are implemented through in-house CSR team and ONGC Foundation. The Company also implements its CSR agenda through other trust, society or company established under Section 8 of Companies Act, 2013, having a track record of minimum three years in undertaking similar programs or projects.

3. **Have you done any impact assessment of your initiative?**

   Impact assessment, both concurrent and final, are conducted by expert third party agency to assess the direct and indirect impact of a few select projects.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   ₹ 6,069.67 Million has been spent by the Company during FY'20 on Community development projects as detailed at Annexure-B to the Board's Report 2019-20.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The Company endeavors to understand the stakeholder expectations through a structured engagement process and communication strategy and leverages this understanding for betterment of all the stakeholders. Company's endeavor in this regard are uniquely positioned to herald a business paradigm that is based on an interconnected vision of People's well-being, growth and contentment: by enabling citizens and local communities to be informed partners in the enterprise, be accountable in its consumption of environmental resources; and foster local communities that are prosperous and content; and manage their resources commonly and sustainably. To generate goodwill in the communities in and around Company's operational areas by not only mitigating operational impact but through creating social value that is sustainable and inclusive.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**Principle 9.1**

**Do you have policy/policies for principle 9?**

The Company engages with customers and consumers in a manner that demonstrates best business practices and is a win-win proposition for all doing business with the Company as per mutually agreed business principles and deliverables. The Company's main customers are Oil Refining and Gas Marketing Companies to which the Company's produce that is Oil and Gas is allocated by the Government of India. The Company enters into a Crude Oil Sale Agreement (COSA) with the Oil Marketing Companies (OMCs) and Gas Sales Agreement (GSA) with GAIL and other customers to whom it sells the Crude Oil, Natural Gas etc., following the crude oil / gas sales allocations as done by Govt. of India. The COSA/GSA incorporates suitable provisions with regard to the quality and quantity of the product being supplied by the Company. Besides this, the Company also sells its produce to other direct customers under GSA.

**Principle 9.2**

**Has the policy been formulated in consultation with the relevant stakeholders?**

The COSA/GSA of the Company has been arrived at in consultation with OMCs and Gas marketing companies at mutually agreed terms. Other sales or purchase agreement are also agreed mutually. The Company has therefore laid down policies and guidelines for engaging with and providing value to the customers and consumers in a responsible manner.

**Principle 9.3**

**Does the policy conform to any national/ international standards? If yes, specify?**

The specifications of quality and measurement in COSA/GSA are in accordance with International standards. Moreover, the Company ensures that policies followed are as per guidelines of the Government of India.

**Principle 9.4**

**Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?**

Yes. The COSA/ GSA are signed by the designated authorities after seeking approval as per Book of Delegated Powers 2015.

**Principle 9.5**

**Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?**

The Company has a structured and dedicated marketing department/ establishment headed by senior level executive to oversee implementation of relevant policies in this regard.

**Principle 9.6**

**Indicate the link for the policy to be viewed online?**

COSA/GSA being a bipartite agreement is a confidential document and is not available for public inspection. Further the general guidelines on standard terms of business and also contract terms and conditions of conducting business with the Company are available on the site www.ongcindia.com.

**Principle 9.7**

**Has the policy been formally communicated to all relevant internal and external stakeholders?**

Yes.

**Principle 9.8**

**Does the Company have in-house structure to implement the policy/policies?**

As given in response against 9.5 above.

**Principle 9.9**

**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?**

Yes. COSA/GSA has a built in mechanism for stakeholders' grievance redressal.

**Principle 9.10**

**Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**

The COSA/GSA is subject to review as may be mutually agreed upon.

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year:**

   23% (3 out of 13 complaints) of customer complaints/ consumer cases were pending as at 31.03.20.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   For crude oil sale, Batch wise certificates are issued, which includes various quality parameters including the Bottom Sediment and Water (BS&W). Product labelling related to storage procedures and safety precautions are clearly indicated at the Company's installations holding the crude.

   Natural Gas supplied by the Company to various customers conforms to the agreed contractual specifications.

   All Value Added Products (VAP) are supplied with batch-wise test reports and standard handling procedures to be followed in line with OISD/other statutory standards. Relevant BIS specifications (if applicable) and quality certificates with relevant parameters are issued while dispatching. Product labelling related to storage procedures and safety precautions are clearly indicated at all the installations holding the VAP product.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year:**

   No.

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

   The Company interacts on regular basis with its $B_2B$ customers' with respect to product quality and pricing. This kind of interaction with our partners ensures customer satisfaction. Any concerns related to the product by any of our consumers are addressed immediately. In view of constant interaction and feedback through meetings, no need has been felt to undertake separate surveys to measure customer satisfaction.

# INDEPENDENT AUDITORS' REPORT

## To the Members of Oil and Natural Gas Corporation Limited

**Report on the Audit of the Standalone Financial Statements**

### 1. Opinion

We have audited the accompanying Standalone Financial Statements of **Oil and Natural Gas Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31$^{st}$ March 2020, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

### 2. Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

### 3. Emphasis of Matter

i. We draw attention to Note No. 31.3 of the Standalone Financial Statements regarding outbreak of COVID-19 and the impact assessment made by the management on its business and operations. As stated in the said Note, the unfolding events could infact may end up being different but it is anticipated the same are unlikely to materially affect the oil and gas production/off-take etc.

ii. We draw attention to Note No. 49.1.1(b) of the Standalone Financial Statements, 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 and estimated amounts worked out towards ST and GST (including interest and penalty upto March 31, 2020) of ₹ 39,001.85 million and ₹ 61,041.86 million respectively (Total ₹ 1,00,043.71 million), 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 ₹ 13,509.56 million and ₹ 45,531.20 million respectively (Total ₹ 59,040.76 million).

iii. We draw attention to Note 49.1.1(e) of the Standalone Financial Statements, 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 (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 ₹ 122,583.29 million, including interest upto 30th November, 2016). Subsequent to Tribunal Orders dated October 12, 2016, DGH vide letters dated May 25, 2017, June 4, 2018 and January 14, 2019 had asked contractor for re - casting of accounts of the PMT JV and for remitting the respective PI share of balance dues including interest till the date of remittance. As the company is not a party to the arbitration, the details of the proceedings of arbitration and copy of the order of London High Court are not available with the company. The Company has responded that The English high Court has delivered its final verdict on May 2, 2018 following which the Arbitral Tribunal re-considered some of its earlier findings from the 2016 FPA (Revised Award); Pending finalization of the decision of the Arbitral Tribunal, the Company has indicated in its letters to DGH that the final recasting of the accounts is premature and the issues raised by DGH may be kept in abeyance and therefore no provision for the same has been considered necessary and the same has been considered as contingent liability.

Our opinion on the Standalone Financial Statements is not modified in respect of these matters.

## 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

ONGCians at work in Jorhat field - Precision is in our DNA

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| **Modified Audit Procedures necessitated pursuant to outbreak of COVID-19 pandemic:**<br><br>Due to spread of COVID-19 pandemic, during the period of Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities till date extended from time to time commencing from the last fortnight of March 2020, the audit could not be carried by visiting the respective Assets/ Basins/ Plants/ Units/ Offices / other Business areas/Corporate Office of the company. Accordingly, this extraordinary situation due to Covid-19 has necessitated modification of our audit procedures so as to carry out the audit remotely through online access/receipt of digital documents.<br><br>In view of this extraordinary situation due to Covid-19, we have identified such modified audit procedures as a Key Audit Matter. | Due to the said travel and other related restrictions during the continuing lock down, the audit processes were carried remotely by us from our respective places.<br><br>The company has provided/shared with us the necessary books of accounts, records, documents etc. through digital medium such as e-mails, file sharing through Video Conferencing and remote/ VPN access over secured network to SAP, WEB-ICE, BI platform, IFCR Portal etc. To this extent, the audit processes were carried out on the basis of verification of such books of accounts, records, documents etc. made available to us as above, which were relied upon as audit evidence for conducting the audit and reporting for the current period.<br><br>Accordingly, we modified our audit procedures as follows:<br><br>a. Conducted verification of necessary books of accounts, records, documents etc. maintained by the respective Assets/ Basins/ Plants/ Units/ Offices / other Business areas/Corporate Office of the company through digital medium and remote electronic access as mentioned above.<br><br>b. Carried out verification of scanned copies of the documents, evidences, deeds, certificates and the related records made available to us by the company through aforesaid digital medium.<br><br>c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls, e-mails and similar communication channels.<br><br>d. Resolution of our audit observations through electronic and other telecommunication media instead of a face-to-face interaction with the designated officials.<br><br>e. We have also relied upon and performed our audit procedures in accordance with the Advisories and Key considerations issued by the Institute of Chartered Accountants of India on the various Accounting and Auditing aspects impacted by COVID19. |

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| **Evaluation of adequacy of provision for impairment for tangible and intangible assets**<br><br>**(Refer Note 48 to the Standalone Financial Statements)**<br><br>Management has assessed whether any provision needs to be recognised on account of impairment of tangible and intangible assets.<br><br>The Company reviews the carrying amount of its tangible and intangible assets (Oil and Gas Assets including Capital Work-in-Progress (CWIP) & Development Wells in Progress (DWIP), Other Property, Plant & Equipment (including Capital Works-in-Progress, Right of Use Assets) for the "Cash Generating Unit" (CGU) determined at the end of each reporting period to assess whether there is any indication that those assets have suffered any impairment loss.<br><br>Oil and Gas price assumptions have a significant impact on CGU impairment assessments and are inherently uncertain. Furthermore, oil and gas prices are subject to increased uncertainty, given climate change and the global energy transition.<br><br>The management's assumptions for prices of oil and gas in future are judgemental and may not be reflective of above factors, leading to a risk of material misstatement.<br><br>Given the long timeframes involved, certain recoverable amounts of assets are sensitive to the discount rate applied. Since the determination of appropriate discount rate is judgemental, there is a risk that discount rates may not reflect the return required by the market and the risks inherent in the cash flows being discounted, which may lead to a material misstatement.<br><br>A key input to impairment assessments and valuations is the production forecast, in turn closely related to the Company's reserves estimates, production profile and field development assumptions w.r.t Oil and Gas.<br><br>The determination of recoverable amount, being the higher of fair value less costs to sell and value- in-use is based on the factors as discussed above, necessitating judgement on the part of management. | Our audit procedures included the following:<br><br>We evaluated the appropriateness of management's identification of the CGUs and exploration and evaluation assets and tested the operating effectiveness of controls over the impairment assessment process, including indicators of impairment.<br><br>We reviewed the reasonableness of the judgments and decisions made by the management regarding assumptions for Oil and Gas prices in future to identify whether there are indicators of possible management bias and accordingly relied upon the management's assumptions for Oil and Gas prices in future.<br><br>We reviewed the appropriateness of discount rates used in the estimation.<br><br>We relied on the technical assessment of the Management with regard to the Reserves and the Production profile of Oil and Gas, as shown to us by the management.<br><br>We performed testing of the mathematical accuracy of the cash flow models and checked the appropriateness of the related disclosures.<br><br>We evaluated management's assessment and related calculations of impairment including comparison of the recoverable amount with the carrying amounts of respective CGUs in the books of accounts.<br><br>We perused the future plans related to exploration activities. Further, we have relied upon management's assessment that the ML/ PML shall be regranted, wherever expired/ is expiring in near future. |

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| In case of exploration and evaluation assets, based on management's judgement, assessment for impairment is carried out when further exploration activities are not planned in near future or when sufficient data indicate that although a development is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or by sale.<br><br>Based on the above factors, we have considered the measurement of impairment as Key Audit Matter. | |
| **Estimation of Decommissioning liability**<br><br>**<u>(Refer Note 25.1 to the Standalone Financial Statements)</u>**<br><br>The Company has an obligation to restore and rehabilitate the fields operated upon by the Company at the end of their use. This decommissioning liability is recorded based on estimates of the costs required to fulfill this obligation.<br><br>The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. At each reporting date the decommissioning liability is reviewed and re-measured in line with changes in observable assumptions, timing and the latest estimates of the costs to be incurred at reporting date.<br><br>We have considered the measurement of decommissioning costs as Key Audit Matter as it requires significant management judgment, including accounting calculations and estimates that involves high estimation uncertainty. | Our audit procedures included the following:<br><br>Evaluated the approach adopted by the management in determining the expected costs of decommissioning.<br><br>Identified the cost assumptions used that have the most significant impact on the provisions and tested the appropriateness of these assumptions.<br><br>Reviewed the appropriateness of discount and inflation rates used in the estimation.<br><br>Verified the unwinding of interest as well as understanding if any restoration was undertaken during the year.<br><br>We have relied upon the technical assessment w.r.t the Production Profile as estimated by the management based on which the Terminal year of the filed for decommissioning has been considered.<br><br>We have relied upon management's assessment that the ML/ PML shall be regranted, wherever expired/ is expiring in near future.<br><br>Relied on the judgments of the internal/ external experts for the use of technical /commercial evaluation.<br><br>Performed a review to ensure that all key movements were understood, corroborated and recorded correctly.<br><br>Assessed the appropriateness of the disclosures made in the financial statements. |

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| **Litigations and Claims**<br>**(Refer Note 49 to the Standalone Financial Statements)**<br>Litigation and claims are pending with multiple tax and regulatory authorities and there are claims from vendors/suppliers and employees which have not been acknowledged as debt by the company (including Joint Operations).<br>In the normal course of business, financial exposures may arise from pending legal/regulatory proceedings and from above referred claims not acknowledged as debt by the company. Whether a claim needs to be recognized as liability, disclosed as contingent liability in the Standalone Financial Statements or considered as remote is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective.<br>We have considered Litigations and claims as Key Audit Matter as it requires significant management judgment, including accounting estimates that involves high estimation uncertainty. | Our audit procedures included the following:<br>Understood Management's process and control for determining tax litigations and other litigations and claims and its appropriate accounting and disclosure.<br>Tested key controls surrounding such litigations.<br>Discussed pending matters with the Company's legal department.<br>Assessed management's conclusions through understanding precedents set in similar cases, including placing reliance upon the expert opinions obtained by the management.<br>We have assessed the appropriateness of presentation of the contingent liabilities in the Standalone Financial Statements. |

Notwithstanding the current challenges, ONGC maintained critical supplies of oil and gas for the country

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| **Adoption of Ind AS 116, Leases**<br><br>**(Refer Note 7, 23 & 42 to the Standalone Financial Statements)**<br><br>As described in Note 42 to the Standalone Financial Statements, during the current year the Company has adopted Ind AS 116, Leases ('Ind AS 116'), the new standard on lease accounting. The application and transition to this accounting standard is complex and is an area of focus in our audit as the Company has a large number of leases with different contractual terms.<br><br>Ind AS 116 introduces a new lease accounting model wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of this standard involves significant judgements and estimates including, determination of the discount rates and the lease term.<br><br>The Company adopted the modified retrospective approach method to transition to Ind AS 116, consequently comparative financial information was not restated.<br><br>Additionally, the standard mandates detailed disclosures with respect of transition. | Our audit procedures on adoption of Ind AS 116 included the following:<br><br>Verified the "Operating Leases" covered under the previously applicable standard and ascertaining the leases to which the new standard is applicable and reviewing the residual lease obligations.<br><br>For new / modified leases, tested the lease accounting and estimates/ judgments used by the Management.<br><br>Corroborated by performing a check of the information used for determining assets and liabilities related to lease contracts with underlying contractual data. We assessed the key terms and conditions of the leases with the underlying lease contracts, evaluated computation of lease liabilities.<br><br>Evaluated broadly the design and implementation of the processes and internal controls relating to implementation of the new lease standard.<br><br>Based on our evaluation of the contractual agreements entered into and our knowledge of the business, assessed the appropriateness of the leases identified by the Management.<br><br>Reviewed the assumptions made by the Management, including benchmark for low value assets not considered for determination of ROU.<br><br>Reviewed the appropriateness of discount rates used in the estimation and computing the lease liabilities.<br><br>Relied upon the management's assessment/ judgement relating to the extension/ cancellation of lease period beyond/ before expiry of original lease period.<br><br>Evaluated the appropriateness of the accounting policy, disclosures provided under the new lease standard and assessed the completeness and arithmetical calculations of the relevant disclosures, including those related to transition. |

## 5. Other Matters

i. We have placed reliance on technical/ commercial evaluation by the management in respect of categorization of wells as exploratory, development, producing and dry well, allocation of cost incurred on them, production profile, proved (developed and undeveloped)/ probable hydrocarbon reserves, and depletion thereof on Oil and Gas Assets, impairment, liability for decommissioning costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme.

ii. As mentioned in Note No. 47.1.3, the Standalone Financial Statements include the Company's share in the total value of assets, liabilities, expenditure and income of 160 blocks under New Exploration Licensing Policy (NELP)/ Hydrocarbon Exploration and Licensing Policy (HELP) / Joint Operations (JO) accounts for exploration and production out of which:

a. 9 NELPs/ JOs accounts have been certified by other Chartered Accountants. In respect of these 9 NELPs/ JOs, Standalone Financial Statements include proportionate share in assets and liabilities as on 31st March, 2020 amounting to ₹ 81,281.88 million and ₹ 46,948.63 million respectively and revenue and profit including other comprehensive Income for the year ended 31st March, 2020 amounting to ₹ 95,188.66 million and ₹ 20,482.91 million respectively, Our opinion is based solely on the certificate of the other Chartered Accountants.

b. 9 NELPs / JOs have been certified by the management in respect of NELPs / JOs operated by other operators. In respect of these 9 NELPs / JOs, Standalone Financial Statements include proportionate share in assets and liabilities as on 31st March, 2020 amounting to ₹ 2,470.87 million and ₹ 4,041.38 million respectively and revenue and profit including other comprehensive Income for the year ended 31st March, 2020 amounting to ₹ 83.37 million and ₹ (21.87) million respectively, Our opinion is based solely on management certified accounts.

iii. We audited the adjustments, as disclosed in Note No. 54 to the Standalone Financial Statements, which have been made to the comparative Standalone Financial Statements presented for the years prior to year ended 31 March 2020, in accordance with the requirement of applicable Ind AS. In our opinion, such adjustments are appropriate and have been properly applied.

iv. The Standalone Financial Statements of the Company for the year ended 31st March, 2019 were audited by joint auditors of the Company three of which are the predecessor audit firms, and have expressed an unmodified opinion dated May 30, 2019 on such financial statements.

Our opinion on the Standalone Financial Statements is not modified in respect of above matters.

## 6. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance but does not include the Standalone Financial Statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

## 7. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## 8. Auditor's Responsibilities for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 9. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure-1" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Based on verification of books of accounts of the Company and according to information and explanations given to us, we give below a report on the Directions and Sub-directions issued by the Comptroller and Auditor General of India in terms of Section 143(5) of the Act:

| Directions/ Sub-directions u/s 143(5) of the Act for year 2019-20 | Auditor's reply on the action taken on the directions |
|---|---|
| **Directions** | |
| 1) Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implication of processing of accounting transaction outside IT System on the integrity of the accounts along with the financial implications, if any, may be stated; | Yes, the Company has system in place to process all the accounting transactions through IT system, namely SAP. Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts. |
| 2) Whether there is any restructuring of an existing loan or cases of waiver/ write-off of debts/ loans/ interest etc. made by a lender to the company due to the Company's inability to repay the loan? If yes, the financial impact may be stated; | Based on the audit procedures carried out and as per the information and explanations given to us, there are no such cases of restructuring or waivers / write-off of debts/ loans/ interest etc. by any lender to the company due to the company's inability to repay the loan during the year. |
| 3) Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation. | Based on the audit procedures carried out and as per the information and explanations given to us, the Company does not have any funds received/ receivable for specific schemes from Central/ State agencies. |
| **Sub-Directions** | |
| 1) The records of title deed/ lease deeds/legal documents of all the land acquired/ possessed under freehold and leasehold by the Company may be reviewed and its depiction in the accounts suitably may be ensured. | We have reviewed the records of title deed/lease deeds/ legal documents of all the land acquired/ possessed under freehold and leasehold by the Company on the basis of audit procedures carried out and the information to the extent compiled by the Company pending the reconciliation of the available records with the books of account and also considering the voluminous nature and various locations, we have observed that such lands have been suitably depicted in the accounts (Refer Note No. 6 & 7 of Standalone Financial Statements)<br><br>Cases of non-availability of clear title deeds/ lease deeds/ legal documents of land acquired/ possessed under freehold and leasehold by the Company are provided in the table below. |

| Nature | Number of assets | Gross Block (₹ in millions) | Net Block (₹ in millions) |
|---|---|---|---|
| Freehold land | 2 | 1,322.28 | 1,322.28 |
| Leasehold land | 14 | 595.34 | 389.98 |

3. **As required by Section 143(3) of the Act, we report that:**

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and Cash flows dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act;

e. As per notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

g. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to director is not applicable to the Company, since it is a Government Company; and

h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 49.1.1 to the Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 56 to the Standalone Financial Statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
UDIN: 20065025AAAAFI1012
Place: Mumbai

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

Sd/-
(Rajen Ashar)
Partner (M. No. 048243)
UDIN: 20048243AAAAFL2804
Place: Mumbai

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

Sd/-
(Sandeep Kumar Sawaria)
Partner (M. No. 061771)
UDIN: 20061771AAAACA3059
Place: Kolkata

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

Sd/-
(Vikas Gupta)
Partner (M. No. 077076)
UDIN: 20077076AAAAAG5689
Place: Jaipur

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

Sd/-
(Pankaj Sharma)
Partner (M. No. 086433)
UDIN: 20086433AAAAAD2300
Place: New Delhi

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

Sd/-
(Rangarajan Raghavan Iyengar)
Partner (M. No. 041883)
UDIN: 20041883AAAAAB6754
Place: Mumbai

June 30, 2020

## Annexure - 1 to the Independent Auditors' Report

## (Referred to in paragraph 9(1) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i.

a. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant & Equipment (PPE)).

b. As per the information and explanations given to us and on the basis of our examination of the records of the Company, the fixed assets (PPE) having substantial value, other than those which are underground/ submerged/ under joint operations have been physically verified by the management in a phased manner to cover all items over a period of three years, which in our opinion is reasonable, having regard to the size of Company and nature of its business. The reconciliation of physically verified assets with the book records is in progress. Discrepancies noticed on the physical verification and consequential adjustments are carried out on completion of reconciliation. According to information and explanations given by the management and in our opinion, the same are not material.

c. On the basis of the information to the extent compiled by the Company pending the reconciliation of the available records with the books of account and also considering the voluminous nature and various locations, we report that the title/lease deeds of immovable properties are held in the name of Company except for the following where the title/lease deeds are not available with the Company:

**(₹ in million)**

| Nature | Number of Assets | Gross Block | Net Block |
|---|---|---|---|
| Lease hold land | 14 | 595.34 | 389.98 |
| Free hold land | 2 | 1,322.28 | 1,322.28 |
| Building | 6 | 279.65 | 51.22 |
| Total | 22 | 2,197.27 | 1,763.48 |

ii. According to the information and explanations given to us, the inventory (excluding inventory lying with third parties, inventory under joint operations and material in transit) has been physically verified by the management in a phased manner at reasonable intervals to cover all items over a period of three years, which in our opinion is reasonable, having regard to the size of Company and nature of its business. Such verification did not reveal any material discrepancies.

iii. The Company has not granted loans, secured or unsecured to any companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Act apply. The provisions of section 186 of the Act, in our opinion, are not applicable to the Company.

v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public and hence provisions of Sections 73 to 76 and other relevant provision of the Companies Act, 2013 & Companies (Acceptance of Deposits) Rules, 2014 are not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section(1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.

vii.

a. According to records of the Company, undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Service Tax, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as of 31st March, 2020 for a period more than six months from the date of becoming payable.

b. According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Sales Tax, Service Tax, Value Added Tax and Goods and Service Tax which have not been deposited on account of any dispute except the following:

**(₹ in million)**

| Name of Statute | Forum where Dispute is pending | Period to which the amount relates (Financial Year) | Gross Amount Involved | Amount paid under protest | Amount Unpaid |
|---|---|---|---|---|---|
| **Central Excise Act, 1944** | Commissioner | 2018-19 | 2.37 | - | 2.37 |
| | Custom, Excise and Service Tax Appellate Tribunal | 2005-06; 2014-15; 2018-19 | 36.61 | 16.95 | 19.66 |
| | Hon. High Court | 2012-15 | 6,204.65 | - | 6,204.65 |
| | Hon. Supreme Court | 2001-02; 2006-09 | 517.54 | - | 517.54 |
| | **Total (A)** | | **6,761.17** | **16.95** | **6,744.22** |
| **The Customs Act, 1962** | Commissioner | 1987-88 | 331.32 | - | 331.32 |
| | Custom , Excise and Service Tax Appellate Tribunal | 2007-08 | 5.00 | 1.00 | 4.00 |
| | Hon. High Court | 2012-13; 2015-16 | 64.17 | - | 64.17 |
| | **Total (B)** | | **400.49** | **1.00** | **399.49** |
| **Income Tax Act, 1961** | Commissioner/ (Appeals) and Additional Commissioner/ ITO | 2006-07; 2009-16; 2017-18 | 1,66,296.99 | 1,23,022.49 | 43,274.51 |
| | Income Tax Appellate Tribunal | 2001-12 | 2,43,410.85 | 1,89,384.17 | 54,026.68 |
| | Hon. High Court | 1994-95; 2000-01 | 1,127.76 | 1,118.85 | 8.91 |
| | **Total (C)** | | **4,10,835.61** | **3,13,525.51** | **97,310.10** |

| Name of Statute | Forum where Dispute is pending | Period to which the amount relates (Financial Year) | Gross Amount Involved | Amount paid under protest | Amount Unpaid |
|---|---|---|---|---|---|
| Goods and Services Tax | Goods and Services Tax Appellate Tribunal | 2017-18 | 1,632.30 | 1,597.69 | 34.61 |
| | Hon. High Court | 2017-18' 2018-19 | 61,949.99 | 43,939.76 | 18,010.23 |
| | **Total (D)** | | **63,582.29** | **45,537.45** | **18,044.84** |
| Central Sales Tax Act, 1956 and Respective States' Sales Tax Acts | Commissioner/ Joint Commissioner/ Commissioner -Appeals/ Joint Commissioner- Appeals | 2000-02; 2005-08; 2009-13; 2014-15 | 5,330.78 | 21.25 | 5,309.53 |
| | Appellate Tribunal/ First Appellate Authority | 1996-97; 1998-2000; 2001-07; 2011-14 | 9,013.90 | 68.11 | 8,945.79 |
| | Hon. High Court | 1978-79; 1992-95; 2006-07; 2011-13 | 51.77 | 26.48 | 25.29 |
| | Hon. Supreme Court | 2002-13; 2016-17 | 11,883.72 | 623.96 | 11,259.76 |
| | **Total (E)** | | **26,280.17** | **739.80** | **25,540.37** |
| Finance Act, 1994 (Service Tax) | Commissioner/ (Appeals), Joint Comm., Additional Comm. of Custom, Excise and Service Tax, Director General | 2006-08; 2009-10; 2011-17; 2019-20 | 10,607.19 | 0.49 | 10,606.70 |
| | Custom, Excise and Service Tax Appellate Tribunal/ First Appellate Authority | 2003-04; 2005-13; 2014-18; 2019-20 | 41,892.28 | 13,560.69 | 28,331.59 |
| | Hon. High Court | 2005-06; 2012-13; 2015-16 | 201.67 | 2.56 | 199.11 |
| | **Total (F)** | | **52,701.14** | **13,563.74** | **39,137.40** |
| **Grand Total (A+B+C+D+E+F)** | | | **5,60,560.87** | **3,73,384.45** | **1,87,176.42** |

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings dues to Banks and Financial Institutions, or dues to Debenture (Bond) Holders. The Company has not borrowed any amount from Government.

ix. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been generally applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer.

x. According to the information and explanations given to us, no material fraud on the Company by its officers or employees or by the Company has been noticed or reported during the year.

xi. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act as regards the managerial remuneration is not applicable to the Company, since it is a Government Company.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable Indian Accounting Standards.

xiv. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with him.

xvi. In our opinion, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
UDIN: 20065025AAAAFI1012
Place: Mumbai

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

Sd/-
(Rajen Ashar)
Partner (M. No. 048243)
UDIN: 20048243AAAAFL2804
Place: Mumbai

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

Sd/-
(Sandeep Kumar Sawaria)
Partner (M. No. 061771)
UDIN: 20061771AAAACA3059
Place: Kolkata

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

Sd/-
(Vikas Gupta)
Partner (M. No. 077076)
UDIN: 20077076AAAAAG5689
Place: Jaipur

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

Sd/-
(Pankaj Sharma)
Partner (M. No. 086433)
UDIN: 20086433AAAAAD2300
Place: New Delhi

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

Sd/-
(Rangarajan Raghavan Iyengar)
Partner (M. No. 041883)
UDIN: 20041883AAAAAB6754
Place: Mumbai

June 30, 2020

## Annexure - 2 to Independent Auditors' Report

**(Referred to in paragraph 9 (3) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

# Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

### To the Members of Oil and Natural Gas Corporation Limited

We have audited the internal financial controls with reference to Standalone Financial Statements of Oil and Natural Gas Corporation Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone

Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
UDIN: 20065025AAAAFI1012
Place: Mumbai

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

Sd/-
(Rajen Ashar)
Partner (M. No. 048243)
UDIN: 20048243AAAAFL2804
Place: Mumbai

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

Sd/-
(Sandeep Kumar Sawaria)
Partner (M. No. 061771)
UDIN: 20061771AAAACA3059
Place: Kolkata

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

Sd/-
(Vikas Gupta)
Partner (M. No. 077076)
UDIN: 20077076AAAAAG5689
Place: Jaipur

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

Sd/-
(Pankaj Sharma)
Partner (M. No. 086433)
UDIN: 20086433AAAAAD2300
Place: New Delhi

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

Sd/-
(Rangarajan Raghavan Iyengar)
Partner (M. No. 041883)
UDIN: 20041883AAAAAB6754
Place: Mumbai

June 30, 2020

## Standalone Balance Sheet as of March 31, 2020

(₹ in million)

| | Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019* | As at April 1, 2018* |
|---|---|---|---|---|---|
| I. | **ASSETS** | | | | |
| (1) | **Non-current assets** | | | | |
| | **(a) Property, Plant and Equipment** | | | | |
| | (i) Oil and Gas Assets | 5 | 1,084,766.83 | 1,121,177.57 | 1,083,463.06 |
| | (ii) Other Property, Plant and Equipment | 6 | 92,216.22 | 96,435.14 | 92,507.13 |
| | (iii) Right-of-use assets | 7 | 98,197.92 | - | - |
| | **(b) Capital work in progress** | 8 | | | |
| | (i) Oil and Gas Assets | | | | |
| | 1) Development wells in progress | | 49,220.38 | 39,961.12 | 22,451.77 |
| | 2) Oil and gas facilities in progress | | 134,046.68 | 97,498.02 | 84,210.18 |
| | (ii) Others | | 16,898.70 | 17,776.28 | 21,631.75 |
| | (c) Intangible assets | 9 | 1,809.59 | 1,744.59 | 1,128.56 |
| | **(d) Intangible assets under development** | | | | |
| | (i) Exploratory wells in progress | 10 | 162,089.68 | 195,266.87 | 218,385.31 |
| | **(e) Financial assets** | | | | |
| | (i) Investments | 11 | 724,299.90 | 848,815.35 | 857,308.00 |
| | (ii) Loans | 13 | 11,824.75 | 10,461.26 | 21,334.73 |
| | (iii) Deposits under site restoration fund | 14 | 221,522.23 | 180,926.09 | 159,911.97 |
| | (iv) Others | 15 | 1,504.57 | 2,648.63 | 1,646.62 |
| | (f) Non-current tax assets (net) | 30 | 90,430.66 | 94,272.41 | 99,483.10 |
| | (g) Other non-current assets | 16 | 8,119.42 | 6,646.02 | 7,331.33 |
| | **Total non- current assets** | | **2,696,947.53** | **2,713,629.35** | **2,670,793.51** |
| (2) | **Current assets** | | | | |
| | (a) Inventories | 17 | 85,666.23 | 77,039.25 | 66,374.07 |
| | **(b) Financial assets** | | | | |
| | (i) Trade receivables | 12 | 47,773.93 | 84,399.60 | 77,726.44 |
| | (ii) Cash and cash equivalents | 18 | 960.25 | 179.77 | 296.02 |
| | (iii) Other bank balances | 19 | 8,722.01 | 4,860.84 | 9,830.97 |
| | (iv) Loans | 13 | 5,117.26 | 6,339.30 | 14,021.15 |
| | (v) Others | 15 | 27,739.31 | 46,174.78 | 30,418.12 |
| | (c) Other current assets | 16 | 93,880.96 | 63,303.14 | 15,983.75 |
| | **Sub-total current assets** | | **269,859.95** | **282,296.68** | **214,650.52** |
| | Assets classified as held for sale | 20 | - | 1,154.40 | - |
| | **Total current assets** | | **269,859.95** | **283,451.08** | **214,650.52** |
| | **Total assets** | | **2,966,807.48** | **2,997,080.43** | **2,885,444.03** |
| II. | **EQUITY AND LIABILITIES** | | | | |
| | **EQUITY** | | | | |
| | (a) Equity share capital | 21 | 62,901.54 | 62,901.54 | 64,166.32 |
| | (b) Other equity | 22 | 1,880,479.36 | 1,954,994.20 | 1,857,162.58 |
| | **Total Equity** | | **1,943,380.90** | **2,017,895.74** | **1,921,328.90** |

| | Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019* | As at April 1, 2018* |
|---|---|---|---|---|---|
| | **LIABILITIES** | | | | |
| **(1)** | **Non-current liabilities** | | | | |
| | **(a)Financial liabilities** | | | | |
| | (i) Borrowings | 28 | 22,450.97 | - | - |
| | (ii) Lease Liabilities | 23 | 50,521.87 | 382.93 | 382.93 |
| | (iii) Others | 24 | 1,562.66 | 798.39 | 1,110.92 |
| | (b) Provisions | 25 | 279,392.06 | 236,247.37 | 213,018.35 |
| | (c) Deferred tax liabilities (net) | 26 | 263,440.96 | 274,261.08 | 255,887.46 |
| | (d) Other non-current liabilities | 27 | 387.88 | 326.14 | 333.62 |
| | **Total non- current liabilities** | | **617,756.40** | **512,015.91** | **470,733.28** |
| **(2)** | **Current liabilities** | | | | |
| | **(a) Financial liabilities** | | | | |
| | (i) Borrowings | 28 | 117,040.13 | 215,935.72 | 255,922.08 |
| | **(ii) Trade payables** | 29 | | | |
| | - to micro and small enterprises | | 132.07 | 98.55 | 119.71 |
| | - to other than micro and small enterprises | | 71,004.20 | 88,151.43 | 73,225.76 |
| | (iii) Lease Liabilities | 23 | 47,743.88 | 35.03 | 35.03 |
| | (iv) Others | 24 | 139,612.12 | 122,437.19 | 122,477.62 |
| | (b) Other current liabilities | 27 | 18,663.06 | 24,154.87 | 22,656.46 |
| | (c) Provisions | 25 | 10,975.34 | 15,856.61 | 12,581.91 |
| | (d) Current tax liabilities (net) | 30 | 499.38 | 499.38 | 6,363.28 |
| | **Total current liabilities** | | **405,670.18** | **467,168.78** | **493,381.85** |
| | **Total liabilities** | | **1,023,426.58** | **979,184.69** | **964,115.13** |
| | **Total equity and liabilities** | | **2,966,807.48** | **2,997,080.43** | **2,885,444.03** |
| | Accompanying notes to the Standalone Financial Statements 1-59 | | | | |
| ** Restated, refer note no 54* | | | | | |

**FOR AND ON BEHALF OF THE BOARD**

Sd/-
(M.E.V Selvamm)
Company Secretary
Place: New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place: New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place: New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

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

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

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

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

June 30, 2020

## Standalone Statement of Profit and Loss for the year ended March 31, 2020

(₹ in million)

| | Particulars | Note No. | Year ended March 31, 2020 | Year ended March 31, 2019* |
|---|---|---|---|---|
| I | Revenue from operations | 31 | 962,136.09 | 1,096,545.50 |
| II | Other income | 32 | 61,050.26 | 72,652.62 |
| **III** | **Total income (I+II)** | | **1,023,186.35** | **1,169,198.12** |
| IV | **EXPENSES** | | | |
| | Changes in inventories of finished/ semi finished goods, stock-in-trade and work in progress | 34 | 2,469.93 | (1,664.96) |
| | Production, transportation, selling and distribution expenditure | 35 | 458,320.27 | 496,159.24 |
| | Exploration costs written off | | | |
| | a. Survey Costs | | 16,879.24 | 18,513.92 |
| | b. Exploratory well Costs | | 69,957.63 | 69,054.82 |
| | Finance costs | 36 | 28,236.76 | 24,921.36 |
| | Depreciation, depletion, amortisation and impairment | 37 | 186,168.58 | 154,561.08 |
| | Other impairment and write offs | 38 | 8,476.58 | 7,362.12 |
| | **Total expenses (IV)** | | **770,508.99** | **768,907.58** |
| V | Profit before exceptional items and tax (III-IV) | | 252,677.36 | 400,290.54 |
| VI | Exceptional items- Income/(expenses) | 48 | (48,990.47) | - |
| **VII** | **Profit before tax (V+VI)** | | **203,686.89** | **400,290.54** |
| **VIII** | **Tax expense:** | 39 | | |
| | (a) Current tax relating to: | | | |
| | - current year | | 74,100.00 | 111,420.79 |
| | - earlier years | | (3,612.78) | 2.35 |
| | (b) Deferred tax | | (1,245.77) | 21,221.40 |
| | **Total tax expense (VIII)** | | **69,241.45** | **132,644.54** |
| **IX** | **Profit for the year (VII-VIII)** | | **134,445.44** | **267,646.00** |
| **X** | **Other comprehensive income (OCI)** | | | |
| | (a) Items that will not be reclassified to profit or loss | | | |
| | (i) Re-measurement of the defined benefit obligations | | (4,414.00) | (4,528.78) |
| | - Deferred tax | | 1,542.43 | 1,582.54 |
| | (ii)Equity instruments through other comprehensive income | | (129,769.44) | (16,306.62) |
| | - Deferred tax | | 8,031.93 | 1,265.25 |
| | **Total other comprehensive income (net of tax) (X)** | | **(124,609.08)** | **(17,987.61)** |
| **XI** | **Total comprehensive income for the year (IX+X)** | | **9,836.36** | **249,658.39** |
| XII | Earnings per equity share: | 41 | | |
| | Basic and diluted (in ₹) | | 10.69 | 20.90 |
| | Accompanying notes to the Standalone Financial Statements | 1-59 | | |

** Restated, refer note no 54*

**FOR AND ON BEHALF OF THE BOARD**

Sd/-
(M.E.V Selvamm)
Company Secretary
Place: New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place: New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place: New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

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

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

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

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

June 30, 2020

## Standalone Statement of Changes in Equity for the year ended March 31, 2020

**Equity Share Capital** (₹ in million)

| Particulars | Amount |
|---|---|
| **Balance as at April 1, 2018** | **64,166.32** |
| Change during the year- Buyback of Equity Shares (Note no. 21.4) | (1,264.78) |
| **Balance as at April 1, 2019** | **62,901.54** |
| Change during the year | - |
| **Balance as at March 31, 2020** | **62,901.54** |

## Other Equity

(₹ in million)

| Particulars | Reserves and Surplus | | | | Equity instruments through Other comprehensive income | Total |
|---|---|---|---|---|---|---|
| | General reserve | Capital reserve | Capital redemption reserve | Retained earnings | | |
| **Balance as at March 31, 2018** | 1,628,949.73 | 159.44 | - | 24,830.75 | 215,740.58 | 1,869,680.50 |
| Effect of change in accounting policies | - | - | - | (12,517.92) | - | (12,517.92) |
| **Balance as at April 1, 2018** (restated) | **1,628,949.73** | **159.44** | **-** | **12,312.83** | **215,740.58** | **1,857,162.58** |
| Profit for the year | - | - | - | 267,646.00 | - | 267,646.00 |
| Re-measurement of defined benefit plans (net of tax) | - | - | - | (2,946.24) | - | (2,946.24) |
| Other comprehensive income for the year (net of tax) | - | - | - | - | (15,041.37) | (15,041.37) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **264,699.76** | **(15,041.37)** | **249,658.39** |
| Buyback of equity shares (Note no. 21.4) | (38,955.22) | - | - | - | - | (38,955.22) |
| Expenses for buyback of equity shares (Note no. 21.4) | - | - | - | (75.11) | - | (75.11) |
| Payment of dividends | - | - | - | (95,951.80) | - | (95,951.80) |
| Tax on dividends | - | - | - | (16,844.63) | - | (16,844.63) |
| Transferred to Capital Redemption Reserve (Note no. 22.5) | (1,264.78) | - | 1,264.78 | - | - | - |
| Transfer to General Reserve | 154,361.46 | - | - | (154,361.46) | - | - |
| **Balance as at April 1, 2019** | **1,743,091.18** | **159.44** | **1,264.78** | **9,779.59** | **200,699.21** | **1,954,994.20** |
| Profit for the year | - | - | - | 134,445.44 | - | 134,445.44 |
| Re-measurement of defined benefit plans (net of tax) | - | - | - | (2,871.57) | - | (2,871.57) |
| Other comprehensive income for the year (net of tax) | - | - | - | - | (121,737.51) | (121,737.51) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **131,573.87** | **(121,737.51)** | **9,836.36** |
| Payment of dividends | - | - | - | (72,336.72) | - | (72,336.72) |
| Tax on dividends | - | - | - | (12,014.48) | - | (12,014.48) |
| Transfer to General Reserve | 50,094.24 | - | - | (50,094.24) | - | - |
| **Balance as at March 31, 2020** | **1,793,185.42** | **159.44** | **1,264.78** | **6,908.02** | **78,961.70** | **1,880,479.36** |

**FOR AND ON BEHALF OF THE BOARD**

Sd/-
(M.E.V Selvamm)
Company Secretary
Place: New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place: New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place: New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

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

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

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

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

June 30, 2020

## Standalone Statement of Cash Flows for the year ended March 31, 2020

**(₹ in million)**

| Particulars | Year ended March 31, 2020 | | Year ended March 31, 2019* | |
|---|---|---|---|---|
| **i) CASH FLOWS FROM OPERATING ACTIVITIES:** | | | | |
| **Net Profit after tax** | | **134,445.44** | | **267,646.00** |
| Adjustments For: | | | | |
| - Income tax expense | 69,241.45 | | 132,644.54 | |
| - Exceptional Items | 48,990.47 | | - | |
| - Depreciation, Depletion, Amortisation and Impairment | 186,168.58 | | 154,561.08 | |
| - Exploratory Well Costs Written off | 69,957.63 | | 69,054.82 | |
| - Finance Cost | 28,236.76 | | 24,921.36 | |
| - Unrealized Foreign Exchange Loss/(Gain) | 17,644.30 | | 4,792.31 | |
| - Other impairment and write offs | 8,476.58 | | 7,362.12 | |
| - Excess provision written back | (3,096.53) | | (7,450.17) | |
| - Interest income | (12,899.14) | | (15,943.20) | |
| - Fair value loss / gain | 1,472.93 | | 953.19 | |
| - Amortization of Financial Guarantee | (411.48) | | (480.32) | |
| - Re-measurement of Defined benefit plans | (4,414.00) | | (4,528.78) | |
| - Liabilities no longer required written Back | (1,288.44) | | (3,678.83) | |
| - Amortization of Government Grant | (17.18) | | 8.16 | |
| - Profit on sale of Non-Current assets | - | | (83.44) | |
| - Dividend Income | (24,664.10) | **383,397.83** | (31,054.41) | **331,078.43** |
| **Operating Profit before Working Capital Changes** | | **517,843.27** | | **598,724.43** |

| Particulars | Year ended March 31, 2020 | | Year ended March 31, 2019* | |
|---|---|---|---|---|
| Adjustments for | | | | |
| - Receivables | 36,651.46 | | (6,561.94) | |
| - Loans and advances | 269.24 | | 975.82 | |
| - Other assets | (8,377.62) | | (67,510.50) | |
| - Inventories | (9,851.64) | | (11,615.68) | |
| - Trade payable and other liabilities | 107,963.26 | **126,654.70** | 21,102.36 | **(63,609.94)** |
| **Cash generated from Operations** | | **644,497.97** | | **535,114.49** |
| Income Taxes Paid (Net of tax refund) | | **(66,645.47)** | | **(112,076.35)** |
| **Net cash generated by operating activities "A"** | | **577,852.50** | | **423,038.14** |
| **ii) CASH FLOWS FROM INVESTING ACTIVITIES:** | | | | |
| Payments for Property, Plant and Equipment | | (232,785.48) | | (113,634.88) |
| Proceeds from disposal of Property, Plant and Equipment | | 3,377.64 | | 1,183.55 |
| Exploratory and Development Drilling | | (103,838.90) | | (150,739.53) |
| Investment in term deposits with maturity 3 to 12 months | | (6,892.83) | | 8,233.86 |
| Advance/Investment in Joint Controlled Entities | | (70.00) | | (6,251.25) |
| Investment - Associates | | (0.05) | | - |
| Investment - Subsidiaries | | (4,303.68) | | (1,469.94) |
| Loan - Subsidiaries | | 215.37 | | 18,788.73 |
| Investment-Others | | (125.00) | | (75.01) |
| Deposit in Site Restoration fund | | (40,596.14) | | (21,014.12) |
| Dividends received from Subsidiaries, Associates and Joint Ventures | | 16,055.50 | | 16,433.46 |
| Dividends received from other investments | | 8,608.60 | | 14,620.95 |
| Interest received | | 10,772.32 | | 13,048.82 |
| **Net cash (used in)/generated by Investing Activities "B"** | | **(349,582.65)** | | **(220,875.36)** |
| **iii) CASH FLOWS FROM FINANCING ACTIVITIES:** | | | | |
| Proceeds from non-current borrowings | | 21,269.96 | | - |
| Proceeds/repayment of current borrowings (net) | | (103,517.43) | | (44,607.76) |
| Payment of lease liabilities (net of interest) | | (48,879.12) | | - |
| Interest expense on lease liabilities | | (3,720.25) | | - |
| Buyback of equity shares | | - | | (40,220.00) |
| Expenses for buyback of equity shares | | - | | (75.11) |
| Dividends paid on equity shares | | (75,489.57) | | (92,750.55) |
| Tax paid on Dividend | | (12,014.48) | | (16,844.63) |
| Interest paid | | (5,120.15) | | (7,799.31) |
| **Net Cash Used in Financing Activities "C"** | | **(227,471.04)** | | **(202,297.36)** |
| **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | | **798.81** | | **(134.58)** |
| Cash and cash equivalents at the beginning of the year | | **161.44** | | 296.02 |
| Cash and cash equivalents at the end of the year | | **960.25** | | 161.44 |
| | | **798.81** | | **(134.58)** |

* Restated, refer note no 54

a) **Cash and cash equivalents comprise of:-** **(₹ in million)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balances with Banks | 956.47 | 176.35 |
| Cash in Hand | 3.78 | 3.42 |
| **Cash and cash equivalents** (Note no.18) | **960.25** | **179.77** |
| Bank Overdraft (Note no.28) | - | (18.33) |
| **Cash and cash equivalents in Cash Flows Statement** | **960.25** | **161.44** |

b) **Reconciliation of Liabilities arising from Financing Activities: -**

**For FY 2019-20** **(₹ in million)**

| Particulars | As at March 31, 2019 | Financing Cash Flows | | Non Cash Flows -Exchange Loss / (Gain) & amortisation of discount | As at March 31, 2020 |
|---|---|---|---|---|---|
| | | Proceeds Raised | Repayment | | |
| **Non-current borrowings** | | | | | |
| - Foreign currency Bond [US$ 300 million] (Note no. 28.4) | - | 21,269.96 | - | 1,181.01 | 22,450.97 |
| **Total** | **-** | **21,269.96** | **-** | **1,181.01** | **22,450.97** |

| Particulars | As at March 31, 2019 | Financing Cash Flows | Non Cash Flows -Exchange Loss / (Gain) | As at March 31, 2020 |
|---|---|---|---|---|
| | | Proceeds/repayment (net) | | |
| **Current borrowings** | | | | |
| - Foreign currency Terms Loans (Note no. 28.1 & 28.2) | 77,930.46 | 2,419.72 | 4,640.17 | 84,990.35 |
| - Working Capital Loans (Note no. 28.3) | 93,410.00 | (71,270.00) | - | 22,140.00 |
| - Commercial Paper (Note no. 28.5) | 44,576.93 | (34,667.15) | - | 9,909.78 |
| **Total** | **215,917.39** | **(103,517.43)** | **4,640.17** | **117,040.13** |

**For FY 2018-19** **(₹ in million)**

| Particulars | As at March 31, 2018 | Financing Cash Flows | Non Cash Flows -Exchange Loss / (Gain) | As at March 31, 2019 |
|---|---|---|---|---|
| | | Proceeds/repayment (net) | | |
| **Current borrowings** | | | | |
| - Foreign currency Terms Loans (Note no. 28.1 & 28.2) | 84,395.71 | (11,068.32) | 4,603.07 | 77,930.46 |
| - Rupee Term Loans (Note no. 28.1) | 97,741.43 | (97,741.43) | - | - |
| - Working Capital Loans (Note no. 28.3) | 73,784.94 | 19,625.06 | - | 93,410.00 |
| - Commercial Paper (Note no. 28.5) | - | 44,576.93 | - | 44,576.93 |
| **Total** | **255,922.08** | **(44,607.76)** | **4,603.07** | **215,917.39** |

**FOR AND ON BEHALF OF THE BOARD**

Sd/-
(M.E.V Selvamm)
Company Secretary
Place: New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place: New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place: New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

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

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

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

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

June 30, 2020

Hazira Plant: Largest Sour Gas Processing Complex in India

**Notes to the Standalone Financial Statement for the year ended March 31, 2020**

## 1. Corporate information

Oil and Natural Gas Corporation Limited ('ONGC' or 'the Company') is a public limited Company domiciled and incorporated in India having its registered office at Plot No. 5A-5B, Nelson Mandela Road, Vasant Kunj, New Delhi, South West Delhi – 110070. The Company's shares are listed and traded on Stock Exchanges in India. The Company is engaged in exploration, development and production of crude oil, natural gas and value added products.

## 2. Application of new Indian Accounting Standards

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved have been considered in preparation of these Financial Statements.

## 3. Significant accounting policies

### 3.1 Statement of compliance

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") issued under section 133 of the Companies Act, 2013 and notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from April 1, 2016.

The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and Guidance Note on Accounting for Oil and Gas Producing Activities (Ind AS) issued by the Institute of Chartered Accountants of India.

### 3.2 Basis of preparation

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain assets and liabilities which are measured at fair value/amortised cost/Net present value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal million except otherwise stated.

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

### 3.3 Investments in subsidiaries, associates and joint ventures

The Company records the investments in subsidiaries, associates and joint ventures at cost less impairment loss, if any.

When the Company issues financial guarantees on behalf of subsidiaries, initially it measures the financial guarantees at their fair values and subsequently measures at the higher of:

i. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 'Financial Instruments'; and

ii. the amount initially recognized less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 'Revenue from Contracts with Customers'.

The Company records the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as deferred revenue under financial guarantee obligation. Such deemed investment is added to the carrying amount of investment in subsidiaries. Deferred revenue is recognized in the Statement of Profit and Loss over the remaining period of financial guarantee issued as other income.

On disposal of investment in subsidiary, associate and joint venture, the difference between net disposal proceeds and the carrying amounts (including corresponding value of dilution in deemed investment) are recognized in the Statement of Profit and Loss.

Interest free loans provided to subsidiary are recognized at fair value on the date of disbursement and the difference on fair valuation is recognized as deemed investment in subsidiary. Such deemed investment is added to the carrying amount of investment in subsidiaries. Loans are accounted at amortized cost method using effective interest rate. If there is an early repayment of loan made by the subsidiary, the proportionate amount of the deemed investment recognized earlier is adjusted.

### 3.4 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company has Joint Operations in the nature of Production Sharing Contracts (PSC) and Revenue Sharing Contracts (RSC) with the Government of India and various body corporates for exploration, development and production activities.

The Company's share in the assets and liabilities along with attributable income and expenditure of the Joint Operations is merged on line by line basis with the similar items in the Financial Statements of the Company and adjusted for depreciation, depletion, survey, dry wells, decommissioning provision, impairment and sidetracking in accordance with the accounting policies of the Company.

The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Company.

With respect to use of leased assets in the joint operations, the Company recognizes lease liability and corresponding right-of-use asset in accordance with the terms of related joint operating agreement/production sharing contracts.

Gain or loss on sale of interest in a block, is recognized in the Statement of Profit and Loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the Company has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that block.

### 3.5 Non-current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

### 3.6 Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Monetary Government grants, whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and the grants are recognized and disclosed as 'deferred income' under non-current liability in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

All Non-monetary grants received are recognized for both asset and grant at nominal value.

### 3.7 Property, Plant and Equipment (other than Oil and Gas Assets) and Right-of-use assets

The Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning provisions.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Freehold land and land under perpetual lease are not depreciated.

Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management and decommissioning cost as per Note no 3.13. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components. Expenditure on dry docking of rigs and vessels are accounted for as component of relevant assets.

Depreciation of PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of PPE (other than freehold land, Oil and Gas Assets and properties under construction) less their residual values, using the written down value method (except for components of dry docking capitalised) over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on technical assessment by the Company. Estimated useful lives of these assets are as under:

| Description | Years |
|---|---|
| Building & Bunk Houses | 3 to 60 |
| Plant & Machinery | 2 to 40 |
| Furniture & Fixtures | 3 to 25 |
| Vehicles, Ships & Boats | 5 to 20 |
| Office Equipment | 2 to 20 |

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE (other than of Oil and Gas Assets) during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition.

Depreciation on subsequent expenditure on PPE (other than of Oil and Gas Assets) arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation on refurbished/revamped PPE (other than of Oil and Gas Assets) which are capitalized separately is provided for over the reassessed useful life.

Depreciation on expenditure on dry docking of rigs and vessels capitalized as component of relevant rig / vessels is charged over the dry dock period on straight line basis.

Depreciation on PPE (other than Oil and Gas Assets) including support equipment and facilities used for exploratory/ development drilling is initially capitalised as part of drilling cost and expensed / depleted as per note no. 3.11. Depreciation on equipment/ assets deployed for survey activities is charged to the Statement of Profit and Loss.

Right-of-use assets are depreciated on a straight-line basis over the lease term or useful life of the underlying asset, whichever is less.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

**3.8 Intangible Assets**

**(i) Intangible assets acquired separately**

The Company had elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives not exceeding five years from the date of capitalisation. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss when the asset is derecognised.

**(ii) Intangible assets under development - Exploratory Wells in Progress**

All exploration and evaluation costs incurred in drilling and equipping exploratory and appraisal wells, are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets on completion as per note no.3.11 or expensed as exploration and evaluation cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

Cost of drilling exploratory type stratigraphic test wells are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets as per note no. 3.11 or expensed as exploration and evaluation cost (including allocated depreciation) as when determined to be dry or the Petroleum Exploration License is surrendered.

Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress has been made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per the policy of the Company.

**3.9 Impairment of tangible, intangible assets and right-of-use assets**

The Company reviews the carrying amount of its tangible and intangible assets (Oil and Gas Assets, Development Wells in Progress (DWIP), Property, Plant and Equipment (including Capital Works-in-Progress) and right-of use assets of a “Cash Generating Unit” (CGU) at the end of each reporting period to determine whether there is any significant indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and impairment loss is recognised in the Statement of Profit and Loss.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier, may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

Exploration and Evaluation assets are tested for Impairment when further exploration activities are not planned in near future or when sufficient data exists to indicate that although a development is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or by sale. Impairment loss is reversed subsequently, to the extent that conditions for impairment are no longer present.

**3.10 Exploration & Evaluation, Development and Production Costs**

**(i) Pre-acquisition cost**

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

**(ii) Acquisition cost**

Acquisition costs of Oil and Gas Assets are costs related to right to acquire mineral interest and are accounted as follows: -

**Exploration and development stage**

Acquisition cost relating to projects under exploration or development are initially accounted as Intangible Assets under development - exploratory wells in progress or Oil & Gas Assets under development - development wells in progress respectively. Such costs are capitalized by transferring to Oil and Gas Assets when a well is ready to commence commercial production. In case of abandonment / relinquishment of Intangible Assets under development - exploratory wells in progress, such costs are written off.

**Production stage**

Acquisition costs of producing Oil and Gas Assets are capitalized as proved property acquisition cost under Oil and Gas Assets and amortized using the unit of production method over proved reserves of underlying assets.

**(iii) Survey cost**

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

**(iv) Oil & Gas asset under development - Development Wells in Progress**

All costs relating to Development Wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil and Gas Assets' on "completion".

**(v) Production costs**

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

### 3.11 Oil and Gas Assets

The Company had elected to continue with the carrying value of all of its Oil and Gas assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning provisions.

Oil and Gas Assets are stated at historical cost less accumulated depletion and impairment losses. These are created in respect of an area / field having proved developed oil and gas reserves, when the well in the area / field is ready to commence commercial production.

Cost of temporary occupation of land, successful exploratory wells, all development wells (including service wells), allied facilities, depreciation on support equipment used for drilling and estimated future decommissioning costs are capitalised and classified as Oil and Gas Assets.

Oil and Gas Assets are depleted using the "Unit of Production Method". The rate of depletion is computed with reference to an area covered by individual lease/license/asset/amortization base by considering the proved developed reserves and related capital costs incurred including estimated future decommissioning / abandonment costs net of salvage value. Acquisition cost of Oil and Gas Assets is depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee of the Company, which follows the International Reservoir Engineering Procedures.

### 3.12 Side tracking

In the case of an exploratory well, cost of side-tracking is treated in the same manner as the cost incurred on a new exploratory well. The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploration cost written off'.

In the case of development wells, the entire cost of abandoned portion and side tracking is capitalized.

In case of side tracking of producing wells and service wells which form part of the development schemes are treated as development wells and the cost incurred on the side tracking is capitalized.

In the case of side tracking of producing wells and service wells which do not form part of the development schemes and the side-tracking results in additional proved developed oil and gas reserves or increases the future economic benefits therefrom beyond previously assessed standard of performance, the cost incurred on side tracking is capitalised, whereas the cost of abandoned portion of the well is depleted in the normal way. Otherwise, the cost of side tracking is expensed as 'Work over Expenditure'.

### 3.13 Decommissioning costs

Decommissioning cost includes cost of restoration. Provision for decommissioning costs is recognized when the Company has a legal or constructive obligation to plug and abandon a well, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated provision towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is complete / facilities or Property, Plant and Equipment are installed.

The amount recognized is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk free discount rate.

An amount equivalent to the decommissioning provision is recognized along with the cost of exploratory well or Property, Plant and Equipment. The decommissioning cost in respect of dry well is expensed as exploratory well cost.

Any change in the present value of the estimated decommissioning provision other than the periodic unwinding of discount is adjusted to the decommissioning provision and the carrying value of the related asset. In case reversal of decommissioning provision exceeds the carrying amount of the related asset including WDV of the capitalised portion of decommissioning provision in the carrying amount of the related asset, the excess amount is recognized in the Statement of Profit and Loss. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance cost.

Provision for decommissioning cost in respect of assets under Joint Operations is considered as per participating interest of the Company on the basis of estimates approved by the respective operating committee. Wherever the same are not approved by the respective operating committee, decommissioning cost estimates of the Company are considered.

**3.14 Inventories**

Finished goods (other than Sulphur and carbon credits) including inventories in pipelines / tanks are valued at cost or net realisable value whichever is lower. Cost of finished goods is determined on absorption costing method. Sulphur and carbon credits are valued at net realisable value. The value of inventories includes excise duty and royalty (wherever applicable) but excludes cess.

Crude oil in semi-finished condition at Group Gathering Stations (GGS) is valued at cost on absorption costing method or net realisable value whichever is lower.

Crude oil in unfinished condition in flow lines up to GGS / platform is not valued as the same is not measurable. Natural Gas is not valued as it is not stored.

Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Provisions are made for obsolete and non-moving inventories.

Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

**3.15 Revenue recognition**

The Company derives revenues primarily from sale of products and services, such as crude oil, natural gas, value added products, pipeline transportation and processing services.

Revenue from contracts with customers is recognized at the point in time when the Company satisfies a performance obligation by transferring control of a promised product or service to a customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the sale of products and service, net of discount, taxes or duties. The transfer of control on sale of crude oil, natural gas and value added products occurs at the point of delivery, where usually the title is passed and the customer takes physical possession, depending upon the contractual conditions. Any retrospective revision in prices is accounted for in the year of such revision.

Sale of crude oil and natural gas (net of levies) produced from Intangible assets under development – Exploratory Wells in Progress / Oil and Gas assets under development – Development Wells in Progress is deducted from expenditure on such wells.

Any payment received in respect of contractual short lifted gas quantity for which an obligation exists to make-up such gas in subsequent periods is recognised as Contract Liabilities in the year of receipt. Revenue in respect of such contractual short lifted quantity of gas is recognized when such gas is actually supplied or when the customer's right to make up is expired, whichever is earlier.

As per the Production Sharing Contracts for extracting the Oil and Gas Reserves with Government of India, out of the earnings from the exploitation of reserves after recovery of cost, a part of the revenue is paid to Government of India which is called Profit Petroleum. It is reduced from the revenue from Sale of Products as Government of India's Share in Profit Petroleum.

Revenue in respect of the following is recognized when collectability of the receivable is reasonably assured:

(i) Contractual short lifted quantity of gas with no obligation for make-up

(ii) Interest on delayed realization from customers and cash calls from JV partners

(iii) Liquidated damages from contractors/suppliers

**Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

Interest income from financial assets is recognised at the effective interest rate method applicable on initial recognition.

### 3.16 Leases

Effective April 01, 2019, the Company adopted Ind AS 116 “Leases” using the modified prospective approach. Accordingly, the Company has not made restatement of comparative information, which are still presented in accordance with Ind AS 17. The new standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has exercised the option not to apply this standard to leases of intangible assets.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves use of an identified asset,

(ii) the Company obtains substantially all of the economic benefits from the use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

**The Company as a ‘lessee’**

At the date of commencement of the lease, the Company recognises a right-of-use asset (ROU asset) and a corresponding lease liability for all hiring contracts / arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and lease of low value assets. For these short-term and low value leases, the Company recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at present value of the future lease payments over the reasonably certain lease term. The lease payments are discounted using the interest rate implicit in the lease, if it not readily determinable, using the incremental borrowing rate. For leases with similar characteristics, the Company, on a lease by lease basis, applies either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The Company applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy below on “Impairment of tangible, intangible assets and right-of-use assets”.

The interest cost on lease liability (computed using effective interest method), is expensed in the statement of profit and loss, unless eligible for capitalization as per accounting policy below on “Borrowing costs”.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### 3.17 Foreign Exchange Transactions

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

### 3.18 Employee Benefits

Employee benefits include salaries, wages, Contributory provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

#### Defined contribution plans

Employee Benefit under defined contribution plans comprising Contributory provident fund, Post Retirement benefit scheme, Employee pension scheme-1995, composite social security scheme etc. is recognized based on the undiscounted amount of obligations of the Company to contribute to the plan. The same is paid to a fund administered through a separate trust.

#### Defined benefit plans

Defined retirement benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognised the Statement of Profit and Loss except those included in cost of assets as permitted.

Remeasurement of defined retirement benefit plans except for leave encashment towards un-availed leave and compensated absences, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognised in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The Company contributes all ascertained liabilities with respect to gratuity and un-availed leave to the ONGC's Gratuity Fund Trust (OGFT) and Life Insurance Corporation of India (LIC), respectively. Other defined benefit schemes are unfunded.

The retirement benefit obligation recognised in the Financial Statements represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

#### Other long term employee benefits

Other long term employee benefit comprises of leave encashment towards un-availed leave and compensated absences. These are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Re-measurements of leave encashment towards un-availed leave and compensated absences are recognized in the Statement of profit and loss except those included in cost of assets as permitted in the period in which they occur.

### 3.19 Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

### 3.20 General Administrative Expenses

General administrative expenses which are directly attributable are allocated to activities and the balance is charged to Statement of Profit and Loss.

### 3.21 Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted to the extent that the amount recoverable can be measured reliably and it is virtually certain to expect ultimate collection.

### 3.22 Research and Development Expenditure

Expenditure of capital nature are capitalised and expenses of revenue nature are charged to the Statement of Profit and Loss, as and when incurred.

### 3.23 Income Taxes

Income tax expense represents the sum of the current tax and deferred tax.

#### (i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and any adjustment to tax payable in respect of previous year.

#### (ii) Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

#### (iii) Current and deferred tax expense for the year

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3.24 Borrowing or Finance Costs

Borrowing costs including finance cost on lease liability specifically identified to the acquisition or construction of qualifying assets or development wells or exploratory wells is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs i.e. equivalent to the extent to which the exchange loss does not exceed the difference between the cost of borrowing in functional currency (₹) when compared to the cost of borrowing in a foreign currency.

When there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

### 3.25 Rig Days' Costs

Rig movement costs are booked to the next location drilled/planned for drilling. Abnormal Rig days' costs are considered as un-allocable and charged to the Statement of Profit and Loss.

### 3.26 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

### 3.27 Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### 3.28 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 3.29 Financial assets

#### (i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### (ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

**(iv) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

**(v) Impairment of financial assets**

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

**(vi) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

**3.30 Financial liabilities**

**(a) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

i. the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

ii. the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115. [Note no. 3.3 for Financial guarantee issued to subsidiaries]

**(b) Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**(c) Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

**3.31 Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**3.32 Statement of Cash Flow**

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of future or past operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

### 3.33 Segment reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.

## 4. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of Oil and Gas reserves, long term production profile, impairment, useful lives of Property, Plant and Equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, impairment, provision for income tax, measurement of deferred tax assets, litigation and contingent assets and liabilities.

### 4.1 Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Note no. 4.2), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

#### (a) Determination of functional currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (₹) in which the Company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).

#### (b) Classification of investment

Judgment is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Company may obtain control, joint control or significant influence over the entity or arrangement. Transactions which give the Company control of a business are business combinations. If the Company obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If the Company has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then classified as an associate.

The Company has 49.36% equity interest in ONGC Petro additions Limited (OPaL). The Company has also subscribed for 2,558 million share warrants entitling the Company to exchange each warrant with an equity share of face value of ₹ 10 each against which ₹ 9.75 each has been paid.

Further the Company has entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon of Compulsorily Convertible Debentures (CCDs) amounting to ₹ 77,780.00 million (Previous year ₹ 77,780.00 million) issued by ONGC Petro additions Limited in three tranches. The cumulative interest till March 31, 2020 is amounting to ₹ 11,644.38 million (Previous year ₹ 5,117.73 million).

The Company has evaluated the interest in OPaL to be in the nature of joint venture as the shareholder agreement between all the shareholders provides for sharing of control of the decisions of relevant activities that require the unanimous consent of all the parties sharing control.

(c) **Identifying whether a contract includes a lease**

The Company enters into hiring/service arrangements for various assets/services. The Company evaluates whether a contract contains a lease or not, in accordance with the principles of Ind AS 116. This requires significant judgements including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

(d) **Determining lease term (including extension and termination options)**

The Company considers the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. Assessment of extension/termination options is made on lease by lease basis, on the basis of relevant facts and circumstances. The lease term is reassessed if an option is actually exercised. In case of contracts, where the Company has the option to hire and de-hire the underlying asset on some circumstances (such as operational requirements), the lease term is considered to be initial contract period.

(e) **Identifying lease payments for computation of lease liability**

To identify fixed (including in-substance fixed) lease payments, the Company consider the non-operating day rate/standby as minimum fixed lease payments for the purpose of computation of lease liability and corresponding right of use asset.

(f) **Low value leases**

Ind AS 116 requires assessment of whether an underlying asset is of low value, if lessee opts for the option of not to apply the recognition and measurement requirements of Ind AS 116 to leases where the underlying asset is of low value. For the purpose of determining low value, the Company has considered nature of assets and concept of materiality as defined in Ind AS 1 and the conceptual framework of Ind AS which involve significant judgement.

(g) **Evaluation of indicators for impairment of Oil and Gas Assets**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Oil and Gas Assets.

(h) **Oil & Gas Accounting**

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas and are in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin, and where the economic viability of that major capital expenditure depends on the successful completion of further exploration work in the area, remain capitalized on the balance sheet as long as additional exploration or appraisal work is under way or firmly planned.

It is not unusual to have exploration wells and exploratory-type stratigraphic test wells remaining suspended on the balance sheet for several years while additional appraisal drilling and seismic work on the potential oil and natural gas field is performed or while the optimum development plans and timing are established. All such carried costs are subject to regular technical, commercial and management review on at least an annual basis to confirm the continued intent to develop, or otherwise extract value from the discovery. Where this is no longer the case, the costs are immediately expensed.

### 4.2 Assumptions and key sources of estimation uncertainty

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

**(a) Estimation of provision for decommissioning**

The Company estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil and Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed annually or when there is a material change, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows. The economic life of the Oil and Gas assets is estimated on the basis of long term production profile of the relevant Oil and Gas asset. The long term average General Consumer Price Index (CPI) for inflation i.e. 4.25% (previous year 2.86%) has been used for escalation of the current cost estimates and pre- tax discounting rate used to determine the balance sheet obligation as at the end of the year is long term average risk free government bond rate with 10 year yield i.e. 7.39% (previous year 7.47%).

**(b) Determining discount rate for computation of lease liability**

For computation of lease liability, Ind AS 116 requires lessee to use their incremental borrowing rate as discount rate if the rate implicit in the lease contract cannot be readily determined.

For leases denominated in Company's functional currency, the Company considers the incremental borrowing rate to be risk free rate of government bond as adjusted with applicable credit risk spread and other lease specific adjustments like relevant lease term. For leases denominated in foreign currency, the Company considers the incremental borrowing rate as risk free rate based on US treasury bills as adjusted with applicable credit risk spread and other lease specific adjustments like relevant lease term and currency of the obligation.

**(c) Determination of cash generating unit (CGU)**

The Company is engaged mainly in the business of oil and gas exploration and production in Onshore and Offshore. In case of onshore assets, the fields are using common production/ transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

**(d) Impairment of assets**

Determination as to whether, and by how much, a CGU is impaired involves Management estimates on uncertain matters such as future crude oil, natural gas and value added product (VAP) prices, the effects of inflation on operating expenses, discount rates, production profiles for crude oil, natural gas and value added products. For Oil and Gas assets, the expected future cash flows are estimated using Management's best estimate of future crude oil and natural gas prices, production and reserves volumes.

The present values of cash flows are determined by applying pre-tax-discount rates of 15.55% (Previous year 14.71%) for Rupee transactions and 10.07% (Previous year 9.79%) for crude oil, natural gas and value added products revenue, which are measured in US$. Future cash inflows from sale of crude oil, natural gas and value added products are estimated using Management's best estimate of future prices and its co-relations with benchmark crudes and other petroleum products.

The discount rate used is based upon the cost of capital from an established model.

The value in use of the producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under circumstances where the further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use.

The discount rates applied in the assessment of impairment calculation are re-assessed each year.

**(e) Estimation of reserves**

Management estimates reserves in relation to all the Oil and Gas Assets based on the policies and procedures determined by the Reserves Estimation Committee (REC) of the Company. The estimates so determined are used for the computation of depletion and impairment testing.

The year-end reserves of the Company are estimated by the REC which follows international reservoir engineering procedures consistently. For reporting its petroleum resources, Company follows universally accepted Petroleum Resources Management System-PRMS (2018) sponsored by Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists (AAPG), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE).

PRMS (2018) defines Proved Reserves under Reserves category as those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations. Further it defines Developed Reserves as expected quantities to be recovered from existing wells and facilities and Undeveloped Reserves as the Quantities expected to be recovered through future significant investments.

Volumetric estimation is the main procedure in estimation which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it. As the field gets matured and reasonably good production history is available, then performance methods such as material balance, simulation, decline curve analysis are applied to get more accurate assessments.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New In-place Volume and Estimated Ultimate Recovery (EUR) are estimated for new field discoveries or new pool discoveries in already discovered fields. Revision of estimates are also due to Field growth which includes delineation/appraisal activities and field review/other exploratory efforts. Delineation/appraisal activities lead to revision in estimates due to new sub-surface data. Similarly, review exercise is also carried out for old fields due to necessity of revision in petro-physical parameters, new seismic input, updating of static and dynamic models and performance analysis leading to change in Reserves. Intervention of new technology, change in classifications and contractual provisions also necessitate revision in estimation of Reserves.

As per Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (revised June 2019), approved by the SPE Board on June 25, 2019

"The reliability of Reserves information is considerably affected by several factors. Initially, it should be noted that Reserves information is imprecise as a result of the inherent uncertainties in, and the limited nature of, the accumulation and interpretation of data upon which the estimating and auditing of Reserves information is predicated. Moreover, the methods and data used in estimating Reserves information are often necessarily indirect or analogical in character rather than direct or deductive..."

… "the estimation of Reserves and other Reserves information is an imprecise science because of the many unknown geological and reservoir factors that can only be estimated through sampling techniques. Reserves are therefore only estimates, and they cannot be audited for the purpose of verifying exactness…"

The Company uses the services of third-party agencies for due diligence and it gets the reserves of its assets audited by third party periodically by internationally reputed consultants who adopt latest industry practices for their evaluation.

(f) **Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

(g) **Litigations**

From time to time, the Company is subject to legal proceedings and the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavourable outcome and the liability to make a reasonable estimate of the amount of potential loss. Provision for litigations are reviewed at the end of each accounting period and revisions made for the changes in facts and circumstances.

## 5. Oil and Gas Assets

**(₹ in million)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Gross cost** (Note no. 5.1, 5.2 & 54) | | |
| Opening balance | 1,599,843.64 | 1,433,913.24 |
| Transfer from Intangible Assets under Development – Exploratory Wells-in Progress | 9,158.45 | 10,549.69 |
| Transfer from Development Wells-in-Progress | 70,151.68 | 77,878.37 |
| Increase/(decrease) in Decommissioning costs | (9,140.26) | 2,510.07 |
| Addition during the year | 73,709.91 | 73,761.78 |
| Acquisition Cost | 2,870.50 | 823.09 |
| Deletion/Retirement during the year | (1,181.97) | (264.59) |
| Other adjustments | 560.42 | 671.99 |
| | **1,745,972.37** | **1,599,843.64** |
| **Less: Accumulated Depletion and Impairment** | | |
| **Accumulated Depletion** | | |
| Opening balance (Note no. 54) | 470,715.44 | 343,589.97 |
| Provided for the year (Note no. 37) | 134,333.67 | 127,154.35 |
| Deletion/Retirement during the year | (254.53) | (104.95) |
| Other adjustments | (321.03) | 76.07 |
| | **604,473.55** | **470,715.44** |
| **Accumulated Impairment** | | |
| Opening balance | 7,950.63 | 6,860.21 |
| Provided for the year | 46,168.49 | 1,590.73 |
| Write back of impairment | (1,118.41) | (500.31) |
| Reclassification | 3,731.28 | - |
| | **56,731.99** | **7,950.63** |
| | **1,084,766.83** | **1,121,177.57** |

**5.1** The Company has elected to continue with the carrying value of its Oil and Gas Assets recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Oil and Gas Assets which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

**5.2** During the year 2016-17, Tapti A series facilities which were part of the assets of PMT Joint Operation (JO) and surrendered by the JO to the Government of India (GoI) as per the terms of JO agreement were transferred by GoI to the Company free of cost as its nominee. The Company had assessed the fair value of said facilities at ₹ 4,310.30 million based on the valuation report by a third party agency, which was accounted as capital work in progress with a corresponding liability as deferred government grant in 2016-17 and transferred to Oil and Gas Assets from CWIP on commencement of commercial production during the year 2018-19.

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'), during the year 2019-20 the Company has 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 (refer note no. 54).

Ministry of Petroleum and Natural Gas, Government of India (GoI) vide letter dated May 31, 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.

Subsequent to assignment of Panna-Mukta field to the Company GoI has directed JV partners of the PMT (Panna Mukta & Tapti) field to transfer the existing SRF fund maintained for decommissioning obligation for Tapt Part A facility and Panna Mukta fields to the Company along with full financial and physical liability of site restoration and abandonment of Panna Mukta fields and Tapti Part A facilities. Accordingly, the Company has received SRF fund of $ 33.81 million (₹ 2,402.18 million) for Tapti Part-A facilities and $ 598.24 million (₹ 42,506.87 million) for Panna Mukta fields from JV partners (including the Company share of 40% in the fields) and the corresponding decommissioning obligation with conditions that Company will maintain separate dedicated SRF accounts under SRF scheme, 1999 and extent guideline of SRF, the Company will not utilise the fund of dedicated SRF fund of Panna- Mukta Fields and Tapti Part-A facilities for any other purpose, other than one defined under SRF scheme/guideline. Company will periodically carry out the re-estimation of cost of abandonment of Panna- Mukta Fields and Tapti Part-A facilities as per existing Company policy and contribute to SRF account as per Company policy in nomination fields. In case, final actual cost of abandonment of facilities of Panna-Mukta fields at the time of physical abandonment is higher than approved abandonment cost plus the accumulated amount, Company will contribute the additional amount required for abandonment. However, in case the actual cost at the time of abandonment is less than the accumulated amount, the balance amount will be transferred to the Government.

## 6. Other Property, Plant and Equipment

(₹ in million)

| Carrying amount of: (Note no. 6.1 & 54) | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Freehold land | 8,889.17 | 8,234.08 |
| Perpetual lease land | - | 1,916.57 |
| Building and bunk houses | 15,412.07 | 15,335.55 |
| Plant and equipment | 59,097.16 | 62,463.86 |
| Furniture and fixtures | 2,193.94 | 2,921.01 |
| Office equipment | 2,898.41 | 1,890.52 |
| Vehicles, Ships & Boats | 3,725.47 | 3,673.55 |
| **Total** | **92,216.22** | **96,435.14** |

(₹ in million)

| Cost or deemed cost (Note no. 54) | Freehold land | Perpetual lease land | Buildings and bunk houses | Plant and equipment | Furniture and fixtures | Office equipment | Vehicles, Ships & Boats | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance at March 31, 2018 (Note no. 6.2)** | **7,648.56** | **1,916.57** | **17,351.96** | **101,824.23** | **5,695.24** | **3,241.57** | **7,272.31** | **144,950.44** |
| Additions | 585.52 | - | 3,167.67 | 15,849.04 | 1,103.29 | 2,823.29 | 2,141.64 | 25,670.45 |
| Disposals/ adjustments | - | - | 743.22 | 5,542.52 | 260.27 | (833.91) | 271.05 | 5,983.15 |
| **Balance at March 31, 2019** | **8,234.08** | **1,916.57** | **21,262.85** | **123,215.79** | **7,058.80** | **5,230.95** | **9,685.00** | **176,604.04** |
| Additions | 660.91 | - | 1,811.70 | 12,206.21 | 590.11 | 2,982.72 | 1,579.78 | 19,831.43 |
| Disposals/ adjustments | (5.82) | (1,916.57) | 52.38 | 1,130.50 | (502.82) | (627.28) | (758.90) | (2,628.51) |
| **Balance at March 31, 2020** | **8,889.17** | **-** | **23,126.93** | **136,552.50** | **7,146.09** | **7,586.39** | **10,505.88** | **193,806.96** |

(₹ in million)

| Accumulated depreciation and impairment (Note no. 54) | Freehold land | Perpetual lease land | Buildings and bunk houses | Plant and equipment | Furniture and fixtures | Office equipment | Vehicles, Ships & Boats | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance at March 31, 2018** | **-** | **-** | **3,647.97** | **40,891.14** | **2,034.83** | **2,399.52** | **3,469.85** | **52,443.31** |
| Depreciation expense | - | - | 1,537.04 | 13,476.15 | 1,700.06 | 1,677.67 | 2,464.47 | 20,855.39 |
| Impairment loss recognised in profit or loss | - | - | - | 17.48 | 2.72 | 2.79 | 2.63 | 25.62 |
| Eliminated on disposal / adjustments of assets | - | - | 742.29 | 6,370.13 | 400.18 | (739.55) | 74.50 | 6,847.55 |
| Impairment loss written back during the year | - | - | - | (2.97) | - | - | - | (2.97) |
| **Balance at March 31, 2019** | **-** | **-** | **5,927.30** | **60,751.93** | **4,137.79** | **3,340.43** | **6,011.45** | **80,168.90** |
| Depreciation expense | - | - | 1,733.71 | 14,650.23 | 1,172.81 | 1,853.58 | 1,523.01 | 20,933.34 |
| Impairment loss recognised in profit or loss | - | - | - | 277.27 | 0.83 | 62.77 | 7.18 | 348.05 |
| Eliminated on disposal / adjustments of assets | - | - | 53.85 | 1,777.45 | (359.25) | (568.10) | (761.23) | 142.72 |
| Impairment loss written back during the year | - | - | - | (1.54) | (0.03) | (0.70) | - | (2.27) |
| **Balance at March 31, 2020** | **-** | **-** | **7,714.86** | **77,455.34** | **4,952.15** | **4,687.98** | **6,780.41** | **101,590.74** |

a. Land includes 2 numbers (Previous year 3) amounting to ₹ 1,322.28 million (Previous year ₹ 58.17 million) for which execution of conveyance deeds is in process.

b. Registration of title deeds in respect of 6 numbers (Previous year 6) buildings is pending execution having carrying amount of ₹ 51.22 million (Previous year ₹ 54.34 million).

c. Building includes cost of undivided interest in land.

**6.1** The Company has elected to continue with the carrying value of its other Property Plant & Equipment (PPE) recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning provision included in the cost of other Property, Plant and Equipment (PPE) which has been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards' .

**6.2** During the year 2016-17 Tapti A series facilities which were part of the assets of PMT Joint Operation (JO) and surrendered by the JO to the Government of India (GoI) as per the terms of JO agreement were transferred by GoI to the Company free of cost as its nominee. The Company had assessed the fair value of said facilities at ₹ 2,846.59 million based on the valuation report by a third party agency, which was accounted as capital work in progress with a corresponding liability as deferred government grant in 2016-17 and transferred to plant and machinery from CWIP on commencement of commercial production during the year 2018-19.

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'), during the year 2019-20 the Company has 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 (refer note no 54).

Ministry of Petroleum and Natural Gas, Government of India vide letter dated May 31, 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 (refer note no. 5.2).

## 7. Right of Use Assets

(₹ in million)

| Carrying amount of: | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Land | 5,042.74 | - |
| Buildings and bunk houses | 227.59 | - |
| Plant and equipment | 75,380.24 | - |
| Vehicles, Ships & Boats | 17,547.35 | - |
| **Total** | **98,197.92** | **-** |

(₹ in million)

| Cost | Land | Buildings | Plant and equipment | Vehicles, Ships & Boats | Total |
|---|---|---|---|---|---|
| **Balance at April 1, 2019** (Note no. 7.1) | **488.77** | **264.42** | **80,390.57** | **14,250.26** | **95,394.02** |
| Additions | 4,654.56 | 96.88 | 37,531.53 | 10,643.88 | 52,926.85 |
| Disposals/ adjustments | (10.11) | - | (6,748.12) | (11.57) | (6,769.80) |
| **Balance at March 31, 2020** | **5,133.22** | **361.30** | **111,173.98** | **24,882.57** | **141,551.07** |

(₹ in million)

| Accumulated depreciation | Land | Buildings | Plant and equipment | Vehicles, Ships & Boats | Total |
|---|---|---|---|---|---|
| **Balance at April 1, 2019** | **-** | **-** | **-** | **-** | **-** |
| Depreciation expense | 100.59 | 133.71 | 39,815.79 | 7,345.08 | 47,395.17 |
| Eliminated on disposal / adjustments of assets | (10.11) | - | (4,022.05) | (9.86) | (4,042.02) |
| **Balance at March 31, 2020** | **90.48** | **133.71** | **35,793.74** | **7,335.22** | **43,353.15** |

7.1 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 ₹ 95,394.02 million as at April 1, 2019 (refer note no. 23.1 & 42).

7.2 Execution of conveyance deeds is in process in respect of 14 numbers (Previous year 13 classified as prepayment in FY 2018-19) lease hold lands amounting to ₹ 389.98 million (Previous year ₹ 304.56 million classified as prepayment in FY 2018-19).

## 8. Capital Work-in-Progress

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **A) Oil and Gas Assets** (Note no. 8.1) | | |
| **(i) Development Wells in Progress** (Note no. 10.1) | | |
| Opening balance | 42,006.45 | 23,312.38 |
| Expenditure during the year | 63,595.04 | 93,625.44 |
| Depreciation during the year | 17,515.54 | 2,947.00 |
| Less: Transfer to Oil and Gas Assets | 70,151.68 | 77,878.37 |
| | 52,965.35 | 42,006.45 |
| **Less: Impairment** | | |
| Opening balance | 2,045.33 | 860.61 |
| Provided for the year | 1,880.08 | 1,184.72 |
| Written back during the year | (180.44) | - |
| | 3,744.97 | 2,045.33 |
| **Total Development Wells in Progress** | **49,220.38** | **39,961.12** |
| **(ii) Oil and gas facilities in progress** | | |
| Oil and gas facilities | 138,974.11 | 98,212.39 |
| Acquisition Costs- Exploration and Production Asset | 1,957.25 | 4,261.40 |
| | 140,931.36 | 102,473.79 |
| **Less: Accumulated Impairment** | | |
| Opening balance | 4,975.77 | 3,039.99 |
| Provided for the year | 6,154.41 | 993.31 |
| Written back during the year | (514.22) | - |
| Reclassification | (3,731.28) | 942.47 |
| | 6,884.68 | 4,975.77 |
| **Total Oil and gas facilities in progress** | **134,046.68** | **97,498.02** |
| **B) Other Capital Works-In-Progress** | | |
| Buildings | 1,432.10 | 1,814.89 |
| Plant and equipment (Note no. 20.1) | 13,427.90 | 15,163.24 |
| Capital stores (including in transit) (Note no. 5.2 and 6.2) | 3,694.68 | 2,351.82 |
| Less: Impairment for Non-Moving Items | 45.61 | 43.28 |
| | 18,509.07 | 19,286.67 |
| **Less: Accumulated Impairment** | | |
| Opening balance | 1,510.39 | 2,419.74 |
| For the year | 135.19 | 33.12 |
| Write back during the year | (24.53) | - |
| Reclassification | - | (942.47) |
| Other Adjustment | (10.68) | - |
| | 1,610.37 | 1,510.39 |
| | **16,898.70** | **17,776.28** |

**8.1** The Company has elected to continue with the carrying value of its Capital Works-in-Progress recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Capital Works-in-Progress which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

## 9. Intangible Assets

**(₹ in million)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Application software** | | |
| (Note no. 9.1) | | |
| Opening balance | 3,016.74 | 1,892.86 |
| Additions during the year | 644.88 | 1,125.74 |
| Adjustments | (19.49) | (1.86) |
| | 3,642.13 | 3,016.74 |
| **Less: Accumulated amortisation and impairment** | | |
| **Accumulated amortization** | | |
| Opening balance | 1,269.51 | 758.72 |
| Provided for the year | 578.17 | 512.65 |
| Adjustment | (19.10) | (1.86) |
| | 1,828.58 | 1,269.51 |
| **Accumulated Impairment** | | |
| Opening Balance | 2.64 | 5.58 |
| Provided for the year | 1.36 | - |
| Write back during the year | (0.04) | - |
| Adjustment | - | (2.94) |
| | 3.96 | 2.64 |
| | **1,809.59** | **1,744.59** |

**9.1** The Company has elected to continue with the carrying value of its Intangible Assets, recognised as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

## 10. Intangible Assets under Development

**(₹ in million)**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| **Exploratory Wells-In-Progress** (Note no. 10.1) | | | | |
| Opening balance | | 214,383.44 | | 228,885.75 |
| Expenditure during the year | 43,306.33 | | 60,168.95 | |
| Less: Sale proceeds of Oil and Gas (net of levies) | 287.15 | 43,019.18 | 32.77 | 60,136.18 |
| Acquisition Cost | | - | | 212.53 |
| Depreciation during the year (Note no. 37) | | 15,891.23 | | 2,646.30 |
| | | 273,293.85 | | 291,880.76 |
| **Less:** | | | | |
| Transfer to Oil and Gas Assets | 9,158.45 | | 10,549.69 | |
| Wells written off during the year | 69,921.64 | | 66,947.63 | |
| Other adjustments | - | 79,080.09 | - | 77,497.32 |
| | | 194,213.76 | | 214,383.44 |

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| **Less: Impairment** | | | | |
| Opening Balance | 19,116.57 | | 10,500.44 | |
| Provided during the year | 16,915.56 | | 8,839.71 | |
| Write back during the year | (3,908.05) | | (223.58) | |
| | | 32,124.08 | | 19,116.57 |
| **Intangible Assets under Development** | | **162,089.68** | | **195,266.87** |

**10.1** During 2004-05, the Company had acquired, 90% Participating Interest in Exploration Block KG-DWN-98/2 from Cairn Energy India Limited for a lump sum consideration of ₹ 3,711.22 million which, together with subsequent exploratory drilling costs of wells had been capitalized under exploratory wells in progress. During 2012-13, the Company had acquired the remaining 10% participating interest in the block from Cairn Energy India Limited on actual past cost basis for a consideration of ₹ 2,124.44 million. Initial in-place reserves were established in this block and adhering to original PSC time lines, a Declaration of commerciality (DOC) with a conceptual cluster development plan was submitted on December 21, 2009 for Southern Discovery Area and on July 15, 2010 for Northern Discovery Area. Thereafter, in the revised DOC submitted in December, 2013, Cluster-wise development of the Block had been envisaged by division of entire development area into three clusters. The DOC in respect of Cluster II had been reviewed by the Management Committee (MC) of the block on September 25, 2014. Field Development Plan (FDP) for Cluster-II was submitted on September 8, 2015 which included cost of all exploratory wells drilled in the Contract Area and the same had been approved by the Company Board on March 28, 2016 and by MC on March 31, 2016. Investment decision has been approved by the Company. Contracts for Subsea umbilical risers, flow lines, Subsea production system, Central processing platform – living quarter utility platform and Onshore Terminal have been awarded during 2018-19. Sixteen (16) Oil wells, Seven (7) Gas wells and Six (6) Water injector wells were drilled upto March 31, 2020. Towards early monetization, it was planned to produce Gas from U-field utilizing Vashishta and S1 Project facilities. One Gas well-U3B was completed in the month of March 2020 and test production commenced on March 5, 2020. In line with the Accounting Policy of the Company, Oil and Gas assets has been created for the well U3B on establishment of proved developed reserves during the year. The cost of development wells in progress, Capital work in progress and Oil & gas assets as at March 31, 2020 is ₹ 23,567.70 million, ₹ 37,826.42 million and ₹ 10,487.02 million respectively.

During the year FDP in respect of Cluster-I was approved for development of Gas discoveries in E1 and integrated development of Oil discoveries in F1 field along with nominated field GS-29 by the Management Committee.

In respect of Cluster III, in line with the approval of Management Committee, three (3) appraisal wells are planned to be drilled during 2020-21 and one (1) appraisal well during 2021-22. Further, Directorate General of Hydrocarbon (DGH) vide letter dated December 24, 2019 has extended the timeline for submission of FDP by 25 months.

In view of the definite plan for development of all the clusters, the cost of exploratory wells in the block i.e. ₹ 52,998.53 million has been carried over.

## 11. Investments

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Investment in Equity Instruments (Note no. 11.1) | 692,005.57 | 817,401.28 |
| Investment in Preference Shares (Note no. 11.5) | 220.69 | 95.69 |
| Investment in Government securities (Note no. 11.6) | 1,975.08 | 1,975.08 |
| Other Investments (Note no. 11.7) | 30,098.56 | 29,343.30 |
| **Total investments** | **724,299.90** | **848,815.35** |

### 11.1 Investments in Equity Instruments

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | (No. in million) | Amount | (No. in million) | Amount |
| **(i) Investment in Subsidiaries (at Cost) (Note no. 11.1.1)** | | | | |
| **Quoted – Fully paid up** | | | | |
| (a) Hindustan Petroleum Corporation Limited (Face Value ₹ 10 per share) | 778.85 | 369,150.00 | 778.85 | 369,150.00 |
| (b) Mangalore Refinery and Petrochemicals Limited (Face Value ₹ 10 per share) | 1,255.35 | 10,405.73 | 1,255.35 | 10,405.73 |
| **Unquoted – Fully paid up** | | | | |
| (c) ONGC Videsh Limited (Face Value ₹ 100 per share) | 1,500.00 | 150,000.00 | 1,500.00 | 150,000.00 |
| (d) ONGC Mangalore Petrochemicals Limited (Face Value ₹ 10 per share) (Note no. 11.1.2 & 11.1.5) | 1,246.65 | 13,119.84 | 1,042.50 | 10,669.94 |
| (e) Petronet MHB Limited (Face Value ₹ 10 per share) (Note no. 11.1.3) | 274.33 | 3,693.10 | 179.51 | 1,839.32 |
| **Total Investment in Subsidiaries** | | **546,368.67** | | **542,064.99** |
| **(ii) Investment in Associates (at Cost) (Note no. 11.1.1)** | | | | |
| **Quoted – Fully paid up** | | | | |
| (a) Petronet LNG Limited (Face Value ₹ 10 per share) | 187.50 | 987.50 | 187.50 | 987.50 |
| **Unquoted – Fully paid up** | | | | |
| (b) Pawan Hans Limited (Face Value ₹ 10,000 per share) (Note no. 11.1.7) | 0.27 | 2,731.66 | 0.27 | 2,731.66 |
| (c) Rohini Heliport Limited (Face Value ₹ 10 per share) (Note no. 11.1.11) | - | 0.05 | - | - |
| **Total Investment in Associates** | | **3,719.21** | | **3,719.16** |

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | (No. in million) | Amount | (No. in million) | Amount |
| **(iii) Investment in Joint Venture (at Cost) (Note no. 11.1.1)** | | | | |
| **Unquoted – Fully paid up** | | | | |
| (a) Mangalore SEZ Limited (Face Value ₹ 10 per share) | 13.00 | 130.00 | 13.00 | 130.00 |
| (b) ONGC Petro Additions Limited (Face Value ₹ 10 per share) (Note no. 11.1.4 & 11.1.10) | 997.98 | 9,979.81 | 997.98 | 9,979.81 |
| (c) ONGC Teri Biotech Limited (Face Value ₹ 10 per share) | 0.02 | 0.25 | 0.02 | 0.25 |
| (d) ONGC Tripura Power Company Limited (Face Value ₹ 10 per share) | 560.00 | 5,600.00 | 560.00 | 5,600.00 |
| (e) Dahej SEZ Limited (Face Value ₹ 10 per share) | 23.02 | 230.25 | 23.02 | 230.25 |
| (f) Indradhanush Gas Grid Limited (Face Value ₹ 10 per share) (Note no. 11.1.8) | 12.00 | 120.00 | 5.00 | 50.00 |
| **Total Investment in Joint Venture** | | **16,060.31** | | **15,990.31** |
| **(iv) Investment in other entities (at FVTOCI)** | | | | |
| **Quoted – Fully paid up** | | | | |
| (a) Indian Oil Corporation Limited (Face Value ₹ 10 per share) | 1,337.22 | 109,183.62 | 1,337.22 | 217,765.50 |
| (b) GAIL (India) Limited (Face Value ₹ 10 per share) (Note no. 11.1.5) | 217.81 | 16,673.43 | 108.91 | 37,860.99 |
| **(at FVTPL)** | | | | |
| **Unquoted – Fully paid up** | | | | |
| (c) Planys Technologies Private Limited (Face Value ₹ 10 per share) (Note no. 11.1.6) | - | 0.32 | - | 0.32 |
| (d) String Bio Private Limited (Face Value ₹ 10 per share) (Note no. 11.1.9) | - | - | - | - |
| (e) Oil Spill Response Limited * (Face Value ₹ 10 per share) | - | 0.01 | - | 0.01 |
| **Total Investment in other entities** | | **125,857.38** | | **255,626.82** |
| **Total Investment in Equity Instruments** | | **692,005.57** | | **817,401.28** |
| Aggregate carrying value of quoted investments | | 506,400.28 | | 636,169.72 |
| Aggregate carrying value of unquoted investments | | 185,605.29 | | 181,231.56 |
| Aggregate market value of quoted investments | | 340,421.86 | | 617,140.18 |
| Aggregate amount of impairment in value of investments | | - | | - |

** 100 Equity Shares of Oil Spill Response Limited valued at GBP one each at the time of issuance. Total value in ₹ at the time of issuance of shares was ₹ 6,885/-, further 200 equity shares have also been allotted to the Company without any consideration thereby the Company holds total 300 equity shares.*

**11.1.1** The Company has elected to continue with the carrying value of its investments in subsidiaries, joint ventures and associates, measured as per the Previous GAAP and used that carrying value on the transition date April 1, 2015 in terms of Para D15 (b) (ii) of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

**11.1.2** ONGC Mangalore Petrochemicals Limited has been classified as subsidiary as the Company holds 48.99% ownership interest and its subsidiary Mangalore Refinery and Petrochemicals Limited (MRPL) holds 51.01% ownership interest. During the year, the Company has subscribed 204,158,605 nos. equity shares of ONGC Mangalore Petrochemicals Limited, having face value ₹ 10 per share at a premium of ₹ 2/- per share on right basis as per the pro-rata entitlement for an aggregate consideration of ₹ 2,449.90 million. During the year 2018-19, the Company had also subscribed 122,495,141 nos. equity shares having face value ₹ 10 per share at a premium of ₹ 2/- per share on right basis as per the pro-rata entitlement for an aggregate consideration of ₹ 1,469.94 million.

During the year, the Company along with its subsidiary MRPL has entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon amount for three years compulsorily convertible debentures amounting to ₹ 10,000.00 million (Previous year Nil) issued by ONGC Mangalore Petrochemicals Limited. The backstopping support provided by the Company alongwith Mangalore Refinery and Petrochemicals Limited according to their respective shareholding i.e. 49% by the Company and 51% by Mangalore Refinery and Petrochemicals Limited.

**11.1.3** Petronet MHB Limited is classified as a subsidiary of the Company as it holds 49.996% (Previous year 32.72%) ownership interest and its subsidiary Hindustan Petroleum Corporation Limited holds 49.996% (Previous year 32.72%) ownership interest. During the year, the Company has subscribed 94,822,632 nos. equity shares of Petronet MHB Limited held by banks and others, having face value ₹ 10 per share at a premium of ₹ 9.55/- per share for an aggregate consideration of ₹ 1,853.78 million.

**11.1.4** The Company is restrained from diluting the investment in the respective companies till the sponsored loans are fully repaid as per the covenants in the respective loan agreements of the companies.

**11.1.5** During the year Company has received 108,905,462 nos. equity shares from GAIL (India) Limited as bonus shares in the ratio of 1:1.

**11.1.6** During the year 2017-18, the Company had subscribed 10 nos. equity shares of Planys Technologies Private Limited a startup Company, having face value ₹ 10 per share at a premium of ₹ 25,430.00 per share. The equity shares have been fair valued in 2017-18 at ₹ 32,450.55 per equity share.

**11.1.7** During the year 2017-18, the Company had subscribed for additional 152,816 nos. equity shares amounting to ₹ 1,528.16 million in Pawan Hans Limited and the Company continues to holds 49% ownership interest.

During the year 2018-19, the Company has exercised option to exit Pawan Hans Limited by offloading entire 49% stake holdings of the Company as a preferred option, along with the strategic sale proposal being pursued by the Government of India. As at March 31, 2020, the proposed strategic sale transaction is yet to be consummated as the buyer has not been identified. In view of the uncertainty in the completion of the transaction, the investment in Pawan Hans Limited has not been classified as Non-current Asset Held for Sale and accordingly the Company continues to classify Pawan Hans Limited as an Associate Company and carry the investment at Cost.

**11.1.8** During the year, the Company has subscribed additional 7,000,000 nos. equity share of Indradhanush Gas Grid Limited (IGGL), having face value of ₹ 10 per share at par value. During the year 2018-19, the Company had subscribed 5,000,000 nos. equity share of Indradhanush Gas Grid Limited (IGGL), a Joint Venture Company, having face value of ₹ 10 per share at par value.

**11.1.9** During the year 2018-19, the Company had subscribed 1 no. equity shares of String Bio Private Limited a startup Company, having face value ₹ 10 per share at a premium of ₹ 267.30 per share.

**11.1.10** During the year 2018-19 the Company had acquired 24,993 nos. of equity shares of ONGC Petro additions Ltd (OPaL) at face value from other individual shareholders of the Company.

**11.1.11** During the year, the Company has subscribed 4,899 nos. equity shares of Rohini Heliport Limited having face value ₹ 10 per share for an aggregate consideration of ₹ 0.05 million, classified as Associate Company.

### 11.2 Details of Subsidiaries

| Name of subsidiary | Principal activity | Place of incorporation and principal place of business | Proportion of ownership interest/ voting rights held by the Company | |
|---|---|---|---|---|
| | | | As at March 31, 2020 | As at March 31, 2019 |
| ONGC Videsh Limited | Exploration and Production activities | Incorporated in India having all operation outside India | 100.00% | 100.00% |
| Mangalore Refinery and Petrochemicals Limited | Refinery | India | 71.63% | 71.63% |
| Hindustan Petroleum Corporation Limited (Note no. 11.1.2) | Refining and Marketing | India | 51.11% | 51.11% |
| ONGC Mangalore Petrochemicals Limited (Note no. 11.1.3) | Petrochemicals | India | 48.99% | 48.99% |
| Petronet MHB Limited (Note no. 11.1.4) | Multi products Pipeline | India | 49.99% | 32.72% |

### 11.3 Details of Associates

| Name of Associates | Principal activity | Place of incorporation and principal place of business | Proportion of ownership interest/ voting rights held by the Company | |
|---|---|---|---|---|
| | | | As at March 31, 2020 | As at March 31, 2019 |
| Pawan Hans Limited | Helicopter services | India | 49.00% | 49.00% |
| Petronet LNG Limited* | Liquefied Natural Gas supply | India | 12.50% | 12.50% |
| Rohini Heliport Limited | Helicopter Services | India | 49.00% | - |

** Petronet LNG Limited (PLL) has been classified as an associate of the Company since the Company has significant influence on PLL.*

### 11.4 Details of Joint Ventures

| Name of Joint Ventures | Principal activity | Place of incorporation and principal place of business | Proportion of ownership interest/ voting rights held by the Company | |
|---|---|---|---|---|
| | | | As at March 31, 2020 | As at March 31, 2019 |
| Mangalore SEZ Limited | Special Economic Zone | India | 26.00% | 26.00% |
| ONGC Petro Additions Limited | Petrochemicals | India | 49.36% | 49.36% |
| ONGC Teri Biotech Limited | Bioremediation | India | 49.98% | 49.98% |
| ONGC Tripura Power Company Limited | Power Generation | India | 50.00% | 50.00% |
| Dahej SEZ Limited | Special Economic Zone | India | 50.00% | 50.00% |
| Indradhanush Gas Grid Limited | Pipeline | India | 20.00% | 20.00% |

### 11.5 Investments in Compulsorily Convertible Preference Shares

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | (No. in million) | Amount | (No. in million) | Amount |
| **Investment in Compulsorily Convertible Preference Shares** | | | | |
| **(at FVTPL)** | | | | |
| **Unquoted – Fully paid up** | | | | |
| (a) Planys Technologies Private Limited (Face Value ₹ 1,500 per share) (Note no. 11.5.1) | - | 50.69 | - | 50.69 |
| (b) String Bio Private Limited (Face Value ₹ 10 per share) (Note no. 11.5.2) | 0.16 | 45.00 | 0.16 | 45.00 |
| (c) Chakr Innovation Private Limited (Face Value ₹ 100 per share) (Note no. 11.5.3) | - | 30.00 | - | - |
| (d) Logicladder Technologies Private Limited (Face Value ₹ 100 per share) (Note no. 11.5.4) | 0.02 | 50.00 | - | - |
| (e) Sagar Defence Engineering Private Limited (Face Value ₹ 10 per share) (Note no. 11.5.5) | 0.01 | 45.00 | - | - |
| **Total Investment in Preference Shares** | | **220.69** | | **95.69** |
| Aggregate carrying value of unquoted investments | | 220.69 | | 95.69 |

**11.5.1** During the year 2018-19, the Company had subscribed for additional 1,179 nos. Compulsorily Convertible Preference Shares (CCPS) of Planys Technologies Private Limited (PTPL), a startup Company, having face value of ₹ 1,500.00 per share at a premium of ₹ 23,940.00 per share. The total number of CCPS subscribed by the Company as at March 31, 2019 is 1,562 CCPS. The CCPS have been fair valued in 2018-19 at ₹ 32,450.55 per CCPS. The total investment as at March 31, 2019 is ₹ 50.69 million.

The CCPS are compulsorily convertible into equity shares upon the expiry of 19 years from the date of issue. The Company may, at any time, prior to the expiry of 19 years from the date of issue, irrespective of either the Qualified IPO or Exit takes place or not, issue a notice to the PTPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, PTPL shall issue one Equity Share) ("Conversion Ratio") at a pre-money valuation of ₹ 360.00 million subject to anti-dilution protection and upon receipt of such notice, PTPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion ratio without the need to receive any further consideration therefor.

The CCPS bears a cumulative dividend, at the fixed rate of 0.0001% or dividend that would have been payable in a financial year on Equity Shares that the holders of CCPS would have been entitled to on as-if-converted basis i.e. Equity Shares arising from conversion of CCPS, whichever is higher. The dividend amount on as-if-converted basis shall be payable to holders of CCPS only if dividend has been declared on Equity Shares.

**11.5.2** During the year 2018-19, the Company had subscribed 162,275 nos. Compulsorily Convertible Preference Shares (CCPS) of String Bio Private Limited (SBPL), a startup Company, having face value of ₹ 10 per share at a premium of ₹ 267.30 per share.

The CCPS are compulsorily convertible into equity shares upon the expiry of 20 years from the date of issue. The Company may, at any time, prior to the expiry of 20 years from the date of issue, issue a notice to the SBPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, SBPL shall issue one Equity Share) ("Conversion Ratio") subject to anti-dilution protection and upon receipt of such notice, SBPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion ratio without the need to receive any further consideration therefor.

The CCPS bears a dividend, at the fixed rate of 0.001% of original issue price per CCPS on a cumulative basis compounded annually. In addition if a dividend is declared or paid on Equity Shares, an additional dividend shall be declared or paid with respect that the holders of CCPS.

**11.5.3** During the year, the Company has subscribed 888 nos. Compulsorily Convertible Preference Shares (CCPS) of Chakr Innovation Private Limited (CIPL) a startup Company, having face value of ₹ 100 per share at a premium of ₹ 33,683.78 per share. The CCPS are compulsorily convertible into equity shares upon the expiry of 20 years from the date of issue, a notice to the CIPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, CIPL shall issue one Equity Share) ("Conversion Ratio") subject to anti-dilution protection and upon receipt of such notice, CIPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion ratio without the need to receive any further consideration therefor. The CCPS bears a dividend, at the cumulative coupon rate of 0.001%.

**11.5.4** During the year, the Company has subscribed 19149 nos. Compulsorily Convertible Preference Shares (CCPS) of Logicladder Technologies Private Limited (LTPL) a startup Company, having face value of ₹ 100 per share at a premium of ₹ 2,511.00 per share. The CCPS are compulsorily convertible into equity shares upon the expiry of 20 years from the date of issue of notice to LTPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, LTPL shall issue one Equity Share) ("Conversion Ratio") subject to anti-dilution protection and upon receipt of such notice, LTPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion ratio without the need to receive any further consideration therefor.

The CCPS bears a dividend, at the fixed rate of 0.01% of original issue price per CCPS on a cumulative basis compounded annually. In addition if a dividend is declared or paid on Equity Shares, an additional dividend shall be declared or paid with respect that the holders of CCPS.

**11.5.5** During the year, the Company has subscribed 12,658 nos. Compulsorily Convertible Preference Shares (CCPS) of Sagar Defence Engineering Private Limited (SDEPL) a startup Company, having face value of ₹ 10 per share at a premium of ₹ 3,545.00 per share. The CCPS are compulsorily convertible into equity shares upon the expiry of 20 years from the date of issue to notice to SDEPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, SDEPL shall issue one Equity Share) ("Conversion Ratio") subject to anti-dilution protection and upon receipt of such notice, SDEPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion ratio without the need to receive any further consideration therefor.

The CCPS bears a dividend, at the fixed rate of 0.01% of original issue price per CCPS on a cumulative basis compounded annually. In addition if a dividend is declared or paid on Equity Shares, an additional dividend shall be declared or paid with respect that the holders of CCPS.

**11.6 Investments in Government Securities** **(₹ in million)**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | (No. in million) | Amount | (No. in million) | Amount |
| **Financial assets carried at amortized cost** | | | | |
| (a) 8.40% Oil Co. GOI Special Bonds -2025 (Unquoted – Fully paid up) | 0.20 | 1,975.08 | 0.20 | 1,975.08 |
| **Total Investment in Government or trust securities** | | **1,975.08** | | **1,975.08** |
| Aggregate carrying value of unquoted investments | | 1,975.08 | | 1,975.08 |
| Aggregate amount of impairment in value of investments | | - | | - |

### 11.7 Other Investments

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | (No. in million) | Amount | (No. in million) | Amount |
| **(i) Deemed Investment in Subsidiaries** | | | | |
| (a) Mangalore Refinery and Petrochemicals Limited (Note no. 11.7.1) | | 42.17 | | 42.17 |
| (b) ONGC Videsh Limited (Note no. 11.7.2) | | 5,115.89 | | 4,360.63 |
| **Total Deemed Investment in Subsidiaries** | | **5,158.06** | | **4,402.80** |
| **(ii) Subscription of Share Warrants -Joint ventures (Unquoted – Partially paid up)** | | | | |
| (a) ONGC Petro Additions Limited (Note no. 11.7.3 & 11.7.4) | 2,558 | 24,940.50 | 2,558 | 24,940.50 |
| **Total Investment - Share Warrants** | | **24,940.50** | | **24,940.50** |
| **Total other investments** | | **30,098.56** | | **29,343.30** |
| Aggregate carrying value of investments | | 30,098.56 | | 29,343.30 |
| Aggregate amount of impairment in value of investment | | - | | - |

**11.7.1** The amount of ₹ 42.17 million (Previous year ₹ 42.17 million) denotes the fair value of fees towards financial guarantee given for Mangalore Refinery and Petrochemicals Limited without any consideration.

**11.7.2** The amount of ₹ 5,115.89 million (Previous year ₹ 4,360.63 million) includes, (i) ₹ 3,511.58 million (Previous year ₹ 2,756.32 million) towards the fair value of guarantee fee on financial guarantee given without any consideration for ONGC Videsh Limited and (ii) ₹ 1,604.31 million (Previous year ₹ 1,604.31 million) towards fair value of interest free loan to ONGC Videsh Limited till January 31, 2018.

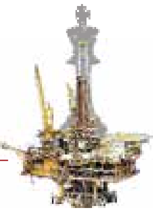
**11.7.3** During the year 2018-19, the Company had subscribed to additional 636,000,000 nos. Share Warrants of ONGC Petro additions Limited @ ₹ 9.75 per share warrant, entitling the Company to exchange each warrant with Equity Share of Face Value of ₹ 10/- each after a balance payment of ₹ 0.25 for each share within thirty six months of subscription of the Share warrants issued on December 12, 2018. During 2015-16, the Company had subscribed to 1,922,000,000 Share Warrants of ONGC Petro additions Limited, entitling the Company to exchange each warrant with Equity Share of Face Value of ₹ 10/- each after a balance payment of ₹ 0.25 per equity share within forty eight months of subscription of the Share warrants issued on August 25, 2015. During the year the date of balance payment of ₹ 0.25 per equity share has been further extended by twenty four months.

**11.7.4** The Company has entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon of Compulsorily Convertible Debentures (CCDs) amounting to ₹ 77,780.00 million (Previous year ₹ 77,780.00 million) issued by ONGC Petro additions Limited in three tranches. The cumulative interest till March 31, 2020 is amounting to ₹ 11,644.38 million (Previous year ₹ 5,117.73 million).

The first tranche and second tranche of CCDs amounting to ₹ 56,150.00 million and ₹ 16,710 million have been extended for a period of 18 months and due for maturity in January 2021 and November 2021 respectively while the third tranche of CCD amounting to ₹ 4,920 million will be due for maturity in March 2021.

**11.8 The aggregate investments in each Subsidiary, Associates and Joint Ventures is as follows:** (₹ in million)

| Name of entity | ONGC Videsh Limited | Mangalore Refinery and Petrochemicals Limited | ONGC Mangalore Petrochemicals Limited | Hindustan Petroleum Corporation Limited | Petronet MHB Limited | Petronet LNG Limited | Pawan Hans Limited | Rohini Heliport Limited | ONGC Petro additions Limited | ONGC Tripura Power Company Limited | Mangalore SEZ Limited | ONGC Teri Biotech Limited | Dahej SEZ Limited | Indradhanush Gas Grid Limited |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nature of entity | Subsidiary | | | | | Associate | | | Joint Venture | | | | | |
| **As at March 31, 2020** | | | | | | | | | | | | | | |
| Equity | 150,000.00 | 10,405.73 | 13,119.84 | 369,150.00 | 3,693.10 | 987.5 | 2,731.66 | 0.05 | 9,979.81 | 5,600.00 | 130.00 | 0.25 | 230.25 | 120.00 |
| Share warrants | - | - | - | - | - | - | - | - | 24,940.50 | - | - | - | - | - |
| Deemed equity | 5,115.89 | 42.17 | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **155,115.89** | **10,447.90** | **13,119.84** | **369,150.00** | **3,693.10** | **987.50** | **2,731.66** | **0.05** | **34,920.31** | **5,600.00** | **130.00** | **0.25** | **230.25** | **120.00** |
| | | | | | | | | | | | | | | |
| **As at March 31, 2019** | | | | | | | | | | | | | | |
| Equity | 150,000.00 | 10,405.73 | 10,669.94 | 369,150.00 | 1,839.32 | 987.5 | 2,731.66 | - | 9,979.81 | 5,600.00 | 130.00 | 0.25 | 230.25 | 50.00 |
| Share warrants | - | - | - | - | - | - | - | - | 24,940.50 | - | - | - | - | - |
| Deemed equity | 4,360.63 | 42.17 | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **154,360.63** | **10,447.90** | **10,669.94** | **369,150.00** | **1,839.32** | **987.50** | **2,731.66** | **-** | **34,920.31** | **5,600.00** | **130.00** | **0.25** | **230.25** | **50.00** |



## 12. Trade receivables- Current

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| (a) Considered Good- Secured (Note no. 12.1) | 1,300.28 | 1,603.27 |
| (b) Considered Good- Unsecured (Note no. 12.1) | 46,473.65 | 82,796.33 |
| (c) Credit impaired (Note no. 12.2) | 1,594.41 | 1,648.15 |
| Less: Impairment for doubtful receivables | 1,594.41 | 1,648.15 |
| **Total** | **47,773.93** | **84,399.60** |

**12.1** Generally, the Company enters into long-term crude oil and gas sales arrangement with its customers. The normal credit period on sales of crude, gas and value added products is 7 - 30 days. No interest is charged during this credit period. Thereafter, interest on delayed payments is charged at SBI Base rate plus 4% - 6% per annum compounded each quarter on the outstanding balance.

Out of the gross trade receivables as at March 31, 2020, an amount of ₹ 39,268.01 million (as at March 31, 2019 ₹ 72,589.33 million) is due from Oil and Gas Marketing companies, the Company's largest customers. There are no other customers who represent more than 5% of total balance of trade receivables.

Accordingly, the Company assesses impairment loss on dues from Oil Marketing Companies on facts and circumstances relevant to each transaction.

The Company has concentration of credit risk due to the fact that the Company has significant receivables from Oil and Gas Marketing Companies (refer note no. 45.2.2, 45.3.2 & 46.4). However, these companies are reputed and creditworthy public sector undertakings (PSUs).

### 12.2 Movement of Impairment for doubtful receivables

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balance at beginning of the year | 1,648.15 | 2,945.62 |
| Addition | 0.61 | 1.47 |
| Write back during the year | (54.35) | (1,298.94) |
| **Balance at end of the year** | **1,594.41** | **1,648.15** |

## 13. Loans

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **(Unsecured, Considered Good unless Otherwise Stated)** | | | | |
| **a. Deposits** | | | | |
| - Considered Good | 1,678.16 | 1,352.00 | 1,615.39 | 2,655.96 |
| - Credit impaired | 14.42 | - | 14.51 | - |
| Less: Impairment for doubtful deposits | 14.42 | - | 14.51 | - |
| **Total Deposits** | **1,678.16** | **1,352.00** | **1,615.39** | **2,655.96** |
| **b. Loans to Related Parties** | | | | |
| - Receivables from Subsidiaries | - | - | 0.01 | 215.36 |
| **Total Loan to Related Parties** | **-** | **-** | **0.01** | **215.36** |
| **c. Loans to Public Sector Undertakings** | | | | |
| - Credit impaired | 170.50 | - | 170.50 | - |
| Less: Impairment for doubtful loans | 170.50 | - | 170.50 | - |
| **Total Loans to Public Sector Undertakings** | **-** | **-** | **-** | **-** |
| **d. Loans to Employees (Note no. 13.1)** | | | | |
| - Secured, Considered Good | 10,033.32 | 2,056.61 | 8,528.05 | 2,158.11 |
| - Unsecured, Considered Good | 113.27 | 1,708.65 | 317.81 | 1,309.87 |
| - Credit impaired | - | 9.68 | - | 11.42 |
| Less: Impairment for doubtful loans | - | 9.68 | - | 11.42 |
| **Total Loan to Employees** | **10,146.59** | **3,765.26** | **8,845.86** | **3,467.98** |
| **Total Loans** | **11,824.75** | **5,117.26** | **10,461.26** | **6,339.30** |

**13.1** Loans to employees include an amount of ₹ 1.85 million (As at March 31, 2019 ₹ 1.39 million) outstanding from Key Managerial Personnel.

**13.2 Movement of Impairment for doubtful loans:**

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Balance at beginning of the year** | **196.43** | **197.25** |
| Recognized during the year | 0.71 | 0.37 |
| Write back during the year | (2.46) | (1.19) |
| Other adjustments | (0.08) | - |
| **Balance at end of the year** | **194.60** | **196.43** |

## 14. Deposits under Site Restoration Fund Scheme

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Deposits under site restoration fund scheme | 221,522.23 | 180,926.09 |
| | **221,522.23** | **180,926.09** |

**14.1** The above amount has been deposited with State Bank of India under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme i.e. towards removal of equipment and installations in a manner agreed with Central Government pursuant to an abandonment plan. This amount is considered as restricted cash and hence not considered as 'Cash and cash equivalents'.

**14.2** Includes ₹ 2,402.18 million (Previous year Nil) towards Tapti A Facilities and ₹ 42,506.87 million (Previous year Nil) towards Panna Mukta Fields (refer note no. 5.2, 6.2 and 25.3).

## 15. Financial assets - Others

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **(Unsecured, Considered Good unless Otherwise Stated)** | | | | |
| **(a) Advance Recoverable in cash** | | | | |
| - Considered Good (Note no. 15.1) | 1,504.57 | 20,212.03 | 2,648.63 | 36,329.74 |
| - Credit impaired (Note no. 15.2, 15.3 & 15.5) | 223.05 | 21,225.89 | 411.16 | 17,428.17 |
| Less: Impairment for doubtful advances | 223.05 | 21,225.89 | 411.16 | 17,428.17 |
| **Total Advance Recoverable in cash** | **1,504.57** | **20,212.03** | **2,648.63** | **36,329.74** |
| **(b) Cash Call Receivable from JO Partners** | | | | |
| - Considered Good (Note no. 15.4) | - | 4,803.06 | - | 9,242.51 |
| - Credit impaired (Note no. 15.5) | 5,696.71 | - | 3,865.09 | - |
| Less: Impairment for doubtful cash call receivables | 5,696.71 | - | 3,865.09 | - |
| **Total Cash Call Receivable from JO Partners** | **-** | **4,803.06** | **-** | **9,242.51** |
| **(c) Interest Accrued on deposits and loans** | | | | |
| - Considered Good | - | 871.34 | - | 104.80 |
| - Credit impaired (Note no. 15.5) | 22.87 | - | 22.87 | - |
| Less: Impairment for doubtful receivables | 22.87 | - | 22.87 | - |
| **Total Interest Accrued on deposits and loans** | **-** | **871.34** | **-** | **104.80** |
| **(d) Others** | | | | |
| - Considered Good | - | 1,852.88 | - | 497.73 |
| - Credit impaired (Note no. 15.5) | - | 0.10 | - | 0.06 |
| Less: Impairment for doubtful receivables | - | 0.10 | - | 0.06 |
| **Total Others** | **-** | **1,852.88** | **-** | **497.73** |
| **Total financial assets-Others** | **1,504.57** | **27,739.31** | **2,648.63** | **46,174.78** |

**15.1** During the financial year 2010-11, the Oil Marketing Companies, nominees of the Government of India (GoI) recovered US$ 32.07 million (equivalent to ₹ 2,420.64 million) Company's share 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 the Director General of Hydrocarbons (DGH) under the two PSCs for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to GoI. BG Exploration and Production India Limited (BGEPIL) along with Reliance Industries Limited (RIL) ("Claimants") have served a notice of arbitration on the GoI in respect of dispute, differences and claims arisen in connection with the terms of Panna, Mukta and Tapti PSCs. Since the Company is not a party to the arbitration proceedings, it had requested Ministry of Petroleum and Natural Gas (MoP&NG), GoI that in case of an arbitral award, the same be made applicable to the Company also, as a constituent of contractor for both the PSCs. Subsequently, vide letter dated July 4, 2011 MoP&NG has advised the Company not to participate in the arbitration initiated by RIL and BGEPIL under Panna Mukta and Tapti PSCs. 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. A Final Partial Award (FPA) was pronounced by the Tribunal in the arbitration matter between RIL, BGEPIL and Union of India.

RIL and BGEPIL the Joint Operating partners have challenged the FPA before the English Commercial Court. Pending final quantification of liabilities by the Arbitration Tribunal and decision of English Commercial Court, the same has been shown as Receivable from GoI under 'Advance Recoverable in Cash'. (Figures in ₹ are restated).

**15.2** In Ravva Joint Operation, the demand towards additional profit petroleum raised by Government of India (GoI), due to differences in interpretation of the provisions of the Production Sharing Contract (PSC) in respect of computation of Post Tax Rate of Return (PTRR), based on the decision of the Malaysian High Court setting aside an earlier arbitral tribunal award in favor of operator, was disputed by the operator Vedanta Limited (erstwhile Cairn India Limited). The Company is not a party to the dispute but has agreed to abide by the decision applicable to the operator. The Company is carrying an amount of US$ 167.84 million (equivalent to ₹ 12,668.92 million) after adjustments for interest and exchange rate fluctuations which has been recovered by GoI, this includes interest amounting to US$ 54.88 million (₹ 4,142.34 million). The Company has made impairment provision towards this recovery made by the GoI.

In subsequent legal proceedings, the Appellate Authority of the Honorable Malaysian High Court of Kuala Lumpur had set aside the decision of the Malaysian High Court and the earlier decision of arbitral tribunal in favour of operator was restored, against which the GoI has preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated October 11, 2011, has dismissed the said appeal of the GoI.

The Company has taken up the matter regarding refund of the recoveries made in view of the favorable judgment of the Federal Court of Malaysia with Ministry of Petroleum and Natural Gas (MoP&NG), GoI. However, according to a communication dated January 13, 2012, MoP&NG expressed the view that the Company's proposal would be examined when the issue of carry in Ravva PSC is decided in its entirety by the Government along with other partners.

In view of the perceived uncertainties in obtaining the refund at this stage, the impairment made in the books as above has been retained and netted off against the amount recoverable as above in the Financial Statements for the year ending March 31, 2020. (Figures in ₹ are restated).

**15.3** The Ravva PSC stipulates Base Development Cost of Ravva JV to be at US$ 188.98 million with a cap of 5% increase. Accordingly, the development cost stated in the PSC is US$ 198.43 million. However, actual cost incurred by JV is more than amount stipulated in the

PSC. Director General of Hydrocarbons did not approve the increase in base development cost for cost recovery and demanded additional profit petroleum vide letter dated August 8, 2006 from the contractor / JV for an amount of US$ 166 million as short paid on account of cost recovery of Development cost in excess of Base Development Cost.

In August 2008 three JV partners excluding ONGC had invoked arbitration against Government of India (GoI) on the issue. The contention of claim as operator was that it should be allowed 100% Cost recovery of the Base Development cost. The issue was argued at various levels including court of Appeals and Malaysian Federal Court. The decision of court was in favour of JV partners. After Federal court of Malaysia decision, the case was filed with Delhi High court for enforcement of award in India. Delhi High Court vide order dated February 19, 2020 allowed enforcement of the Arbitration Award including declaratory relief. GoI has filed an SLP in Honorable Supreme Court of India against the said order and the matter pending with Honorable Supreme Court of India.

Ministry of Petroleum and Natural Gas (MoPNG), GoI vide letter dated October 10, 2018 issued a recovery notice to Oil Marketing companies (OMCs) for US$ 52 million plus applicable interest towards short payment of Government share of Profit Petroleum on account of dispute of Cost recovery of Base Development cost from the payments made to the Company towards the sales proceeds of Crude Oil and Natural Gas. During the year OMCs deducted and deposited the sales proceeds of Crude Oil and Natural Gas to MoPNG and the entire amount of US$ 83 million ($ 52 million along with interest of $31 million) (₹ 6264.84 million) has been recovered. In view of the uncertainties in obtaining the refund at this stage, provision has been created against the said receivables from OMC's.

**15.4** Farm Out Agreements (FOA) was signed between the Company and Petrobras International Braspetro B.V (PIB- BV) for the 3 Blocks KG-DWN – 98/2 (15% PI); MN-DWN-98/3 (40% PI) & CY- DWN- 2001/1(25% PI) in India effective from June 04, 2007. The conditions precedents were satisfied in the Blocks. Government of India approval for assignment of PI to PIB-BV was granted in the year 2008-09 in respect of Blocks KG-DWN-98/2, CY-DWN-2001/1 and MN-DWN-98/3. Subsequently, PIB-BV separately notified its intention to withdraw from KG-DWN-98/2 and MN-DWN-98/3. PIB-BV resolved the issues with the Company and re-assigned its Participating Interest (PI) to ONGC in KG-DWN-98/2.

However, PIB-BV's attempted withdrawal in respect of MN-DWN-98/3 Block could not materialise, due to unresolved issues with PIB-BV in respect of Interim Period costs and pending cash calls in the Block. As regards CY-DWN-2001/1 Block, cash calls were also not paid by PIB-BV.

The Company invoked Arbitration against Petrobras Petroleo Brasileiro S.A (Petrobras) and PIB-BV in respect of outstanding dues in the Blocks MN-DWN-98/3 and CY-DWN-2001/1. London Court of International Arbitration (LCIA) passed the First Partial Award on 6th March, 2017, whereby it was held that Petrobras is neither a party to the FOA nor to the arbitration agreement contained in Article 10.2 thereof; hence the Tribunal opined that it lacks substantive jurisdiction over Petrobras. Accordingly, it was decided to accept the First Partial Award and persue the arbitration against PIB-BV only. The Company made a total claim of US$ 60.57 million (Block MN-DWN-98/3 – US$ 46.84 million & Block CY-DWN-2001/1 – US$ 13.73 million). LCIA in its Final Award of December 26, 2018 passed order in favour of the Company for US$ 46.84 million in respect of block MN-DWN-98/3 and US$ 4.13 million in respect of block CY-DWN-2001/1 along with interest till the date of payment at the Reference Interest Rate specified in Article 1.12 of the FOA. Consequently, provision against cash call amounting to ₹ 3,207.62 million was written back during the previous year. An amount of US$ 54.20 million (Equivalent ₹ 3,722.23 million) has been remitted to the Company by PIB-BV in April 2019.

**15.5 Movement of Impairment for financial assets-others** (₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Balance at beginning of the year** | **21,727.35** | **20,507.35** |
| Recognized during the year (Note no. 15.3) | 4,578.51 | 4,318.18 |
| Write back during the year (Note no. 15.4) | (67.02) | (3,818.29) |
| Other adjustments | 929.78 | 720.11 |
| **Balance at end of the year** | **27,168.62** | **21,727.35** |

## 16. Other assets

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **A. Capital advances** | | | | |
| - Considered good | 887.20 | - | 978.96 | - |
| - Credit impaired | 25.44 | - | 25.44 | - |
| Less: Impairment | 25.44 | - | 25.44 | - |
| | **887.20** | **-** | **978.96** | **-** |
| **B. Others receivables** | | | | |
| - Considered Good | 1.49 | - | 9.09 | - |
| - Credit impaired | 469.45 | - | 416.31 | - |
| Less: Impairment | 469.45 | - | 416.31 | - |
| | **1.49** | **-** | **9.09** | **-** |
| **C. Deposits** | | | | |
| With Customs/Port Trusts etc. | - | 31.28 | - | 29.23 |
| With Others | | | | |
| - Considered Good | 6,359.85 | 77,261.88 | 1,832.35 | 51,126.21 |
| - Credit impaired | 1,528.68 | 680.53 | 1,252.71 | 260.37 |
| Less: Impairment | 1,528.68 | 680.53 | 1,252.71 | 260.37 |
| | **6,359.85** | **77,293.16** | **1,832.35** | **51,155.44** |
| **D. Advance recoverable** | | | | |
| - Considered Good (Note no. 43.10) | 686.65 | 16,569.48 | 258.22 | 10,535.58 |
| - Credit impaired | 589.62 | 1,335.96 | 593.01 | 1,138.16 |
| Less: Impairment for receivables | 589.62 | 1,335.96 | 593.01 | 1,138.16 |
| | **686.65** | **16,569.48** | **258.22** | **10,535.58** |
| E. Prepayments - Mobilization Charges | - | 8.97 | 461.63 | 1,457.41 |
| F. Prepayments - lease land (Note no. 7.2) | 184.23 | 9.35 | 3,105.77 | 154.71 |
| **Total** | **8,119.42** | **93,880.96** | **6,646.02** | **63,303.14** |

16.1 Movement of Impairment for other assets (₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Balance at beginning of the year** | **3,686.00** | **3,546.84** |
| Recognized during the year | 993.17 | 408.16 |
| Write back during the year | (217.89) | (268.88) |
| Other adjustments | 168.40 | (0.12) |
| **Balance at end of the year** | **4,629.68** | **3,686.00** |

## 17. Inventories

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Raw Materials (Condensate) | 2.32 | 2.46 |
| Semi-finished goods (Note no. 33 & 54) | 202.40 | 627.02 |
| Finished Goods (Note no. 17.1, 17.2, 17.3, 33 & 54) | 9,215.84 | 11,261.16 |
| Stores and spares (Note no. 27.1 & 54) | | |
| (a) on hand | 72,627.84 | 62,069.43 |
| (b) in transit | 8,764.69 | 7,339.38 |
| | 81,392.53 | 69,408.81 |
| Less: Impairment for non-moving items | 5,719.56 | 4,667.27 |
| | 75,672.97 | 64,741.54 |
| Unserviceable Items | 572.70 | 407.07 |
| **Total** | **85,666.23** | **77,039.25** |

**17.1** This includes an amount of ₹ 5.50 million (as at March 31, 2019 ₹ 1.79 million) in respect of 330,484 nos. (Previous year 115,093 nos.) Carbon Credits which are valued at net realisable value. There are no CERs under certification. During the year ₹ 82.20 million (Previous year ₹ 98.62 million) and ₹ 32.12 million (Previous year ₹ 36.38 million) has been expensed towards Operating & maintenance cost and depreciation respectively for emission reduction equipment.

**17.2** Inventory costing ₹ 6,581.24 million (as at March 31, 2019 ₹ 646.74 million) have been valued at net realisable value of ₹ 4,046.04 million (as at March 31, 2019 ₹ 181.23 million). Consequently, an amount of ₹ 2,535.45 million (as at march 31, 2019 ₹ 465.51 million) has been recognised as expense in the Statement of Profit and Loss under note no. 34.

**17.3** COVID-19 outbreak was the condition existing on the reporting date March 31, 2020. Price realized of inventory post reporting period provides evidence of the Net realisable value of inventories at the end of the period. Accordingly, subsequent reduction in selling prices are considered in arriving at the net realisable value at the balance sheet date as condition of COVID-19 existed at the balance sheet date which has caused reduction in the selling prices, this has resulted in reduction in the value by ₹ 1,272.19 million.

## 18. Cash and Cash Equivalents

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balances with Banks | 956.47 | 176.35 |
| Cash in Hand | 3.78 | 3.42 |
| | **960.25** | **179.77** |

## 19. Other Bank Balances

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Other Bank Deposits for original maturity more than 3 months upto 12 months (Note no. 19.1) | 6,930.00 | - |
| Unclaimed Dividend Account (Note no. 19.2) | 264.50 | 298.35 |
| Bank balance towards Dividend payment (Note no. 19.3) | 83.31 | 3,202.31 |
| Deposits in Escrow Account (Note no. 19.4) | 1,444.20 | 1,360.18 |
| | **8,722.01** | **4,860.84** |

**19.1** The deposits maintained by the Company with banks comprise time deposit, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

**19.2** Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose. No amount is due for deposit in Investor Education and Protection Fund.

**19.3** The Company had declared an interim dividend of ₹ 5/- per equity share at its meeting held on March 16, 2020 with a record date March 24, 2020 for determining eligibility of shareholders for the payment of the said interim dividend. The interim dividend was paid w.e.f. March 24, 2020 onwards and balance amount of ₹ 83.31 million is lying in the bank account towards payment of this interim dividend as at March 31, 2020.

**19.4** Matter of Dispute on Delivery Point of Panna-Mukta gas between Government of India (GoI) and PMT JO Partners arose due to differing interpretation of relevant PSC clauses. According to the JO Partners, Delivery Point for Panna-Mukta gas is at Offshore, however, Ministry of Petroleum and Natural Gas (MoP&NG), GoI and GAIL (India) Limited (GAIL) maintained that the delivery point is onshore at Hazira. The gas produced from Panna-Mukta fields was transported through Company's pipelines. Owing to the delivery point dispute neither the seller (PMT JO) nor the buyer of gas (GAIL) was paying any compensation to the Company for usage of its pipeline for gas transportation.

Hon'ble Gujarat High Court decided that the Panna Mukta oil fields from where the movement of goods is occasioned fall within the customs frontiers of India. Consequently, the sale of goods cannot be said to have taken place in the course of import of goods into the territory of India. The state Government of Gujarat has filed a petition with the Hon'ble Supreme Court of India against the decision of Hon'ble Gujarat High Court.

Since the said matter of determination of delivery point is pending with the Hon'ble Supreme Court of India, the amount is maintained in the escrow accounts by the JO Partners.

## 20. Assets classified as held for sale

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| CWIP Asset - Hazira Dahej Naphtha Pipeline (HDNPL) | - | 1,154.40 |
| | **-** | **1,154.40** |

**20.1** During the year, the Company has sold the CWIP Asset - Hazira Dahej Naphtha Pipeline (HDNPL) at a consideration of ₹ 1,154 million to ONGC Petro additions Limited (OPaL). Being sold at carrying value, there is no gain / loss on account of such assets held for sale.

## 21. Equity Share Capital

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Equity Share Capital | 62,901.54 | 62,901.54 |
| | **62,901.54** | **62,901.54** |
| **Authorised:** | | |
| 30,000,000,000 Equity Shares of ₹ 5 each<br>(as at March 31, 2019: 30,000,000,000 Equity Shares of ₹ 5 each) | **150,000.00** | **150,000.00** |
| **Issued and Subscribed:** | | |
| 12,580,317,150 Equity Shares of ₹ 5 each<br>(as at March 31, 2019: 12,580,317,150 Equity Shares of ₹ 5 each) | **62,901.59** | **62,901.59** |
| **Fully paid equity shares:** | | |
| 12,580,279,206 Equity Shares of ₹ 5 each<br>(as at March 31, 2019: 12,580,279,206 Equity Shares of ₹ 5 each) | 62,901.39 | 62,901.39 |
| Add: Shares forfeited (Note no. 21.6) | 0.15 | 0.15 |
| **Total** | **62,901.54** | **62,901.54** |

### 21.1 Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period: (₹ in million)

| Particulars | Number of shares in million | Share capital |
|---|---|---|
| **Balance at April 1, 2018** | **12,833.24** | **64,166.17** |
| Buyback of Equity Shares (Note no.21.4) | (252.96) | (1,264.78) |
| **Balance at April 1, 2019** | **12,580.28** | **62,901.39** |
| Changes during the year | - | - |
| **Balance at March 31, 2020** | **12,580.28** | **62,901.39** |

### 21.2 Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**21.3** The Company had allotted 4,277,745,060 number of fully paid Bonus shares on December 18, 2016 in the ratio of one equity share of ₹ 5 each fully paid up for every two existing equity shares of ₹ 5 each fully paid up.

**21.4** The Board of Directors of the Company, at the 312th meeting held on December 20, 2018 approved the proposal for buy-back of equity shares of the Company upto 252,955,974 fully paid-up equity shares at the price of ₹ 159/- per equity share payable in cash for an aggregate consideration not exceeding ₹ 40,220 million. The buy-back offer worked out to 2.50% of the net-worth of the Company as on March 31, 2017 and 2.34% as on March 31, 2018. The Company has completed the buy-back of 252,955,974 fully paid-up equity shares on February 22, 2019.

Upon completion of the buy-back in 2018-19, the number of paid-up equity share capital of the Company stands reduced from 12,833,235,180 (₹ 64,166.17 million) to 12,580,279,206 (₹ 62,901.39 million).

**21.5 Details of shareholders holding more than 5% shares in the Company are as under: -**

| Name of equity share holders | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. in million | % holding | No. in million | % holding |
| President of India | 7,599.61 | 60.41 | 8,082.69 | 64.25 |
| Life Insurance Corporation of India | 1,192.19 | 9.48 | 1,192.19 | 9.48 |
| Indian Oil Corporation Limited | 986.89 | 7.85 | 986.89 | 7.85 |

**21.6** 18,972 equity shares of ₹ 10 each (equivalent to 37,944 equity shares of ₹ 5 each) were forfeited in the year 2006-07 against which amount originally paid up was ₹ 0.15 million.

## 22. Other Equity

**(₹ in million)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Capital reserve | 159.44 | 159.44 |
| Capital redemption reserve | 1,264.78 | 1,264.78 |
| Reserve for equity instruments through other comprehensive income | 78,961.70 | 200,699.21 |
| General reserve | 1,793,185.42 | 1,743,091.18 |
| Retained Earnings | 6,908.02 | 9,779.59 |
| **Total** | **1,880,479.36** | **1,954,994.20** |

ONGC has continued to ensure that it protects and cares for the environment for a sustainable, greener and cleaner future

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **A. Capital reserves** | | |
| Balance at beginning of year (Note no. 22.1) | 159.44 | 159.44 |
| Movements | - | - |
| **Balance at end of year** | **159.44** | **159.44** |
| **B. Capital redemption reserve** | | |
| Balance at beginning of year | 1,264.78 | - |
| Add: Transfer from general reserve (Note no. 22.5) | - | 1,264.78 |
| **Balance at end of year** | **1,264.78** | **1,264.78** |
| **C. Reserve for equity instruments through other comprehensive income (Note no. 22.2)** | | |
| Balance at beginning of year | 200,699.21 | 215,740.58 |
| Fair value gain/(loss) on investments in equity instruments | (121,737.51) | (15,041.37) |
| **Balance at end of year** | **78,961.70** | **200,699.21** |
| **D. General Reserve (Note no. 22.3)** | | |
| Balance at beginning of year | 1,743,091.18 | 1,628,949.72 |
| Less: Buyback of equity shares (Note no. 22.5) | - | 38,955.22 |
| Less: Transferred to capital redemption reserve (Note no. 22.5) | - | 1,264.78 |
| Add: Transfer from retained earnings | 50,094.24 | 154,361.46 |
| **Balance at end of year** | **1,793,185.42** | **1,743,091.18** |
| **E. Retained Earnings** | | |
| Balance at beginning of year | 9,779.59 | 12,312.83 |
| Profit after tax for the year | 134,445.44 | 267,646.00 |
| Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax | (2,871.57) | (2,946.24) |
| Less: Payments of dividends (Note no. 22.4) | 72,336.72 | 95,951.80 |
| Less: Tax on Dividends | 12,014.48 | 16,844.63 |
| Less: Expenses relating to buyback of equity shares (Note no. 22.5) | - | 75.11 |
| Less: Transferred to general reserve | 50,094.24 | 154,361.46 |
| **Balance at end of year** | **6,908.02** | **9,779.59** |

**22.1** Represent assessed value of assets received as gift.

**22.2** The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on revaluation of equity instruments measured at fair value through other comprehensive income. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed off.

**22.3** General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes, as the same is created by transfer from one component of equity to another.

**22.4** The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company.

On August 30, 2019, a final dividend of ₹ 0.75 per share (15%) for 2018-19 was declared, which have been paid to Shareholders / beneficial interest holders of fully paid equity shares.

On March 16, 2020, the Company had declared an interim dividend of ₹ 5.00 per share (100%) which have been paid / released to bank for payment.

**22.5** As per Companies Act, 2013, Capital Redemption Reserve is to be created when Company purchases (buy backs) it's own shares out of the free reserves for an amount equal to the nominal value of shares (Share Capital extinguished) so purchased. Accordingly, an amount of ₹ 1,264.78 million i.e. the Share Capital extinguished was transferred from General Reserve to Capital Redemption Reserve in 2018-19.

During the year 2018-19, an amount of ₹ 38,955.22 million from general reserve and ₹ 75.11 million from retained earnings was utilised to offset the excess of total buy-back cost of ₹ 40,295.11 million (including ₹ 75.11 million towards transaction cost of buy-back) over par value of shares.

## 23. Lease Liabilities

**(₹ in million)**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non current | Current | Non current | Current |
| Lease Liabilities (Note no. 42) | 50,521.87 | 47,743.88 | 382.93 | 35.03 |
| **Total** | **50,521.87** | **47,743.88** | **382.93** | **35.03** |

### 23.1 Movement of Lease Liabilities

**(₹ in million)**

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| **Balance at beginning of the year*** | 95,394.02 | 417.96 |
| Recognized during the year | 46,732.60 | - |
| Unwinding of discount on lease liabilities | 3,720.25 | - |
| Payment during the year | (52,599.37) | - |
| Write back during the year | (14.04) | - |
| Revaluation of lease liabilities | 7,775.88 | - |
| Effect of remeasurement / other adjustment | (2,743.59) | - |
| **Balance at end of the year** | **98,265.75** | **417.96** |

** Lease liabilities recognised as at April 1, 2019 (refer note. no 7.1)*

## 24. Other financial liabilities

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non current | Current | Non current | Current |
| Deposits from suppliers and contractors | 615.66 | 5,972.39 | 181.54 | 4,359.82 |
| Financial Guarantee obligation (Note no. 24.1) | 947.00 | 388.15 | 616.85 | 374.52 |
| Unclaimed Dividend (Note no. 24.2) | - | 264.50 | - | 298.35 |
| Dividend payable (Note no. 19.3) | - | 83.31 | - | 3,202.31 |
| Liability for Capital Goods | - | 29,372.15 | - | 10,189.76 |
| Liability for Employees | - | 23,848.63 | - | 26,942.59 |
| Liability for Post-Retirement Benefit Scheme | - | 2,850.53 | - | 1,172.43 |
| Cash call payable to Joint Venture partners | - | 21,835.22 | - | 24,997.97 |
| Liquidated damages deducted from parties | - | 25,144.64 | - | 28,148.90 |
| Interest accrued on borrowings | - | 262.93 | - | 170.30 |
| Other Liabilities | - | 29,589.67 | - | 22,580.24 |
| **Total** | **1,562.66** | **139,612.12** | **798.39** | **122,437.19** |

**24.1** This represents the fair value of fee towards financial guarantee issued on behalf of subsidiaries, recognised as financial guarantee obligation with corresponding debit to investment in subsidiaries.

**24.2** No amount is due for deposit in Investor Education and Protection Fund.

## 25. Provisions

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non current | Current | Non current | Current |
| **Provision for Employee benefits** (Note no. 43.9) | | | | |
| - For Post-Retirement Medical and Terminal Benefits | 49,038.85 | 2,305.08 | 43,467.43 | 2,140.77 |
| - Gratuity for contingent employees | 83.78 | 18.69 | 91.00 | 9.22 |
| - Unavailed Leave and compensated absences | - | 3,342.14 | - | 6,564.52 |
| **Provision for Others** (Note no. 25.1) | | | | |
| - Provision for decommissioning (Note no. 25.2) | 199,938.32 | 4,471.87 | 192,688.94 | 6,305.59 |
| - Other Provisions (Note no. 25.3) | 30,331.11 | 837.56 | - | 836.51 |
| | **279,392.06** | **10,975.34** | **236,247.37** | **15,856.61** |

**25.1 Movement of Provision for Others** **(₹ in million)**

| Particulars | Provision for decommissioning | | Other provisions | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| **Balance at beginning of the year** | **198,994.53** | **182,346.76** | **836.51** | **557.34** |
| Recognized during the year | 3,124.83 | 8,248.16 | 30,321.94 | 376.45 |
| Amount used during the year | (18,691.85) | (892.06) | - | - |
| Unwinding of discount | 17,687.86 | 13,718.93 | - | - |
| Write back during the year (Note no. 54) | (2,467.25) | (1,793.28) | - | (97.28) |
| Effect of remeasurement / other adjustment (Note no. 54) | 5,762.07 | (2,633.98) | 10.22 | - |
| **Balance at end of the year** | **204,410.19** | **198,994.53** | **31,168.67** | **836.51** |

**25.2** The Company estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil and Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future for which the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty. The economic life of the Oil and Gas assets is estimated on the basis of long term production profile of the relevant Oil and Gas asset. The timing and amount of future expenditures are reviewed annually, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows.

**25.3** Includes ₹ 29,990.12 million (Previous year Nil) accounted as provision for contingency to the extent of excess of accumulated balance in the SRF fund after estimating the decommissioning provision of Panna-Mukta fields and Tapti Part A facilities as per Company policy (refer note no. 5.2, 6.2 & 14.2).

## 26. Deferred Tax Liabilities (net)

The following is the analysis of deferred tax assets / (liabilities) presented in the Balance Sheet:

**(₹ in million)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Deferred tax assets | 54,508.71 | 62,847.32 |
| Deferred tax liabilities (Note no. 54) | (317,949.67) | (337,108.40) |
| **Total** | **263,440.96** | **274,261.08** |

For FY 2019-20

(₹ in million)

| Particulars | Opening balance | Recognised in profit or loss | Recognised in other comprehensive income | Closing balance |
|---|---|---|---|---|
| **Deferred tax (liabilities) / assets in relation to:** | | | | |
| **Deferred Tax Assets** | | | | |
| Unclaimed Exploratory Wells written off | 39,479.31 | (8,728.36) | - | 30,750.95 |
| Impairment/Expenses Disallowed Under Income Tax | 15,886.15 | (843.00) | - | 15,043.15 |
| Financial Assets | 1,756.56 | 342.69 | - | 2,099.25 |
| Intangible assets | 1,908.98 | (652.37) | - | 1,256.61 |
| Defined benefit obligation | 3,816.32 | - | 1,542.43 | 5,358.75 |
| **Total Deferred Tax Assets** | **62,847.32** | **(9,881.04)** | **1,542.43** | **54,508.71** |
| **Deferred Tax Liabilities** | | | | |
| Property, plant and equipment | 256,896.20 | (5,371.45) | - | 251,524.75 |
| Exploratory wells in progress | 54,228.78 | (9,548.12) | - | 44,680.66 |
| Development wells in progress | 13,415.64 | 2,404.48 | - | 15,820.12 |
| Intangible assets | - | - | - | - |
| Financial liabilities | 12.62 | (8.80) | - | 3.82 |
| Fair value gain on investments in equity shares at FVTOCI | 12,048.27 | - | (8,031.93) | 4,016.34 |
| Others | 506.89 | 1,397.09 | - | 1,903.98 |
| **Total Deferred Tax Liabilities** | **337,108.40** | **(11,126.80)** | **(8,031.93)** | **317,949.67** |
| **Deferred Tax Liabilities (Net)** | **274,261.08** | **(1,245.76)** | **(9,574.36)** | **263,440.96** |

For FY 2018-19

(₹ in million)

| Particulars | Opening balance | Recognised in profit or loss | Recognised in other comprehensive income | Closing balance |
|---|---|---|---|---|
| **Deferred tax (liabilities) / assets in relation to:** | | | | |
| **Deferred Tax Assets** | | | | |
| Unclaimed Exploratory Wells written off | 33,867.36 | 5,611.95 | - | 39,479.31 |
| Impairment/Expenses Disallowed Under Income Tax | 18,386.29 | (2,500.14) | - | 15,886.15 |
| Financial Assets | 1,586.84 | 169.72 | - | 1,756.56 |
| Intangible assets | 8,617.41 | (6,708.43) | - | 1,908.98 |
| Defined benefit obligation | 2,233.78 | - | 1,582.54 | 3,816.32 |
| **Total Deferred Tax Assets** | **64,691.68** | **(3,426.90)** | **1,582.54** | **62,847.32** |
| **Deferred Tax Liabilities** | | | | |
| Property, plant and equipment | 236,878.89 | 20,017.31 | - | 256,896.20 |
| Exploratory wells in progress | 60,521.88 | (6,293.10) | - | 54,228.78 |
| Development wells in progress | 7,255.61 | 6,160.03 | - | 13,415.64 |
| Intangible assets | - | - | - | - |
| Financial liabilities | 1.72 | 10.90 | - | 12.62 |
| Fair value gain on investments in equity shares at FVTOCI | 13,313.51 | - | (1,265.24) | 12,048.27 |
| Others | 2,607.53 | (2,100.64) | - | 506.89 |
| **Total Deferred Tax Liabilities** | **320,579.14** | **17,794.50** | **(1,265.24)** | **337,108.40** |
| **Deferred Tax Liabilities (Net)** | **255,887.46** | **21,221.40** | **(2,847.78)** | **274,261.08** |

## 27. Other liabilities

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| Advance from Customers | - | 1,419.73 | - | 303.41 |
| Contract Liability-Advance MGO (Note no. 27.2, 27.3 & 27.4) | 256.74 | 47.97 | 236.74 | 107.42 |
| Deferred government grant (Note no. 27.1 & 54) | 78.60 | - | 11.50 | - |
| Liability for Statutory Payments | - | 15,804.45 | - | 22,191.30 |
| Other liabilities | 52.54 | 1,390.91 | 77.90 | 1,552.74 |
| **Total** | **387.88** | **18,663.06** | **326.14** | **24,154.87** |

**27.1** During the year 2016-17, assets, facilities and inventory which were a part of the Tapti A series of PMT Joint Operation and surrendered by the JO to the Government of India as per the terms and conditions of the JO Agreement and these assets, facilities and inventory have been transferred by Government of India to the Company free of cost as its nominee. The Company had assessed the fair value of the said assets & facilities at ₹ 7,156.89 million based on the valuation report by a third party agency, which was accounted as Oil & Gas Asset with a corresponding liability as Deferred Government Grant. Inventory valuing ₹ 458.84 million was accounted with a corresponding liability as Deferred Government Grant. The balance Government grant liability after amortisation was ₹ 6,795.16 million as at March 31, 2019

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'), during the year 2019-20 the Company has 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. (refer note no. 5.2, 6.2 & 54).

**27.2** Revenue recognised that was included in the contract liability balance at the beginning of the period

(₹ in million)

| Product | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Natural gas | 79.90 | 1.33 |

**27.3** Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligation that are unsatisfied at the reporting date:

**(₹ in million)**

| Product | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Less than 12 months | More than 12 months | Less than 12 Months | More than 12 months |
| Natural gas | 47.97 | 256.74 | 107.42 | 236.74 |

**27.4** Significant changes in the contract liability balances during the year are as follows:

**(₹ in million)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Balance at beginning of the year** | **344.16** | **303.64** |
| Add: Amount received from customers during the year | 69.11 | 50.44 |
| Less: MGO Refunded | 28.66 | 8.59 |
| Less: Revenue recognised during the year | 79.90 | 1.33 |
| **Balance at end of the year** | **304.71** | **344.16** |

## 28. Borrowings

**(₹ in million)**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non-current | Current | Non-current | Current |
| **Unsecured – at amortised cost** | | | | |
| Foreign currency Term Loans (Note no. 28.1 & 28.2) | - | 84,990.35 | - | 77,930.46 |
| Working Capital Loans (Note no. 28.3) | - | 22,140.00 | - | 93,410.00 |
| Foreign Currency Bond (Note no. 28.4) | 22,644.00 | - | - | - |
| Less: Unamortised Discount and other charges on Foreign Currency Bond | (193.03) | - | - | - |
| **Unsecured- Others** | | | | |
| Commercial Paper (Note no. 28.5) | - | 10,000.00 | - | 45,000.00 |
| Less: Unamortised Discount on Commercial Paper | - | (90.22) | - | (423.07) |
| Bank Overdraft | - | - | - | 18.33 |
| **Total** | **22,450.97** | **117,040.13** | **-** | **215,935.72** |

**28.1** The Foreign Currency Term loans availed from banks to part finance the strategic acquisition of 51.11% shareholding in HPCL from Government of India were due for repayment in January, 2020. The outstanding loans amounting to US$ 1,126 million have been refinanced on three occasions by availing foreign currency term loans from banks / institution during July 2019, December 2019 and January, 2020.

**The Borrowings have been taken on the following terms:**

**28.2** Foreign Currency Term Loans (FCTL) / Foreign Currency Non-Resident (Bank) Loans (FCNR-B)

| Sl. No. | As at March 31, 2020 | | Terms of Repayment | Interest Rate |
|---|---|---|---|---|
| | Amount in million US$ | Amount in ₹ million | | |
| 1. | 450.00 | 33,965.97 | Upto December 26, 2020 | 1Month LIBOR + 1.00 % Payable monthly |
| 2. | 126.00 | 9,510.48 | Upto December 26, 2020 | 1Month LIBOR + 0.99 % Payable monthly |
| 3. | 250.00 | 18,869.91 | Upto December 29, 2020 | 1Month LIBOR + 0.99 % Payable monthly |
| 4. | 300.00 | 22,643.99 | Upto January 29, 2021 (with rollover due on July 30, 2020) | 1Month LIBOR + 0.90 % Payable monthly |
| **Total** | **1,126.00** | **84,990.35** | | |

**28.3** Line of Credit / Short term loan was availed from scheduled banks to meet the working capital requirement. The interest is benchmarked to Fixed Rate/ linked to T-bill / MCLR. Details of Line of credit / Short Term Loan outstanding as on March 31, 2020 are as:

| Sl. No. | Amount in ₹ million as at March 31, 2020 | Rate of Interest | Effective rate |
|---|---|---|---|
| 1. | 10,000.00 | 5.87% p.a., payable monthly | 5.87% |
| 2. | 12,140.00 | 6.00% p.a., payable monthly | 6.00% |
| **Total** | **22,140.00** | | |

**28.4** Details of Foreign Currency Bonds outstanding as on March 31, 2020 are as follows:

| Sl. No. | Date of Issue | Date of repayment | Amount in US$ million as at March 31, 2020 (At face value) | Amount in ₹ million as at March 31, 2020 | Rate of interest |
|---|---|---|---|---|---|
| 1. | December 05, 2019 | December 05, 2029 | 300.00 | 22,644.00 | 3.375 % payable half yearly |

**28.5** Details of Commercial Papers outstanding as on March 31, 2020 are as follows:

| Sl. No. | Date of Issue | Date of repayment | Amount in ₹ million as at March 31, 2020 (At face value) | Rate of interest % |
|---|---|---|---|---|
| 1. | March 06, 2020 | June 02, 2020 | 10,000.00 | 5.38% |
| | | **Total** | **10,000.00** | |

## 29. Trade payables

### 29.1 Trade payables- Micro and Small enterprises*

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| a) Principal & Interest amount remaining unpaid but not due as at year end (Note no. 29.3) | 132.07 | 98.55 |
| b) Interest paid by the Company in terms of Section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| d) Interest accrued and remaining unpaid as at year end. | - | - |
| e) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above is actually paid to the small enterprise. | - | - |

** Based on the confirmation from Vendors.*

### 29.2 Trade payables - other than micro and small enterprises

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Trade payable (Note no. 29.3) | 71,004.20 | 88,151.43 |
| **Total** | **71,004.20** | **88,151.43** |

**29.3** Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. Generally, the average credit period on purchases is 21 days.

## 30. Tax Assets / liabilities (Net)

### (a) Non-Current Tax Assets (Net)

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non-Current tax assets (Net)** (Note no. 54) | 90,430.66 | 94,272.41 |
| **Total** | **90,430.66** | **94,272.41** |

### (b) Current Tax Liabilities (Net)

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Current Tax Liabilities (Net)** | 499.38 | 499.38 |
| **Total** | **499.38** | **499.38** |

## 31. Revenue from Operations

(₹ in million)

| | Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| A. | **Sale of Products** | | |
| | **Own Products** (including excise duty) (Note no. 31.1, 31.2 & 31.3) | 975,095.97 | 1,119,046.07 |
| | Less: Transfer to Exploratory Wells in progress (includes levies) | 324.03 | 33.08 |
| | Less: Government of India's (GoI's) share in Profit Petroleum | 17,757.88 | 26,014.21 |
| | | 957,014.06 | 1,092,998.78 |
| B. | **Other Operating Revenue** | | |
| | Contractual Short Lifted Gas Receipts | 254.67 | 72.23 |
| | Pipeline Transportation Receipts | 352.03 | 447.60 |
| | North-East Gas Subsidy (Note no. 31.2) | 2,295.85 | 1,964.40 |
| | Surplus from Gas Pool Account | 1,308.20 | - |
| | Production Bonus | - | 63.22 |
| | Sale of Electricity | 668.38 | 663.36 |
| | Processing Charges | 242.90 | 335.91 |
| | | 5,122.03 | 3,546.72 |
| | **Total** | **962,136.09** | **1,096,545.50** |

**31.1** Revenue from nominated crude (except North East crude) is accounted for in terms of Crude Oil Sales Agreements (COSAs) signed with Buyer refineries. For Crude Oil produced in North East, revenue from sale of Crude oil to IOCL is accounted for in terms of COSA while sales revenue from sale of Crude oil to NRL is based on the pricing formula provided by Ministry of Petroleum and Natural Gas, Government of India.

**31.2** Majority of Sales revenue of Natural Gas is based on domestic gas price of US$ 3.69 / mmbtu and US$ 3.23 /mmbtu (on GCV basis) notified by GoI for the period April 01, 2019 to September 30, 2019 and October 01, 2019 to March 31, 2020 respectively in terms of "New Domestic Natural Gas Pricing Guidelines, 2014". For certain gas consumers in North-East, consumer price is 60% of the domestic gas price and the difference between domestic gas price and consumer price is paid to the Company through GoI Budget and classified as 'North-East Gas Subsidy'.

**31.3** The outbreak of COVID-19 globally and resultant lockdown in many countries, including India has impacted the business of the Company. Oil, Gas and Petroleum Products are declared as essential services by Government of India during lockdown. The Company continued producing and supplying crude oil and natural gas to its customers during lockdown period. Offtake of crude oil by Refineries is not affected during this period. But few Gas customers have served notices of Force majeure on the Company due to lock down restrictions causing marginal reduction in Gas sales which is not material.

After March 31, 2020, there has not been any reduction in demand for the crude oil produced by the Company. Natural Gas demand (and hence production) however did see a modest decline of about 9% during the lockdown, which has been now restored to normal levels with gas demand increasing to pre-COVID-19 levels after relaxations in lockdown and gradual opening of industries and various customers. There were few issues in delivery of materials as the Company's operations and supply chain is distributed across various work centres and projects all over the country. However, it doesn't affect operations materially and there is no disruption in supply chain management leading to any significant impact on the Company's business. There have been some disruptions in supply chains especially in the international arena but these have not yet had any major impact on day to day operations. As far as some projects are concerned, the supply chain disruption has pushed back the anticipated completion dates.

However, the unfolding events could in fact may end up being different but it is anticipated the same are unlikely to materially affect the oil and gas production/off-take etc. though the unfolding events could have impact on oil and gas prices, similarly outfield activities or project progress may get affected as situation on COVID-19 unfolds.

### 31.4 Details of Sales Revenue

| Product | Unit | Year ended March 31, 2020 | | Year ended March 31, 2019 | |
|---|---|---|---|---|---|
| | | Quantity | Value ₹ in million | Quantity | Value ₹ in million |
| Crude Oil * | MT | 21,340,755 | 664,482.00 | 22,502,531 | 800,033.50 |
| Less: From Exploratory Wells in progress | | 3,222 | 86.33 | - | - |
| Less: Government of India's share in Profit Petroleum | | | 16,032.53 | | 24,304.57 |
| | | | **648,363.14** | | **775,728.93** |
| Natural Gas * | 000M 3 | 19,423,386 | 195,518.93 | 20,484,909 | 190,131.38 |
| Less: From Exploratory Wells in progress | | 22,054 | 237.70 | 2,213 | 33.08 |
| Less: Government of India's share in Profit Petroleum | | | 1,725.35 | | 1,709.64 |
| | | | **193,555.88** | | **188,388.66** |
| Liquefied Petroleum Gas | MT | 1,011,323 | 36,037.83 | 1,109,407 | 43,490.00 |
| Naphtha | MT | 1,177,420 | 39,863.10 | 1,153,824 | 46,861.37 |
| Ethane-Propane | MT | 345,536 | 8,155.41 | 413,636 | 10,062.67 |
| Ethane | MT | 535,391 | 12,936.88 | 456,495 | 10,109.38 |
| Propane | MT | 219,328 | 7,251.22 | 207,397 | 7,948.20 |
| Butane | MT | 124,908 | 4,207.74 | 114,639 | 4,470.09 |
| Superior Kerosene Oil | MT | 54,802 | 2,465.03 | 71,332 | 3,355.46 |
| LSHS | MT | 27,727 | 746.55 | 21,673 | 693.87 |
| HSD | MT | 42,111 | 2,390.04 | 18,967 | 1,154.59 |
| Aviation Turbine Fuel (ATF) | MT | 18,233 | 889.26 | 9,401 | 519.14 |
| Light Diesel Oil | MT | - | - | 108 | 3.86 |
| MTO | MT | 3,389 | 151.98 | 4,434 | 204.20 |
| Others | | | - | | 8.36 |
| **Total** | | | **957,014.06** | | **1,092,998.78** |

* *Quantity includes share from Joint Operations as per the Participating interest and / or Entitlement interest, whichever is applicable.*

## 32. Other Income

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Interest on:** | | |
| Deposits with Banks/Public Sector Undertakings | 902.34 | 644.98 |
| Income Tax Refund | 289.64 | 3,800.38 |
| Delayed Payment from Customers and Others | 240.96 | 2,096.73 |
| Financial assets measured at amortized cost | | |
| - Loans to Subsidiaries/Associates | - | 552.71 |
| - Site Restoration Fund Deposit | 10,459.21 | 11,401.19 |
| - Employee loans | 1,119.32 | 1,070.05 |
| - Other Investments | 165.79 | 165.79 |
| - Others | 11.52 | 11.75 |
| | **13,188.78** | **19,743.58** |
| **Dividend Income from:** | | |
| Investment in Subsidiaries, Associates and Joint Ventures | 16,055.50 | 16,433.46 |
| Investments in Mutual funds | 1.47 | 77.01 |
| Other Investments (FVTOCI) | 8,607.13 | 14,543.94 |
| | **24,664.10** | **31,054.41** |
| **Other Non-Operating Income** | | |
| Excess decommissioning provision written back (Note no. 54) | 2,467.25 | 1,793.28 |
| Excess provision written back - Others | 629.28 | 5,656.89 |
| Liabilities no longer required written back | 1,288.44 | 3,678.83 |
| Contractual Receipts | 954.26 | 511.42 |
| Profit on sale of Asset | - | 83.44 |
| Amortization of financial guarantee obligation | 411.48 | 480.32 |
| Fair valuation of financial instruments | 25.31 | 45.71 |
| Miscellaneous Receipts (Note no. 54) | 17,421.36 | 9,604.74 |
| | **23,197.38** | **21,854.63** |
| **Total** | **61,050.26** | **72,652.62** |

## 33. Details of opening and closing inventories

(₹ in million)

| Particulars | Unit | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|---|
| | | Quantity | Value | Quantity | Value |
| **Opening stock** | | | | | |
| Crude Oil* | MT | 910,532 | 10,969.42 | 897,792 | 9,386.84 |
| Liquefied Petroleum Gas | MT | 7,575 | 72.26 | 9,973 | 95.99 |
| Naphtha | MT | 99,760 | 500.30 | 81,274 | 461.21 |
| Ethane/Propane | MT | 762 | 8.83 | 465 | 5.82 |
| Superior Kerosene Oil | MT | 9,489 | 42.60 | 14,397 | 61.94 |
| Aviation Turbine Fuel | MT | 3,482 | 28.23 | 1,815 | 13.41 |
| Low Sulphur Heavy Stock | MT | 2,307 | 56.49 | 1,966 | 34.50 |
| High Speed Diesel | MT | 8,032 | 164.63 | 3,875 | 93.89 |
| Ethane | MT | 455 | 6.79 | 2,328 | 43.39 |
| Propane | MT | 243 | 6.28 | 1,006 | 12.30 |
| Butane | MT | 199 | 6.15 | 472 | 5.88 |
| Mineral Turpentine Oil | MT | 312 | 7.64 | 308 | 5.40 |
| Carbon Credits | Units | 115,093 | 1.79 | 115,093 | 1.76 |
| Others | | - | 16.76 | - | 0.88 |
| | | | **11,888.17** | | **10,223.21** |
| **Closing stock** | | | | | |
| Crude Oil* | MT | 952,782 | 8,817.64 | 910,532 | 10,969.42 |
| Liquefied Petroleum Gas | MT | 9,522 | 83.37 | 7,575 | 72.26 |
| Naphtha | MT | 35,801 | 182.75 | 99,760 | 500.30 |
| Ethane-Propane | MT | 341 | 4.65 | 762 | 8.83 |
| Superior Kerosene Oil | MT | 4,859 | 18.61 | 9,489 | 42.60 |
| Aviation Turbine Fuel | MT | 4,515 | 40.66 | 3,482 | 28.23 |
| Low Sulphur Heavy Stock | MT | 991 | 14.31 | 2,307 | 56.49 |
| High Speed Diesel | MT | 6,247 | 179.44 | 8,032 | 164.63 |
| Ethane | MT | 1,245 | 20.18 | 455 | 6.79 |
| Propane | MT | 571 | 9.07 | 243 | 6.28 |
| Butane | MT | 348 | 6.64 | 199 | 6.15 |
| Mineral Turpentine Oil | MT | 281 | 3.46 | 312 | 7.64 |
| Carbon Credits | Units | 330,484 | 5.50 | 115,093 | 1.79 |
| Others | | | 31.96 | | 16.76 |
| **Total** | | | **9,418.24** | | **11,888.17** |

** Includes Company's share in stock of Joint Operation.*

### 34. Changes in inventories of finished goods, stock in trade and work in progress

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Closing Stock- Finished/Semi Finished Goods and Stock in Trade (Note no. 54) | 9,418.24 | 11,888.17 |
| Opening Stock- Finished/Semi Finished Goods and Stock in Trade (Note no. 54) | 11,888.17 | 10,223.21 |
| **(Increase)/decrease in inventories** | **2,469.93** | **(1,664.96)** |

### 35. Production, Transportation, Selling and Distribution Expenditure

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Royalty | 115,075.55 | 134,600.41 |
| OIDB Cess | 107,877.64 | 128,567.66 |
| National Calamity Contingent Duty | 1,019.92 | 1,063.13 |
| Excise Duty | 477.67 | 267.91 |
| Road and Infrastructure Cess | 407.92 | 183.37 |
| Service Tax | 502.74 | 0.21 |
| Port Trust Charges | 346.59 | 321.54 |
| Staff Expenditure | 25,203.35 | 27,061.22 |
| Workover Operations | 14,466.64 | 17,547.51 |
| Water Injection, Desalting and Demulsification | 12,153.51 | 13,036.14 |
| Consumption of Raw materials, Stores and Spares (Note no. 54) | 25,881.17 | 22,177.91 |
| Pollution Control | 2,780.29 | 2,787.30 |
| Transport Expenses | 3,581.92 | 5,713.27 |
| Insurance | 1,006.68 | 941.99 |
| Power and Fuel | 3,467.99 | 3,047.83 |
| Repairs and Maintenance | 22,612.57 | 21,027.58 |
| Contractual payments including Hire charges etc. | 18,407.34 | 25,855.99 |
| Other Production Expenditure | 10,628.13 | 8,970.82 |
| Transportation and Freight of Products | 13,744.01 | 14,909.39 |
| Research and Development | 5,557.73 | 5,832.76 |
| General Administrative Expenses | 40,225.14 | 39,954.93 |
| CSR expenditure (Note no. 35.2) | 6,069.69 | 6,146.44 |
| Exchange Loss (Net)* (Note no. 36.1) | 16,771.71 | 4,768.96 |
| Miscellaneous Expenditure (Note no. 35.3) | 8,556.13 | 10,376.07 |
| Loss on fair valuation of financial instruments | 1,498.24 | 998.90 |
| **Total** | **458,320.27** | **496,159.24** |

* Includes ₹7,775.88 million (Previous year Nil) exchange loss on revaluation of FE Lease liabilities.

### 35.1 Details of Nature wise Expenditure

(₹ in million)

| Particular | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Manpower Cost** | | |
| (a) Salaries, Wages, Ex-gratia etc. | 85,186.27 | 91,442.70 |
| (b) Contribution to Provident and other funds | 12,918.38 | 11,076.30 |
| (c) Provision for gratuity | 619.41 | (893.60) |
| (d) Provision for Leave (Including Compensatory Absence) | 3,511.14 | 6,500.14 |
| (e) Post Retirement Medical & Terminal Benefits | 8,916.18 | 9,969.30 |
| (f) Staff welfare expenses | 3,972.83 | 3,035.49 |
| **Sub Total:** | **115,124.21** | **121,130.33** |
| Consumption of Raw materials, Stores and Spares (Note no. 54) | 76,549.10 | 74,170.86 |
| Royalty | 115,075.55 | 134,600.41 |
| OIDB Cess | 107,877.64 | 128,567.66 |
| National Calamity Contingent Duty | 1,019.92 | 1,063.13 |
| Excise Duty | 477.67 | 267.91 |
| Road and Infrastructure Cess | 407.92 | 183.37 |
| Service Tax | 502.74 | 0.21 |
| Port Trust Charges | 346.59 | 321.54 |
| Rent | 2,970.53 | 3,117.14 |
| Rates and taxes | 296.10 | 304.19 |
| Hire charges of equipments and vehicles | 37,960.06 | 99,322.40 |
| Power, fuel and water charges | 5,367.48 | 5,350.10 |
| Contractual drilling, logging, workover etc. | 63,050.95 | 56,665.07 |
| Contractual security | 8,509.84 | 7,940.36 |
| Repairs to building | 1,111.35 | 1,425.22 |
| Repairs to plant and equipment | 12,225.50 | 11,709.87 |
| Other repairs | 2,417.49 | 2,429.70 |
| Insurance | 1,810.73 | 1,724.10 |
| Expenditure on Tour / Travel | 4,329.88 | 4,528.96 |
| CSR Expenditure (Note no. 35.2) | 6,069.69 | 6,146.44 |
| Exchange Loss (Net) (Note no. 36.1) | 16,771.71 | 4,768.96 |
| Miscellaneous expenditure (Note no. 35.3) | 11,873.32 | 12,953.57 |
| | **592,145.97** | **678,691.50** |
| **Less:** | | |
| Allocated to exploration, development drilling, capital jobs, recoverables etc. | 133,825.70 | 182,532.26 |
| **Production, Transportation, Selling and Distribution Expenditure** | **458,320.27** | **496,159.24** |

35.2 **The CSR expenditure comprises the following:**

(a) Gross amount required to be spent by the Company during the year: ₹ 5,718.14 million (Previous year ₹ 4,802.10 million)

(b) Amount spent during the year on:

**(₹ in million)**

| Sl. No. | Particulars | Year ended March 31, 2020 | | | Year ended March 31, 2019 | | |
|---|---|---|---|---|---|---|---|
| | | In Cash | Yet to be paid in cash | Total | In Cash | Yet to be paid in cash | Total |
| i. | Construction/acquisition of any asset | - | - | - | - | - | - |
| ii. | On purpose other than (i) above | 5,809.48 | 260.21 | 6,069.69 | 5,772.74 | 373.70 | 6,146.44 |
| | **Total** | **5,809.48** | **260.21** | **6,069.69** | **5,772.74** | **373.70** | **6,146.44** |

**35.3** The Miscellaneous Expenditure in note no. 35 includes Statutory Auditors Remuneration as under:

**(₹ in million)**

| Payment to Auditors | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Audit Fees | 32.57 | 27.08 |
| Certification and Other Services | 14.40 | 13.44 |
| Travelling and Out of Pocket Expenses | 18.30 | 20.24 |
| **Total** | **65.27** | **60.76** |

**35.4** The expenditure incurred by various in house R&D institutes on scientific research eligible for deduction under section 35(2AB) of Income Tax Act, 1961 is as under:

**(₹ in million)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Capital Expenditure | 207.35 | 538.82 |
| Revenue Expenditure | 4,150.26 | 4,473.06 |

## 36. Finance Cost

**(₹ in million)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Interest:** | | |
| - On Borrowings | 3,720.52 | 6,401.84 |
| - On Cash Credit | 12.40 | 11.03 |
| - On Commercial Paper | 1,461.66 | 1,529.13 |
| - Others | 18.20 | 16.07 |
| Borrowing Cost-Exchange difference on Foreign Currency Loan (Note no. 36.1) | 3,252.42 | 3,203.31 |
| **Unwinding of:** | | |
| - Decommissioning Provisions | 17,687.86 | 13,718.93 |
| - Lease liabilities | 2,055.55 | 35.03 |
| - Financial liabilities | 28.15 | 6.02 |
| **Total** | **28,236.76** | **24,921.36** |

**36.1** In terms of para 6 and 6A of Ind AS 23 'Borrowing Cost' the exchange difference arising out of foreign currency borrowings i.e. the difference between the cost of borrowings in functional currency (₹) as compared to the cost of borrowings in foreign currency is treated as finance cost after an adjustment to foreign exchange loss.

## 37. Depreciation, Depletion, Amortization and Impairment

**(₹ in million)**

| Particulars | Year ended March 31, 2020 | | Year ended March 31, 2019 | |
|---|---|---|---|---|
| Depletion of Oil and Gas Assets (Note no. 54) | | 134,333.67 | | 127,154.35 |
| Depreciation of other Property, Plant and Equipment (Note no. 54) | 20,933.34 | | 20,855.39 | |
| Depreciation of right-of-use assets | 47,395.17 | | - | |
| Total Depreciation | 68,328.51 | | 20,855.39 | |
| Less: Allocated to: | | | | |
| Exploratory Drilling | 15,891.23 | | 2,646.30 | |
| Development Drilling | 17,515.54 | | 2,947.00 | |
| Others | 529.71 | 34,392.03 | 308.37 | 14,953.72 |
| Amortisation of intangible assets | | 578.17 | | 512.65 |
| **Impairment Loss** (Note no. 48) | | | | |
| Provided during the year | 22,610.35 | | 12,667.21 | |
| Less: Reversed during the year | 5,745.64 | 16,864.71 | 726.85 | 11,940.36 |
| **Total** | | **186,168.58** | | **154,561.08** |

**37.1** During the year, based on the recommendation of internal constituted committee, the Company has excluded the basic sediment and water (BS&W) which settles out in storage tanks from the production for the purpose of calculation of depletion on oil and gas assets using unit of production method. This has resulted in decrease in depletion amounting to ₹ 2,141.64 million for the year. This has an impact in future periods also, estimation of which is impracticable.

## 38. Other impairment and Write Offs

**(₹ in million)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Impairment for:** | | |
| Doubtful Debts | 0.61 | 1.51 |
| Doubtful Claims/Advances | 5,572.35 | 4,725.80 |
| Non-Moving Inventories | 1,342.18 | 1,050.65 |
| Others | 331.82 | 376.45 |
| | **7,246.96** | **6,154.41** |
| **Write-Offs** | | |
| Disposal/Condemnation of Other PPE & ROU Assets | 1,032.36 | 443.25 |
| Claims/Advances | 24.85 | 683.76 |
| Inventory | 172.37 | 80.52 |
| Receivables | 0.04 | 0.18 |
| | **1,229.62** | **1,207.71** |
| **Total** | **8,476.58** | **7,362.12** |

## 39. Tax Expense

(₹ in million)

| Particulars* | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Current tax in relation to:** | | |
| - Current year | 74,100.00 | 111,420.79 |
| - Earlier years | (3,612.78) | 2.35 |
| | **70,487.22** | **111,423.14** |
| **Deferred tax** | (1,245.77) | 21,221.40 |
| | **(1,245.77)** | **21,221.40** |
| **Total income tax expense recognised in the current year** | **69,241.45** | **132,644.54** |

** Refer note no. 54*

**39.1** Government of India through "The Taxation Laws (Amendment) Act, 2019" has inserted

Section 115BAA of the Income Tax Act, 1961, whereby a domestic company has an irrevocable option of exercising for a lower corporate tax rate along with consequent forego of certain tax deductions and incentives, including accumulated MAT credit eligible for set-off in subsequent years. The company has still not exercised this option and continues to evaluate the benefit of exercising the option for a lower corporate tax rate vis-à-vis the existing provisions, however, the Company has an option for the same till the filing of return of Income. Pending exercising of the option, the company continues to recognize the taxes on income for the year ended March 31, 2020 as per the earlier provisions.

## 40. The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Profit before tax** | 203,686.89 | 400,290.54 |
| Income tax expense calculated at 34.944% | 71,176.34 | 139,877.52 |
| (FY 2018-2019: 34.944%) | | |
| **Less: Exemptions / Deductions** | | |
| Dividend | 8,618.63 | 10,851.65 |
| Deduction under section 80-IA | 178.79 | 312.47 |
| **Add: Effect of expenses that are not deductible in determining taxable profit** | | |
| Corresponding Effect of temporary differences on account of current tax of earlier periods | 4,558.03 | 372.67 |
| Current Tax on CSR Expenditure | 564.98 | 1,616.54 |
| Expenses not allowed in Income Tax | 2,878.18 | 2,797.44 |
| Less: Effect of concessions (research and development u/s 35(2AB) and 35(1)(ii)) | 834.45 | 875.68 |
| **Sub total** | **69,545.66** | **132,624.37** |
| Others | 3,308.57 | 17.82 |
| | **72,854.23** | **132,642.19** |
| Adjustments recognised in the current year in relation to the current tax of prior years | (3,612.78) | 2.35 |
| Income tax expense recognised in profit or loss (relating to continuing operations) | **69,241.45** | **132,644.54** |

(₹ in million)

| Income tax recognised in other comprehensive income | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Deferred tax | | |
| Arising on income and expenses recognised in other comprehensive income: | | |
| Net fair value gain/(loss) on investments in equity shares at FVTOCI | 8,031.93 | 1,265.25 |
| Remeasurement of defined benefit obligation | 1,542.43 | 1,582.54 |
| Total income tax recognised in other comprehensive income | 9,574.36 | 2,847.79 |
| Bifurcation of the income tax recognised in other comprehensive income into:- | | |
| Items that will not be reclassified to profit or loss | 9,574.36 | 2,847.79 |
| Items that may be reclassified to profit or loss | - | - |

## 41. Earnings per Equity share

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Profit after tax for the year attributable to equity shareholders (₹ in million) | 134,445.44 | 267,646.00 |
| Weighted average number of equity shares (No. in million) | 12,580.28 | 12,806.90 |
| Basic and Diluted earnings per equity share (₹) (Note no. 41.1) | 10.69 | 20.90 |
| Face Value per equity share (₹) | 5.00 | 5.00 |

**41.1** Earnings per share for the year ended March 31, 2019 has been computed on the basis of weighted average number of shares outstanding during the year considering buy back of 252,955,974 fully paid up equity shares completed on February 22, 2019 (refer note no 54).

## 42. Transition to Ind AS 116 'Leases'

The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019. Under the new standard, all lease contracts, with limited exceptions, are recognised in the financial statements by way of right-of-use assets and corresponding lease liabilities. The Company has applied the standard to its leases, using the modified prospective method at the date of initial application (i.e. April 1, 2019), with the option to measure the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Accordingly, the Company has not restated comparative information for lease disclosure and therefore will continue to be reported under the accounting policy with respect to leases under Ind AS 17 'Leases' included as part of our annual report for the year ended March 31, 2019.

The Company has applied the new standard to hiring/service contracts of rigs, vessels, helicopters, buildings etc. including leasehold land (excluding leases to explore oil and natural gas), to evaluate whether these contracts contains a lease or not. Based on evaluation of the terms and conditions of the arrangements, the Company has evaluated such arrangements to be leases.

The Company has applied following practical expedients on transition to Ind AS 116 on initial application:

a) Use of single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date

b) Exclusion of initial direct cost from the measurement of the right-of-use asset at the date of initial application

c) Not to recognize right of use assets and lease liabilities for leases with remaining lease term of upto 12 months from the date of initial application (i.e. April 1, 2019) by class of asset and leases of low value asset on lease by lease basis.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) with a corresponding lease liability of ₹ 95,394.02 million. Application of this standard has also resulted in a net decrease in Profit before tax of year ended March 31, 2020 by ₹ 7,168.71 million.

In respect of leases that were classified as finance leases applying Ind AS 17, an amount of ₹ 417.96 million has been reclassified from "Property, plant and equipment" to "right-of-use assets". An amount of ₹ 382.93 million has been reclassified from "Non - current finance lease obligation" to "lease liability – non-current" and an amount of ₹ 35.03 million has been reclassified from "current finance lease obligation" to "lease liability – current".

Compared with the previous accounting for operating leases under Ind AS 17, the application of the new standard has a significant impact on the classification of expenditures and cash flows. It also impacts the timing of expenses recognised in the statement of profit and loss. Operating lease expenses were previously principally included within Production, Transportation, Selling and Distribution expenditure, except to the extent allocated to exploration, development drilling, capital jobs, etc. During the year, the operating lease expenses previously recognised as 'hire charges of equipments and vehicles are replaced by depreciation charge on right of use asset amounting to ₹ 47,395.17 million and interest cost on lease liability amounting to ₹ 3,720.25 million.

Many of the Company's contracts such as drilling rigs hiring, vessel hiring, other hiring/ service contracts, etc. involve a number of additional services and components including personnel cost, maintenance, drilling related activities, consumables and other items. In most of such contacts, the additional services/ non-lease components constitute significant portion of the overall contract value. Where the additional services/non-lease components are not separately priced, the non-operating day rate has been considered to be the minimum lease payment and any payment over and above the same has been categorised as "variable lease payments" or "non-lease payments.

In the current year, the foreign currency exchange (gain)/loss amounting to ₹ 7,775.88 million pertains to restatement of lease liabilities denominated in foreign currency at March 31, 2020.

The following table provides a reconciliation of the Company's operating lease commitments as at March 31, 2019 to the total lease liabilities recognized on the balance sheet in accordance with Ind AS 116 as at April 1, 2019.

**(₹ in million)**

| Particulars | Amount |
|---|---|
| **Operating lease commitments at March 31, 2019** | **125,103.63** |
| Low value leases | (2,186.13) |
| Non-lease components | (25,399.78) |
| Short-term leases | (20,552.11) |
| Effect of discounting | (3,828.59) |
| Variable lease payments | (4,459.00) |
| Other | (1,162.21) |
| New Lease liabilities recognized | 27,460.25 |
| Finance lease obligations at March 31, 2019 | 417.96 |
| **Total lease liabilities at April 1, 2019** | **95,394.02** |

42.1 **Short term leases and leases below materiality threshold:**

As part of transition, the Company has availed the practical expedient of not to apply the recognition requirements of Ind AS 116 to short term leases and also applied materiality threshold for recognition of assets and liabilities related to leases. The Operating lease commitments at March 31, 2019, include amounts related to such leases.

42.2 **Effects of discounting:**

The amount of the lease liability recognized in accordance with Ind AS 116 will be on a discounted basis whereas the operating lease commitments at March 31 2019, is presented on an undiscounted basis.

42.3 **Variable lease payments:**

This includes the amount of lease payments based on usage of underlying assets. The Operating lease commitments at March 31, 2019, include such amounts based on estimated usage.

42.4 **Leases**

The Company leases a number of assets as part of its activities. The Company has applied Ind AS 116 'Leases' to hiring / service contracts of rigs, vessels, helicopters, buildings etc. including leasehold land (excluding leases to explore oil and natural gas), to evaluate whether these contracts contains a lease or not. Based on evaluation of the terms and conditions of the arrangements, the Company has evaluated such arrangements to be leases. The average lease term for the total lease portfolio is around 3 years. The Company does not have an option to purchase the leased rigs, vessels, helicopters etc. at the expiry of the lease terms.

42.5 **Note on expenditure booked under various heads related to Ind AS 116 and Company's exposure to future cash outflows**

Amount booked under various heads related to Lease as per Ind AS 116 for the year ended March 31, 2020 is as under:

**(₹ in million)**

| Expenditure Heads | Year ended March 31, 2020 |
|---|---|
| Depreciation expense on right-of-use assets | 47,395.17 |
| Interest expense on lease liabilities | 3,720.25 |
| Expense relating to short-term leases | 11,463.02 |
| Expense relating to leases of low value assets | 3,021.35 |
| Expense relating to variable lease payments not included in the measurement of the lease liability | 8,084.60 |

**42.6 At March 31, 2020, the estimated future undiscounted cash flows for lease is as follows:**

| Future Lease payment payable from end of the year | | (₹ in million) |
|---|---|---|
| Up to 1 year | (April 01, 2020 to March 31, 2021) | 50,468.74 |
| Between 1 to 3 year | (April 01, 2021 to March 31, 2023) | 44,106.37 |
| Between 3 to 5 year | (April 01, 2023 to March 31, 2025) | 8,163.63 |
| More than 5 year | (after March 31, 2025) | 280.09 |
| **Total** | | **1,03,018.82** |
| Less: Interest cost | | 5,171.03 |
| Net lease liability | | 97,847.79 |
| Perpetual lease liability | | 417.96 |
| **Total lease liabilities as on March 31, 2020** | | **98,265.75** |

## 43. Employee benefit plans

### 43.1 Defined Contribution plans:

#### 43.1.1 Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligations are as under:

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Obligations at the end of the year | 134,596.76 | 127,862.85 |
| Fair Value of Plan Assets at the end of the year | 136,318.00 | 129,533.60 |

Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner. The board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Raising of moneys as may be required for the purposes of the fund by sale, hypothecation or pledge of the investment wholly or partially.

(iii) Fixation of rate of interest to be credited to members' accounts.

#### 43.1.2 Post Retirement Benefit Scheme

The defined contribution pension scheme of the Company for its employees is administered through a separate trust. The obligation of the Company is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance as reduced by the employer's contribution towards provident fund, gratuity, post-retirement medical Benefit (PRMB) or any other retirement benefits.

The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government. The board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of contribution and interest thereon.

(iii) Purchase of annuities for the members.

### 43.2 Employee Pension Scheme 1995

The Employee Pension Scheme -1995 is administered by Employees Provident Fund Organization of India, wherein the Company has to contribute 8.33% of salary (subject to maximum of ₹ 15,000 per month) out of the employer's contribution to Provident Fund.

### 43.3 Composite Social Security Scheme (CSSS)

The Composite Social Security Scheme is formulated by the Company for the welfare of its regular employees and it is administered through a separate Trust, named as Composite Social Security Scheme Trust. The obligation of the Company is to provide matching contribution to the Trust to the extent of contribution of the regular employees of the Company. The Trust provides an assured lump sum support amount in the event of death or permanent total disablement of an employee while in service. In case of Separation other than Death/Permanent total disability, employees own contribution along with interest is refunded.

The Board of trustees of the Trust functions in accordance with Trust deed, Rule, Scheme and applicable guidelines or directions that may be issued by Management from time to time.

The Board of trustees has the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of interest to be credited to members' accounts.

(iii) To provide cash benefits to the nominees in the event of death of an employee or Permanent Total Disablement leading to the cessation from service and refund of own contribution along with interest in case of separation other than death.

**43.4** The amounts recognized in the financial statements before allocation for the defined contribution plans are as under:

**(₹ in million)**

| Defined Contribution Plans | Amount recognized during | | Contribution for key management personnel | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Provident Fund | **4,448.50** | 4,301.00 | **2.48** | 2.47 |
| Post Retirement Benefit Scheme | **5,967.04** | 5,842.16 | **3.18** | 3.23 |
| Employee Pension Scheme-1995 (EPS) | **323.59** | 355.27 | **0.06** | 0.08 |
| Composite Social Security Scheme (CSSS) | **549.60** | 577.87 | **0.18** | 0.20 |

### 43.5 Defined benefit plans

**43.5.1 Brief Description:** A general description of the type of Employee Benefits Plans is as follows:

All the employee benefit plans of the Company are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

**43.5.2 Gratuity**

15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 2 million on superannuation, resignation, termination, disablement or on death.

Scheme is funded through own Gratuity Trust. The liability for gratuity as above is recognized on the basis of actuarial valuation.

**43.5.3 Post-Retirement Medical Benefits**

The Company has Post-Retirement Medical benefit (PRMB), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/ empanelled hospitals. They can also avail treatment as out-patient. The liability for the same is recognized annually on the basis of actuarial valuation. Full medical benefits on superannuation and on voluntary retirement are available subject to the completion of minimum 20 years of service and 50 years of age.

An employee should have put in a minimum of 15 years of service rendered in continuity in the Company at the time of superannuation to be eligible for availing post-retirement medical facilities.

**43.5.4 Terminal Benefits**

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

**43.5.5** These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

No other post - retirement benefits are provided to these employees.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2020 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**43.6 Other long term employee benefits**

**43.6.1 Brief Description:** A general description of the type of Other long term employee benefits is as follows:

All the employee benefit plans of the Company are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

**43.6.2 Earned Leave (EL) Benefit**

Accrual – 30 days per year

Encashment while in service – 75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days

Scheme is funded through Life Insurance Corporation of India (LIC).

**43.6.3 Good Health Reward (Half pay leave)**

Accrual - 20 days per year

Encashment while in service - Nil

Encashment on retirement - 50% of Half Pay Leave balance.

Scheme is funded through Life Insurance Corporation of India (LIC).

The liability for the same is recognized annually on the basis of actuarial valuation.

**43.6.4** The principal assumptions used for the purposes of the actuarial valuations were as follows.

| S. No. | Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| | **Gratuity** | | |
| I. | Discount rate (%) | **6.80** | 7.77 |
| II. | Expected return on plan assets (%) | **6.80** | 7.77 |
| III. | Annual increase in salary (%) | **7.50** | 7.50 |
| | **Leave** | | |
| IV. | Discount rate (%) | **6.80** | 7.77 |
| V. | Expected return on plan assets (%) | **6.80** | 7.77 |
| VI. | Annual increase in salary (%) | **7.50** | 7.50 |
| | **Post-Retirement Medical Benefits** | | |
| VII. | Discount rate (%) | **6.80** | 7.77 |
| VIII. | Expected return on plan assets (%) | **NA** | NA |
| IX. | Annual increase in costs (%) | **7.50** | 7.50 |
| | **Terminal Benefits** | | |
| X. | Discount rate (%) | **6.80** | 7.77 |
| XI. | Expected return on plan assets (%) | **NA** | NA |
| XII. | Annual increase in costs (%) | **7.50** | 7.50 |
| XIII. | Annual increase in salary (%) | **7.50** | 7.50 |
| | **Employee Turnover (%)** | | |
| XIV. | Up to 30 Years | **3.00** | 3.00 |
| XV. | From 31 to 44 years | **2.00** | 2.00 |
| XVI. | Above 44 years | **1.00** | 1.00 |
| XVII. | Weighted Average Duration of Present Benefit Obligations | **12.92** | 12.31 |
| | **Mortality Rate** | | |
| XVIII. | Before retirement | As per Indian Assured Lives Mortality Table (2012-14) | As per Indian Assured Lives Mortality Table (2006-08) |
| XIX. | After retirement | As per Indian Assured Lives Mortality Table (2012-14) | As per Indian Assured Lives Mortality Table (2006-08) |

The discount rate is based upon the market yield available on Government bonds at the Accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factors on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

**43.7** Amounts recognized in the Financial Statements before allocation in respect of these defined benefit plans and other long term employee benefits are as follows: -

**(₹ in Million)**

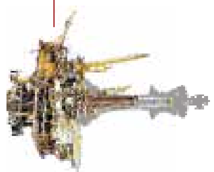
| Particulars | Gratuity | | Leave | | Post-Retirement Medical Benefits | | Terminal Benefits | |
|---|---|---|---|---|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| **Service Cost:** | | | | | | | | |
| Current service cost | **740.78** | 999.54 | **1,674.76** | 1,740.81 | **862.64** | 655.94 | **75.95** | 52.70 |
| Past service cost and (gain)/loss from settlements | **-** | - | **-** | - | **-** | - | **-** | - |
| Net interest expense | **(73.77)** | 15.35 | **486.26** | 310.02 | **3,455.30** | 2,915.40 | **85.49** | 41.31 |
| Increase or decrease due to adjustment in opening corpus consequent to audit | **(27.08)** | 68.94 | **(224.01)** | 167.82 | **-** | **-** | | |
| **Components of defined benefit costs recognised in Employee Benefit expenses** | **639.93** | **1,083.83** | | | **4,317.94** | **3,571.34** | **161.44** | **94.01** |
| **Remeasurement on the net defined benefit liability:** | | | | | | | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | **12.38** | - | **14.15** | - | **24.96** | - | **0.71** | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | **1,265.95** | 185.38 | **1,830.74** | 1,532.75 | **3,978.51** | (763.85) | **312.35** | 53.62 |
| Actuarial (gains) / losses arising from experience adjustments | **(1,201.36)** | (753.27) | **(14.59)** | 2,709.65 | **295.95** | 6,451.86 | **64.34** | 590.27 |
| Return on Plan Assets excluding amount included in net interest cost | **(97.45)** | (1,438.22) | **(279.24)** | 21.08 | | | **-** | **-** |
| **Components of Remeasurement** | **(20.47)** | **(2,006.11)** | | | **4,299.42** | **5,688.01** | **377.40** | **643.89** |
| **Total** | **619.46** | **(922.28)** | **3,488.06** | **6,482.13** | **8,617.36** | **9,259.35** | **538.85** | **737.90** |

The Components of Remeasurement of the net defined benefit liability recognized in other comprehensive income is ₹ 4,414.00 million (Previous year ₹ 4,528.78 million).

**43.8** Movements in the present value of the defined benefit obligation and other long-term employee benefits are as follows:

**(₹ in Million)**

| Particulars | Gratuity | | Leave | | Post-Retirement Medical Benefits | | Terminal Benefits | |
|---|---|---|---|---|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Opening defined benefit obligation | **26,489.89** | 28,451.54 | **30,289.84** | 27,711.75 | **44,504.70** | 38,039.81 | **1,103.50** | 540.62 |
| Current service cost | **741.62** | 1,025.55 | **1,711.15** | 1,842.42 | **870.88** | 661.76 | **76.65** | 53.23 |
| Interest cost | **2,058.26** | 2,179.39 | **2,353.52** | 2,122.72 | **3,458.01** | 2,917.65 | **85.74** | 41.41 |
| **Remeasurement (gains)/losses:** | | | | | | | | |
| Actuarial (gains) / losses arising from changes in demographic assumptions | **12.42** | - | **14.15** | - | **24.98** | **-** | **0.72** | - |
| Actuarial (gains) / losses arising from changes in financial assumptions | **1,275.78** | **191.27** | **1,845.14** | 1,553.68 | **3,980.25** | **(765.22)** | **312.59** | **53.83** |
| Actuarial (gains) / losses arising from experience adjustments | **(1,285.95)** | (757.78) | **(221.19)** | 2,670.44 | **296.51** | 6,450.81 | **64.03** | 591.28 |
| Past service cost, including losses/(gains) on curtailments | **-** | - | **-** | - | **-** | - | **-** | - |
| Benefits paid | **(4,446.84)** | (4,600.08) | **(6,529.72)** | (5,611.17) | **(3,224.98)** | (2,800.11) | **(209.65)** | (176.86) |
| **Closing defined benefit obligation** | **24,845.17** | **26,489.89** | **29,462.90** | **30,289.84** | **49,910.35** | **44,504.70** | **1,433.58** | **1,103.51** |
| **Current obligation** | | | | | **2,119.89** | **1,981.37** | **185.19** | **159.40** |
| **Non-Current obligation** | | | | | **47,790.46** | **42,523.33** | **1,248.40** | **944.11** |



**43.9** The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan and other long term employee benefits is as follows:

**(₹ in Million)**

| Particulars | Gratuity | | Leave | | Post-Retirement Medical Benefits | | Terminal Benefits | |
|---|---|---|---|---|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Present value of funded defined benefit obligation | **24,845.16** | 26,489.89 | **29,462.90** | 30,289.84 | **49,910.35** | 44,504.70 | **1,433.58** | 1,103.51 |
| Fair value of plan assets | **25,197.52** | 27,400.28 | **26,120.76** | 23,725.32 | **NA** | NA | **NA** | NA |
| Funded status | **352.36** | 910.39 | **(3,342.14)** | **(6,564.52)** | **NA** | NA | **NA** | NA |
| Restrictions on asset recognised | **NA** | NA | **NA** | NA | **NA** | NA | **NA** | NA |
| **Net liability/(assets) arising from defined benefit obligation (current)** | **(352.36)** | **(910.39)** | **3,342.14** | **6,564.52** | **49,910.35** | **44,504.70** | **1,433.58** | **1,103.51** |

**43.10** Movements in the fair value of the plan assets are as follows:

**(₹ in Million)**

| Particulars | Gratuity | | Leave | |
|---|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Opening fair value of plan assets | **27,400.28** | 28,308.14 | **23,725.32** | 23,811.76 |
| Adjustment in opening corpus consequent to audit of the Trust | **15.91** | (60.42) | **217.38** | (165.19) |
| Expected return on plan assets | **2,130.24** | 2,163.78 | **1,860.35** | 1,811.33 |
| Remeasurement gain (loss): | | | | |
| Return on plan assets (excluding amounts included in net interest expense) | **97.95** | 1,445.45 | **282.92** | (21.40) |
| Contributions from the employer | **-** | 143.41 | **6,564.52** | 3,899.99 |
| Benefits paid | **(4,446.85)** | (4,600.08) | **(6,529.73)** | (5,611.17) |
| **Closing fair value of plan assets** | **25,197.52** | **27,400.28** | **26,120.76** | **23,725.32** |

Expected Contribution in respect of Gratuity for next year will be ₹ 1,240.04 million (For the year ended March 31, 2019 ₹ 1,155.63 million).

The Company has recognized a gratuity liability of ₹ 102.47 million as on March 31, 2020 (As at March 31, 2019 ₹ 100.22 million) as per actuarial valuation for 222 employees (As at March 31, 2019 – 231) contingent Employees engaged in different work centers.

**43.11** The fair value of the plan assets at the end of the reporting period for each category, are as follows.

**(₹ in million)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Gratuity** | | |
| Cash and cash equivalents | **1.28** | 0.02 |
| Investments in Mutual Fund | **1.50** | 1.50 |
| **Debt investments categorised by issuers' credit rating:** | | |
| - AAA | **1,220.98** | 1,637.86 |
| - AA+ | **397.64** | - |
| | | |
| **Group Gratuity Cash Accumulation Scheme (Traditional Fund)** | | |
| -Life Insurance Corporation | **20,886.16** | 20,333.80 |
| -SBI Life | **1,564.69** | 3,293.01 |
| Unit Linked Plan of Insurance Company | **-** | - |
| Investment in Govt. Securities | **-** | - |
| Bank TDR | **800.52** | 1,420.72 |
| Treasury Bills | **-** | - |
| Net Current Assets | **324.76** | 713.37 |
| **Total Gratuity** | **25,197.53** | **27,400.28** |
| | | |
| **Leave** | | |
| 100% managed by insurer (LIC Trust) | **26,120.76** | **23,725.32** |
| **Total** | **51,318.29** | **51,125.60** |

**43.11.1** The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

**43.11.2** Cost of Investment is taken as fair value of Investment in Unit Linked Plan of Insurance Company (ULIPs) and Bank TDR.

**43.11.3** All Investments in PSU Bonds, Government Securities and Treasury Bills are quoted in active market.

**43.11.4** Fair value of Investment in Group Gratuity Cash Accumulation Scheme (Traditional Fund) of Insurance Company is taken as book value on reporting date.

**43.11.5** Net Current Assets represent accrued interest on Investments less outstanding gratuity reimbursements as on reporting date.

**43.11.6** The actual return on plan assets of gratuity during the year 2019-20 was ₹ 2,228.18 million (Previous year ₹ 3,609.22 million) and for Leave ₹ 2,143.27 million (Previous year 2018-19 ₹ 1,789.93 million).

**43.11.7** Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**43.12 Sensitivity Analysis as on March 31, 2020** **(₹ in Million)**

| Significant actuarial assumptions | Gratuity | Leave | Post-Retirement Medical Benefits | Terminal Benefits |
|---|---|---|---|---|
| **Discount Rate** | | | | |
| - Impact due to increase of 50 basis points | (602.05) | (985.50) | (2,358.75) | (41.97) |
| - Impact due to decrease of 50 basis points | 805.36 | 1,067.26 | 2,578.04 | 45.04 |
| **Salary increase** | | | | |
| - Impact due to increase of 50 basis points | 288.68 | 1,054.88 | - | - |
| - Impact due to decrease of 50 basis points | (137.16) | (983.73) | - | - |
| **Cost increase** | | | | |
| - Impact due to increase of 50 basis points | - | - | 2,500.50 | 44.94 |
| - Impact due to decrease of 50 basis points | - | - | (2,391.36) | (42.26) |

**43.13 Sensitivity Analysis as on March 31, 2019** **(₹ in Million)**

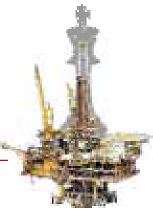
| Significant actuarial assumptions | Gratuity | Leave | Post-Retirement Medical Benefits | Terminal Benefits |
|---|---|---|---|---|
| **Discount Rate** | | | | |
| - Impact due to increase of 50 basis points | (642.34) | (885.92) | (2,101.39) | (32.27) |
| - Impact due to decrease of 50 basis points | 684.52 | 950.78 | 2,296.76 | 34.63 |
| **Salary increase** | | | | |
| - Impact due to increase of 50 basis points | 163.05 | 948.68 | - | - |
| - Impact due to decrease of 50 basis points | (164.99) | (892.08) | - | - |
| **Cost increase** | | | | |
| - Impact due to increase of 50 basis points | - | - | 2,227.67 | 34.56 |
| - Impact due to decrease of 50 basis points | - | - | (2,130.44) | (32.49) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

**43.14 Maturity Profile of Defined Benefit Obligation and other long term employee benefits:** **(₹ in million)**

| Defined Benefit: | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Gratuity:** | | |
| Less than One Year | 4,513.63 | 5,222.09 |
| One to Three Years | 6,376.55 | 2,949.63 |
| Three to Five Years | 4,381.38 | 2,066.01 |
| More than Five Years | 9,573.59 | 16,252.16 |
| **Leave:** | | |
| Less than One Year | 4,260.45 | 4,980.24 |
| One to Three Years | 6,818.00 | 6,996.17 |
| Three to Five Years | 4,953.29 | 5,272.23 |
| More than Five Years | 13,431.16 | 13,041.20 |



44. **Segment Reporting**

**44.1** The Company has identified and reported segments taking into account the different risks and returns, the organization structure and the internal reporting systems. Accordingly, the Company has identified following geographical segments as reportable segments

A. Offshore

B. Onshore

**44.2 Segment revenue and results**

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment.

**(₹ in million)**

| Particulars | Segment revenue | | Segment profit/(loss) | |
|---|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019* |
| Offshore | 635,218.22 | 730,154.66 | 217,733.04 | 311,842.51 |
| Onshore | 326,917.87 | 366,390.84 | (1,966.10) | 84,137.25 |
| **Total** | **962,136.09** | **1,096,545.50** | **215,766.94** | **395,979.76** |
| Unallocated corporate expense | | | (21,696.17) | (21,565.85) |
| Finance costs | | | (28,236.76) | (24,921.36) |
| Interest/Dividend income | | | 37,852.88 | 50,797.99 |
| **Profit before tax** | | | **203,686.89** | **400,290.54** |

** restated (refer note no. 54)*

**44.2.1** Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sale in the current year (Previous year Nil)

**44.2.2** The accounting policies of the reportable segments are the same as the Company's accounting policies described in note no. 3. Segment profit represents the profit before tax earned by each segment excluding finance cost and other income like interest/dividend income. This is the measure reported to the Chief Operating Decision maker for the purposes of resource allocation and assessment of segment performance.

**44.3 Segment assets and liabilities** (₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019* |
|---|---|---|
| **Segment assets** | | |
| Offshore | 1,326,424.84 | 1,236,379.06 |
| Onshore | 631,902.53 | 637,201.50 |
| Total segment assets | **1,958,327.37** | **1,873,580.56** |
| Unallocated | 1,008,480.11 | 1,123,499.87 |
| **Total assets** | **2,966,807.48** | **2,997,080.43** |
| **Segment liabilities** | | |
| Offshore | 421,872.39 | 303,280.44 |
| Onshore | 159,268.46 | 128,770.00 |
| Total segment liabilities | **581,140.85** | **432,050.44** |
| Unallocated | 442,285.73 | 547,134.25 |
| **Total liabilities** | **1,023,426.58** | **979,184.69** |

**Restated (refer note no. 54)*

*Aforesaid segments are used for the purpose of monitoring performance and allocation of resources.*

**44.3.1** All assets are allocated to reportable segments other than investments in subsidiaries, associates and joint ventures, other investments, loans and current and deferred tax assets.

**44.3.2** All liabilities are allocated to reportable segment other than borrowing, current and deferred tax liabilities.

**44.3.3** Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis. Unallocated expenditure includes common expenditure incurred for all the segments and expenses incurred at the corporate level. Finance cost includes unwinding of discount on decommissioning provisions not allocated to segment.

**44.4 Other information** (₹ in million)

| Particulars | Depreciation , depletion and amortization | | Other non-cash items-impairment and write off | |
|---|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2019* | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Offshore | 115,835.08 | 109,176.55 | 6,961.02 | 6,061.89 |
| Onshore | 52,174.93 | 32,188.70 | 1,484.14 | 1,267.74 |
| Unallocated | 1,293.86 | 1,255.47 | 31.42 | 32.49 |
| | **169,303.87** | **142,620.72** | **8,476.58** | **7,362.12** |

** restated (refer note no. 54)*

**44.5 Impairment loss (note no. 48)** (₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Offshore | 13,432.43 | 10,980.78 |
| Onshore | 3,432.28 | 959.58 |
| | **16,864.71** | **11,940.36** |

**44.6 Exceptional Items- Impairment loss** (note no. 48) **(₹ in million)**

| **Particulars** | **Year ended March 31, 2020** | **Year ended March 31, 2019** |
|---|---|---|
| Offshore | 20,409.04 | - |
| Onshore | 28,581.43 | - |
| | **48,990.47** | **-** |

**44.7 Additions to non- current assets** **(₹ in million)**

| **Particulars** | **Year ended March 31, 2020** | **Year ended March 31, 2019** |
|---|---|---|
| Offshore | 58,049.98 | 11,622.05 |
| Onshore | 14,166.24 | 33,769.16 |
| Unallocated | (1,356.41) | 5.31 |
| **Total** | **70,859.81** | **45,396.52** |

** restated (refer note no. 54)*

### 44.8 Information about major customers

Company's significant revenues (more than 85%) are derived from sales to Public Sector Undertakings. The total sales to such companies amounted to ₹ 832,224.70 million in 2019-20 and ₹ 971,712.78 million in 2018-19.

No other single customer contributed 10% or more to the Company's revenue for 2019-20 and 2018-19.

### 44.9 Information about geographical areas:

The Company is domiciled in India. The amount of its revenue from sale of products from external customers broken down by location of customers is tabulated below:

**(₹ in million)**

| **Location** | **Year ended March 31, 2020** | **Year ended March 31, 2019** |
|---|---|---|
| India | 894,123.92 | 1,024,382.54 |
| Other Countries (including SEZ) | 62,890.14 | 68,616.24 |
| **Total** | **957,014.06** | **1,092,998.78** |

The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets are shown below:

**(₹ in million)**

| **Location** | **As at March 31, 2020** | **As at March 31, 2019*** |
|---|---|---|
| India | 1,647,365.42 | 1,576,505.61 |
| Other Countries | - | - |
| **Total** | **1,647,365.42** | **1,576,505.61** |

** restated (refer note no. 54)*

### 44.10 Information about products and services:

The Company derives revenue from sale of crude oil, natural gas and value added products. The information about revenues from external customers about each product is disclosed in Note no. 31.4 of the financial statements.

## 45. Related Party Disclosures

**45.1** Name of related parties and description of relationship:

**A. Subsidiaries**

1. ONGC Videsh Limited (OVL)
1.1. ONGC Nile Ganga B.V. (ONGBV)
1.1.1. ONGC Campos Limiteda
1.1.2. ONGC Nile Ganga (San Cristobal) B.V.
1.1.3. ONGC Caspian E&P B.V. (Note 45.1.1)
1.2. ONGC Amazon Alaknanda Limited (OAAL)
1.3. ONGC Narmada Limited (ONL)
1.4. ONGC (BTC) Limited
1.5. Carabobo One AB
1.5.1. Petro Carabobo Ganga B.V.
1.6. Imperial Energy Limited
1.6.1. Imperial Energy Tomsk Limited
1.6.2. Imperial Energy (Cyprus) Limited
1.6.3. Imperial Energy Nord Limited
1.6.4. Biancus Holdings Limited
1.6.5. Redcliffe Holdings Limited
1.6.6. Imperial Frac Services (Cyprus) Limited
1.6.7. San Agio Investments Limited
1.6.8. LLC Sibinterneft
1.6.9. LLC Allianceneftegaz
1.6.10. LLC Nord Imperial
1.6.11. LLC Rus Imperial Group
1.6.12. LLC Imperial Frac Services
1.7. Beas Rovuma Energy Mozambique Limited
1.8. ONGC Videsh Rovuma Limited (Note 44.1.2)
1.9. ONGC Videsh Atlantic Inc.
1.10. ONGC Videsh Singapore Pte. Limited
1.10.1. ONGC Videsh Vankorneft Pte. Limited
1.11. Indus East Mediterranean Exploration Limited.
1.12. ONGC Videsh Rovuma Limited (Note 44.1.3)
2 Mangalore Refinery and Petrochemicals Limited (MRPL)
3 ONGC Mangalore Petrochemicals Limited (OMPL)
4 Hindustan Petroleum Corporation Limited (HPCL)
4.1. Prize Petroleum Company Limited
4.1.1. Prize Petroleum International Pte. Limited
4.2. HPCL Biofuels Limited
4.3. HPCL Middle East FZCO
5 Petronet MHB Limited

**B. Joint Ventures**

1. Mangalore SEZ Limited (MSEZ)
2. ONGC Petro additions Limited (OPaL)
3. ONGC Tripura Power Company Limited (OTPC)
4. ONGC Teri Biotech Limited (OTBL)
5. Dahej SEZ Limited (DSEZ)
6. Indradhanush Gas Grid Limited (IGGL)
7. ONGC Mittal Energy Limited (OMEL) (through OVL)
8. Sudd Petroleum Operating Company (through OVL)
9. Mansarovar Energy Colombia Limited, Colombia (through OVL)
10. Himalaya Energy Syria BV, Netherlands (through OVL)
11. Shell MRPL Aviation Fuels and Services Limited (SMASL) (through MRPL)
12. Hindustan Coals Private Limited (through HPCL)
13. HPOIL Gas Private Limited (through HPCL)
14. HPCL Rajasthan Refinery Limited (through HPCL)
15. South Asia LPG Company Private Limited (through HPCL)

16. HPCL Shapoorji Energy Private Limited (through HPCL)

17. HPCL Mittal Energy Limited (through HPCL)

17.1. HPCL Mittal Pipeline Limited (through HPCL)

18. Godavari Gas Private Limited (through HPCL)

19. Petronet India Limited (through HPCL, in process of voluntary winding up w.e.f. August 30, 2018)

20. Mumbai Aviation Fuel Farm Facility Private Limited (through HPCL)

21. Aavantika Gas Limited (through HPCL)

22. Bhagyanagar Gas Limited (through HPCL)

23. Ratnagiri Refinery & Petrochemicals Limited (through HPCL)

24. IHB Pvt. Limited.(through HPCL) (incorporated on July 09, 2019)

25. Mangalore STP Limited (through MSEZ)

26. MSEZ Power Limited (through MSEZ)

27. Adani Petronet Dahej Port Private Limited (APPPL) (through PLL)

28. India LNG Transport Company Private Limited (through PLL)

29. North East Transmission Company Limited (NETC) (through OTPC)

**C. Associates**

1. Pawan Hans Limited (PHL)

2. Petronet LNG Limited (PLL)

3. Rohini Heliport Limited

4. Mozambique LNG 1 Company Pte. Limited (through OVL)

5. Petro Carabobo SA, Venezuela (through OVL)

6. Carabobo Ingenieria Y Construcciones, SA, Venezuela (through OVL)

7. Petrolera Indovenezolana SA, Venezuela (through OVL)

8. South East Asia Gas Pipeline Limited, Hongkong (through OVL)

9. Tamba BV, Netherlands (through OVL)

10. JSC Vankorneft, Russia (through OVL)

11. Falcon Oil & Gas BV, Netherlands (through OVL)

12. Moz LNG1 Holding Company Limited (through OVL)

13. GSPL India Gasnet Limited (through HPCL)

14. GSPL India Transco Limited (through HPCL)

**D. Trusts (including post retirement employee benefit trust) wherein ONGC having control**

1. ONGC Contributory Provident Fund Trust

2. ONGC CSSS Trust

3. ONGC Sahyog Trust

4. ONGC PRBS Trust

5. ONGC Gratuity Fund

6. ONGC Energy Center

7. ONGC Foundation

8. MRPL Gratuity Fund Trust (through MRPL)

9. MRPL Provident Fund Trust (through MRPL)

10. Ujjwala Plus Foundation, (through HPCL)

**E. Key Management Personnel**

**E.1. Whole-time Directors**

1 Shri Shashi Shanker, Chairman and Managing Director

2 Shri A K Dwivedi, Director (Exploration) (upto July 31, 2019)

3 Shri Subhash Kumar, Director (Finance)

4 Shri Rajesh Kakkar, Director (Offshore)

5 Shri Sanjay Kumar Moitra, Director (Onshore)

6 Shri N C Pandey, Director (T&FS)

7 Dr. Alka Mittal, Director (HR)

8 Shri Rajesh Kumar Srivastava, Director (Exploration) (w.e.f August 02, 2019)

**E.2. Company Secretary**

1 Shri M E V Selvamm, Company Secretary

**E.3. Independent Directors**

1 Shri Ajai Malhotra (upto November 19, 2019)

2 Shri K M Padmanabhan (upto November 19, 2019)

3 Prof. S B Kedare (upto November 19, 2019)

4 Shri Vivek Mallya (up to January 30, 2020)

5 Shri Sumit Bose (up to January 30, 2020)

6 Shri Deepak Sethi (up to January 30, 2020)

7 Dr. Santrupt Misra (up to February 05, 2020)

8 Smt. Ganga Murthy

9 Shri Amitava Bhattacharya (w.e.f. July 19, 2019)

**E.3. Government Nominee – Directors**

1 Shri Amar Nath (re-appointment w.e.f. June 28, 2019) (upto June 27, 2019)

2 Shri Rajiv Bansal (up to February 17, 2020)

3 Shri Rajesh Madanlal Aggarwal (w.e.f. March 24, 2020)

**Notes**

45.1.1 ONGC Caspian E&P B.V. liquidated on 31 July 2019.

45.1.2 For ONGC Videsh Rovuma Limited (incorporate in Republic of Mauritius) winding-up procedure initiated.

45.1.3 ONGC Videsh Rovuma Limited incorporated in India on April 15,2019.

ONGC believes in women empowerment and our women officers are working round the clock in remote and hostile terrains

### 45.2 Details of Transactions:

### 45.2.1 Transactions with Subsidiaries

(₹ in million)

| | Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|---|
| **(i)** | **Sale of products to:** | | | |
| | a) Mangalore Refinery and Petrochemicals Limited | Sale of crude oil | 41,620.33 | 53,977.85 |
| | b) Hindustan Petroleum Corporation Limited | Sale of crude oil & value added products | 148,082.29 | 173,138.27 |
| **(ii)** | **Purchase of product from:** | | | |
| | a) Mangalore Refinery and Petrochemicals Limited | Purchase of petroleum oil and lubricants/high speed diesel | 5,646.78 | 8,658.67 |
| | b) Hindustan Petroleum Corporation Limited | Purchase of petroleum oil and lubricants/high speed diesel | 4,423.97 | 5,419.96 |
| **(iii)** | **Services provided to:** | | | |
| | a) Mangalore Refinery and Petrochemicals Limited | Leasing of office including maintenance at Mumbai/Delhi | 53.06 | 103.17 |
| | | Tanker/Vehicle hiring charges | - | 0.09 |
| | | Guarantee fee | 29.02 | 12.52 |
| | | Manpower deputation | 1.76 | 6.33 |
| | b) ONGC Mangalore Petrochemicals Limited | Manpower deputation/director candidature | - | 0.30 |
| | c) ONGC Videsh Limited | Expenses incurred on behalf of OVL | 281.66 | 495.70 |
| | | Guarantee fee | 294.16 | 325.91 |
| | | Platts Subscription charges | 28.26 | 12.41 |
| | d) Hindustan Petroleum Corporation Limited | Rent for Office | 0.06 | 0.01 |
| | | For Conferences & Seminars | 5.67 | 8.11 |
| | | Helicopter service provide | - | 3.21 |
| **(iv)** | **Loan Given** | | | |
| | a) ONGC Videsh Limited | Inter-corporate Loan given | - | 1,860.00 |
| | | Repayment of Loan | - | 1,860.00 |
| | b) Mangalore Refinery and Petrochemicals Limited | Repayment of Loan | - | 18,856.90 |
| **(v)** | **Investments** | | | |
| | a) ONGC Mangalore Petrochemicals Limited | Investment in equity shares | 2,449.90 | 1,469.94 |
| | b) Petronet MHB Limited | Investment in equity shares | 1,853.78 | - |
| **(vi)** | **Dividend and interest income from:** | | | |
| | a) Mangalore Refinery and Petrochemicals Limited | Dividend income | 1,255.35 | 3,766.06 |
| | b) Mangalore Refinery and Petrochemicals Limited | Interest income | - | 549.12 |

| | Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|---|
| | c) ONGC Videsh Limited | Dividend income | 5,100.00 | 3,000.00 |
| | d) ONGC Videsh Limited | Interest income | - | 3.58 |
| | e) Hindustan Petroleum Corporation Limited | Dividend income | 7,321.15 | 7,009.61 |
| **(vii)** | **Non cash transaction (Ind AS fair valuations):** | | | |
| | a) ONGC Videsh Limited | Guarantee fee in respect of financial guarantee | 411.48 | 476.56 |
| | b) Mangalore Refinery and Petrochemicals Limited | Guarantee fee in respect of financial guarantee | - | 3.78 |
| **(viii)** | **Corporate Financial guarantee issued:** | | | |
| | a) ONGC Videsh Limited | Financial guarantee against term loan | 113,755.12 | - |
| **(ix)** | **Commitments given:** | | | |
| | a) ONGC Mangalore Petrochemicals Limited | backstopping support for compulsory convertible debentures | 4,900.00 | - |

**45.2.2 Outstanding balances with Subsidiaries** **(₹ in million)**

| | Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|---|
| **A.** | **Loans (Unsecured):** | | - | - |
| **B.** | **Amount receivable:** | | | |
| | a) Mangalore Refinery and Petrochemicals Limited | Trade and other receivables | 1,719.78 | 4,167.68 |
| | b) ONGC Videsh Limited | Other receivables | 107.36 | 529.00 |
| | c) Hindustan Petroleum Corporation Limited | Trade and other receivables | 6,373.29 | 12,398.80 |
| **C.** | **Amount payable:** | | | |
| | a) Mangalore Refinery and Petrochemicals Limited | Trade payables | 670.15 | - |
| | b) Hindustan Petroleum Corporation Limited | Trade payables | 74.75 | 720.83 |
| | c) ONGC Videsh Limited | Other payable | 152.24 | - |
| **D.** | **Corporate Financial guarantee issued on behalf of subsidiaries:** | | | |
| | a) ONGC Videsh Limited | Value of financial guarantee | 437,099.00 | 428,980.57 |
| | b) Mangalore Refinery and Petrochemicals Limited | Value of financial guarantee | 10,838.12 | 9,146.48 |
| **E.** | **Outstanding value of commitment made:** | | | |
| | a) ONGC Videsh Limited | Performance guarantee | 9,299.14 | 8,526.67 |
| | b) ONGC Mangalore Petrochemicals Limited (Note 44.2.3) | Backstopping support for compulsory convertible debentures | 4,900.00 | - |

45.2.3 The Company has entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon amount for three years compulsorily convertible debentures amounting to ₹ 10,000.00 million (Previous year Nil) issued by ONGC Mangalore Petrochemicals Limited. The backstopping support provided by the Company alongwith Mangalore Refinery and Petrochemicals Limited according to their respective shareholding in i.e. 49% by the Company and 51% by Mangalore Refinery and Petrochemicals Limited.

**45.2.4 Transactions with Joint Ventures** **(₹ in million)**

| | Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|---|
| **(i)** | **Sale of products to:** | | | |
| | a) ONGC Tripura Power Company Limited | Sale of natural gas | 5,450.94 | 6,481.80 |
| | b) ONGC Petro additions Limited | Sale of naphtha & C2-C3 | 52,730.53 | 52,459.88 |
| | | Transfer of Naptha Pipline | 1,154.40 | - |
| **(ii)** | **Services received from:** | | | |
| | a) ONGC Teri Biotech Limited | Bio-remediation services | 298.69 | 192.68 |
| | b) Dahej SEZ Limited | Lease rent /ROU charges for SEZ land for C2-C3 plant | 13.99 | 12.78 |
| | c) ONGC Tripura Power Company Limited | Training | - | 0.17 |
| | d) ONGC Petro additions Limited | Reimbursement of expenses incurred by OPaL | - | 16.15 |
| **(iii)** | **Services provided to:** | | | |
| | a) ONGC Petro additions Limited | Manpower deputation, loading and other charges | 10.18 | 19.05 |
| | | ROU Charges for pipeline received | 0.22 | 1.36 |
| | b) ONGC Teri Biotech Limited | Field study charges and rent for colony accommodation | 0.67 | 0.42 |
| | c) ONGC Tripura Power Company Limited | Manpower deputation/director candidature | - | 0.10 |
| | d) Indradhanush Gas Grid Limited | Manpower deputation | 22.03 | 0.77 |
| **(iv)** | **Subscription to equity shares** | | | |
| | a) Indradhanush Gas Grid Limited | Subscription to Equity | 70.00 | 50.00 |
| **(v)** | **Subscription of share warrants** | | | |
| | a) ONGC Petro additions Limited | Subscription of share warrants | - | 6,201.00 |
| **(vii)** | **Dividend Income from:** | | | |
| | a) ONGC Tripura Power Company Limited | Dividend income | 504.00 | 672.00 |
| | b) Dahej SEZ Limited | Dividend income | - | 80.59 |
| **(vi)** | **Commitments given:** | | | |
| | a) ONGC Petro additions Limited | backstopping support for compulsory convertible debentures - Interest accrued | 6,526.65 | 447.54 |
| **(vii)** | **Letter of Comfort:** | | | |
| | a) ONGC Petro additions Limited | Letter of Comfort against term Loan | - | 65,000.00 |
| | | Letter of Comfort against Non -Convertible Debentures | 21,800.00 | 8,200.00 |

### 45.2.5 Outstanding balances with Joint Ventures

(₹ in million)

| | Name of related party | Nature of transaction | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|---|
| A. | **Amount receivable:** | | | |
| | a) ONGC Petro additions Limited | Trade and other receivables | 1,764.11 | 2,225.99 |
| | | Transfer of Naptha Pipline | 1,362.19 | - |
| | b) ONGC Tripura Power Company Limited | Trade and other receivables | 208.72 | 348.09 |
| | c) ONGC Teri Biotech Limited | Trade and other receivables | 0.07 | 0.01 |
| | d) Indradhanush Gas Grid Limited | Trade and other receivables | 8.61 | 0.83 |
| B. | **Amount payable:** | | | |
| | a) ONGC Teri Biotech Limited | Trade payables | 30.43 | 70.88 |
| | b) ONGC Petro additions Limited | Trade payables | - | 16.15 |
| | c) Dahej SEZ Limited | Trade payables | - | 11.30 |
| | d) ONGC Tripura Power Company Limited | Trade payables and other payables | - | 0.14 |
| C. | **Advance outstanding:** | | | |
| | a) ONGC Petro addition Limited | Advance against equity/share warrant pending allotment | 24,940.50 | 24,940.50 |
| D. | **Commitments:** | | | |
| | a) ONGC Petro addition Limited | Unpaid subscription of share warrants | 639.50 | 639.50 |
| | | Backstopping support for compulsory convertible debentures | 77,780.00 | 77,780.00 |
| | | Backstopping support for compulsory convertible debentures - Interest accrued | 11,644.38 | 5,117.73 |
| E. | **Letter of Comfort:** | | | |
| | a) ONGC Petro addition Limited | Letter of Comfort against term loan | 65,000.00 | 65,000.00 |
| | | Letter of Comfort against Non - Convertible Debentures | 30,000.00 | 8,200.00 |

### 45.2.6 Transactions with Associates

(₹ in million)

| | Name of related party | Nature of transaction | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|---|
| A. | **Services received from:** | | | |
| | a) Pawan Hans Limited (PHL) | Hiring of helicopter services | 1,236.59 | 1,217.86 |
| | b) Petronet LNG Limited | Purchase of LNG | 11,096.15 | 8,816.95 |
| | | Facilities charges at C2-C3 and reimbursement of consultant fee | 881.36 | 679.08 |
| B. | **Services provided to:** | | | |
| | a) Pawan Hans Limited (PHL) | Miscellaneous receipt on account of liquidated damages | 250.36 | 180.69 |
| | b) Petronet LNG Limited | Director sitting fee and other charges | - | 0.12 |
| C. | **Income received from:** | | | |
| | a) Pawan Hans Limited (PHL) | Dividend income | - | 30.20 |
| | b) Petronet LNG Limited | Dividend Income | 1,875.00 | 1,875.00 |
| D. | **Investments:** | | | |
| | a) Rohini Heliport Limited | Investment in Equity shares | 0.05 | - |

### 45.2.7 Outstanding balances with Associates

(₹ in million)

| | Name of related party | Nature of transaction | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|---|
| A. | **Amount payable:** | | | |
| | a) Pawan Hans Limited (PHL) | Trade payables | 121.40 | 166.20 |
| | b) Petronet LNG Limited | Trade payables | 359.77 | 493.31 |

### 45.2.8 Transactions with Trusts

(₹ in million)

| | Name of related party | Nature of transaction | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|---|
| A. | **Remittance of payment:** | | | |
| | a) ONGC Contributory Provident Fund Trust | Contribution | 13,140.72 | 12,666.43 |
| | b) ONGC CSSS Trust | Contribution | 1,116.65 | 1,174.24 |
| | c) ONGC Sahyog Trust | Contribution | 24.86 | 27.32 |
| | d) ONGC PRBS Trust | Contribution | 11,413.57 | 11,095.97 |
| | e) ONGC Gratuity Trust | Contribution | - | 286.80 |
| B. | **Reimbursement of Gratuity payment made on behalf of Trust:** | | | |
| | a) ONGC Gratuity Fund | Reimbursement | 6,530.71 | 4,676.48 |
| C. | **Contribution to trust** | | | |
| | a) ONGC Energy Center | For research and development | 125.00 | 190.00 |
| | b) ONGC Foundation | Contribution | 1,161.21 | 1,075.21 |

### 45.2.9 Compensation of key management personnel

#### (a) Whole-time Directors and Company secretary

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Short term employee benefits | 53.95 | 58.32 |
| Post-employment benefits | 3.66 | 4.83 |
| Long-term benefits | 6.40 | 5.97 |
| **Total** | **64.02** | **69.12** |

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Amount receivable | 1.85 | 1.39 |
| Amount Payable | 13.69 | 56.88 |
| **Total** | **15.55** | **58.27** |

#### (b) Independent directors

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Sitting fees | 6.05 | 9.45 |
| **Total** | **6.05** | **9.45** |

### 45.3 Disclosure in respect of Government related Entities

**45.3.1** Name of Government related entities and description of relationship wherein significant amount of transaction carried out:

| Sl. No. | Government related entities | Relation |
|---|---|---|
| 1. | Indian Oil Corporation Limited | Central PSU |
| 2. | GAIL (India) Limited | Central PSU |
| 3. | Bharat Petroleum Corporation Limited | Central PSU |
| 4. | Chennai Petroleum Corporation Limited | Central PSU |
| 5. | Numaligarh Refinery Limited | Central PSU |
| 6. | Kochi Refineries Limited | Central PSU |
| 7. | Bharat Heavy Electricals Limited | Central PSU |
| 8. | United India Insurance Company Limited | Central PSU |
| 9. | Bharat Sanchar Nigam Limited | Central PSU |
| 10. | Mahanagar Telephone Nigam Limited | Central PSU |
| 11. | Balmer Lawrie & Co. Limited | Central PSU |
| 12. | Shipping Corporation of India Limited | Central PSU |
| 13. | Bharat Electronics Limited | Central PSU |
| 14. | Brahmaputra Cracker and Polymer Limited | Central PSU |
| 15. | Bharat Pump and Compressor Limited | Central PSU |
| 16. | Oil India Limited | Central PSU |
| 17. | Coal India Limited | Central PSU |
| 18. | North Eastern Electric Power Corporation Limited | Central PSU |

Safety is our way of life - we invest in inculcating values of safety, integrity and commitment to work in the future generations

### 45.3.2 Transactions with Government Related Entities

(₹ in million)

| Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **Sale of products during year to:** | | | |
| a) Indian Oil Corporation Limited | Sale of crude oil C2-C3, SKO, HSD & LPG and related services | 261,927.79 | 306,945.73 |
| b) Bharat Petroleum Corporation Limited | Sale of crude oil C2-C3, SKO, HSD & LPG | 125,340.07 | 155,825.47 |
| c) Chennai Petroleum Corporation Limited | Sale of crude oil | 55,012.99 | 64,699.72 |
| d) Numaligarh Refinery Limited | Sale of crude oil | 20,933.18 | 26,045.09 |
| e) Kochi Refineries Limited | Sale of crude oil | 1,566.33 | 6,077.20 |
| f) GAIL (India) Limited | Sale of Natural Gas | 159,103.76 | 164,836.27 |
| g) Brahmaputra Cracker and Polymer Limited | Sale of Natural Gas | 903.14 | 883.02 |
| h) North Eastern Electric Power Corporation Limited | Sale of Natural Gas | 1,111.08 | - |
| **Purchase of product during year from:** | | | |
| a) Indian Oil Corporation Limited | Purchase of Petrol Oil & lubricant | 6,105.07 | 3,992.34 |
| b) Bharat Petroleum Corporation Limited | Purchase of Petrol Oil & lubricant | 3,012.08 | 1,152.24 |
| c) GAIL (India) Limited | Purchase of LNG | 7,299.35 | 6,653.78 |
| d) Bharat Heavy Electricals Limited | Purchase of drilling rig related items including spares and related services | 3,196.92 | 4,323.77 |
| e) Numaligarh Refinery Limited | Purchase of HSD | 3.84 | 147.95 |
| f) Bharat Pump and Compressor Limited | Purchase of spare parts | 86.13 | 258.86 |
| | | | |
| **Services Received from:** | | | |
| a) United India Insurance Company Limited | Insurance premium | 1,049.76 | 1,161.44 |
| b) Balmer Lawrie & Co Limited | Travel expenses | 1,273.27 | 1,492.65 |
| c) Shipping Corporation of India | Hiring of vessels | 4,708.48 | 5,232.26 |
| d) Oil India limited | Pipe line service | 241.08 | 200.12 |
| e) Bharat Electronics Limited | Employee Access Control System | 236.72 | 793.20 |
| | | | |
| **Dividend Income received from:** | | | |
| a) Indian Oil Corporation Limited | Dividend income | 7,020.38 | 13,706.46 |
| b) GAIL (India) Limited | Dividend income | 1,586.75 | 837.48 |
| | | | |
| **Amount receivable:** | | | |
| a) Indian Oil Corporation Limited | Trade & other receivable | 11,834.28 | 29,385.12 |
| b) Bharat Petroleum Corporation Limited | Trade & other receivable | 5,418.63 | 9,258.27 |
| c) Chennai Petroleum Corporation Limited | Trade & other receivable | 2,585.29 | 4,628.93 |

| Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| d) Numaligarh Refinery Limited | Trade & other receivable | 1,188.63 | 1,868.36 |
| e) GAIL (India) Limited | Trade & other receivable | 10,167.71 | 11,223.94 |
| f) United India Insurance Company Limited | Claim receivable (net) | - | 3.23 |
| g) Oil India Limited | Trade & other receivable | 81.91 | 650.94 |
| h) Brahmaputra Cracker and Polymer Limited | Trade & other receivable | 338.79 | 142.66 |
| i) Kochi Refineries Limited | Trade & other receivable | 9.61 | 9.56 |
| j) Bharat Petro Resources Limited (BPRL) | Trade & other receivable | - | 96.29 |
| k) Coal India Limited | Trade & other receivable | 848.41 | 724.25 |
| | | | |
| **Amount payable:** | | | |
| a) Indian Oil Corporation Limited | Trade & other payable | 36.60 | 354.38 |
| b) Bharat Petroleum Corporation Limited | Trade & other payable | 265.28 | 285.21 |
| c) GAIL (India) Limited | Trade & other payable | 310.68 | 332.41 |
| d) Bharat Heavy Electricals Limited | Trade & other payable | 337.15 | 1,071.28 |
| e) Balmer Lawrie & Co Limited | Trade & other payable | 24.41 | 84.78 |
| f) Shipping Corporation of India | Trade & other payable | 304.76 | 1,265.65 |
| g) Numaligarh Refinery Limited | Trade & other payable | 1.50 | 5.57 |
| h) Bharat Electronics Limited | Trade & other payable | 226.30 | 796.65 |
| i) Oil India Limited | Trade & other payable | 24.67 | 156.95 |
| j) Bharat Pump and Compressor Limited | Trade & other payable | 10.77 | 25.76 |

The above transactions with the government related entities cover transactions that are significant individually and collectively. The Company has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

## 46. Financial instruments Disclosure

### 46.1 Capital Management

The Company's objective when managing capital is to:

• Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and

• Maintain an optimal capital structure to reduce the cost of capital.

The Company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of total equity (Note no. 21 & 22). The Company is not subject to any externally imposed capital requirements.

The management of the Company reviews the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

### 46.1.1 Gearing Ratio

The Company has outstanding current and non-current borrowings / debt. Accordingly, the gearing ratio is worked out as followed:

**(₹ in million)**

| Particulars | As at 31 March, 2020 | As at 31 March, 2019* |
|---|---|---|
| Current Borrowings (Note no.28) | 117,040.13 | 215,935.72 |
| Non-Current Borrowings (Note no. 28) | 22,450.97 | - |
| Cash & Bank Balances | 9,682.26 | 5,040.61 |
| Net Debt | 129,808.84 | 210,895.11 |
| Total Equity | 1,943,380.90 | 2,017,895.74 |
| Net Debt to Equity Ratio | 6.68% | 10.45% |

** Restated*

### 46.2 Categories of financial instruments

**(₹ in million)**

| Particulars | As at 31 March, 2020 | As at 31 March, 2019 |
|---|---|---|
| ***Financial assets*** | | |
| **Measured at fair value through profit or loss (FVTPL)** | | |
| (a) Compulsorily Convertible Preference Share | 220.69 | 95.69 |
| (b) Investment in Equity Shares | 0.33 | 0.33 |
| **Measured at amortised cost** | | |
| (a) Investment in GoI Special Bonds | 1,975.08 | 1,975.08 |
| (b) Trade and other receivables | 47,773.93 | 84,399.60 |
| (c) Cash and cash equivalents | 960.25 | 179.77 |
| (d) Other bank balances | 8,722.01 | 4,860.84 |
| (e) Deposit under Site Restoration Fund | 221,522.23 | 180,926.09 |
| (f) Loans | 16,942.01 | 16,800.56 |
| (g) Other financial assets | 29,243.88 | 48,823.41 |
| **Measured at FVTOCI** | | |
| (a) Investments in equity instruments | 125,857.05 | 255,626.49 |
| ***Financial liabilities*** | | |
| **Measured at amortised cost** | | |
| (a) Current borrowings | 117,040.13 | 215,935.72 |
| (b) Non-Current borrowings | 22,450.97 | - |
| (c) Trade payables | 71,136.27 | 88,249.98 |
| (d) Other financial liabilities | 139,839.63 | 122,244.20 |
| (e) Financial guarantee contracts | 1,335.15 | 991.37 |
| **Finance Lease Obligation** | 98,265.75 | 417.96 |

### 46.3 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include credit risk, liquidity risk and market risk (including currency risk and price risk).

During the year, the liquidity position of the Company was comfortable. The lines of Credit/short term loan available with various banks for meeting the short term working capital/ deficit requirements were sufficient for meeting the fund requirements. The Company has also an overall limit of ₹ 100,000 million for raising funds through Commercial Paper. Cash flow/ liquidity position is reviewed on continues basis.

### 46.4 Credit risk management

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Major customers, being public sector oil marketing companies (OMCs) and gas companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 5.02% (Previous year 8.44%) of total monetary assets at any time during the year.

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/schemes are with public sector Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits.

Bank balances are held with reputed and creditworthy banking institutions.

The Company is exposed to default risk in relation to financial guarantees given to banks / vendors on behalf of subsidiaries / joint venture companies for the estimated amount that would be payable to the third party for assuming the obligation. The Company's maximum exposure in this regard on as at March 31, 2020 is ₹ 447,916.38 million (As at March 31, 2019 ₹ 438,120.44 million).

### 46.5 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in million)

| | Less than 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| **As at March 31, 2020** | | | | | |
| Trade Payable | 71,136.27 | - | - | - | **71,136.27** |
| Security Deposits from Contractors | 2,712.10 | 3,297.11 | 586.96 | 2.81 | **6,598.98** |
| Non Current Borrowings | - | - | - | 22,450.97 | **22,450.97** |
| Lease Liabilities # | - | - | - | - | **98,265.75** |
| Current Borrowing | - | 117,040.13 | - | - | **117,040.13** |
| Other Financial Liabilities | 132,724.15 | - | - | - | **132,724.15** |
| **Total** | **206,572.52** | **120,337.24** | **586.96** | **22,453.78** | **448,216.25** |
| Financial Guarantee Obligation* | | | | | **447,916.38** |
| **As at March 31, 2019** | | | | | |
| Trade Payable | 88,249.98 | - | - | - | **88,249.98** |
| Security Deposits from Contractors | 2,134.10 | 2,218.38 | 123.35 | 101.63 | **4,577.46** |
| Current Borrowing | - | 215,935.72 | - | - | **215,935.72** |
| Other Financial Liabilities | 117,234.20 | - | - | - | **117,234.20** |
| **Total** | **207,618.28** | **218,154.10** | **123.35** | **101.63** | **425,997.36** |
| Financial Guarantee Obligation* | | | | | **438,120.44** |

*Represents Company's maximum exposure as on March 31, 2020 in respect of financial guarantee obligation given to banks / vendors on behalf of subsidiaries / joint venture companies for the estimated amount that would be payable to the third party for assuming the obligation.

# For Maturity Analysis of Lease Liabilities please refer to note no. 42.3.

The Company along with its wholly owned subsidiary ONGC Videsh Limited, had set up Euro Medium Term Note (EMTN) Program for US$ 2 billion on August 27, 2019 which was listed on Singapore Stock Exchange and subsequently on India International Exchange (India INX). EMTN program is an uncommitted facility which has provision for the Company and its wholly owned subsidiary ONGC Videsh Limited to raise funds from overseas bond markets with required flexibility on timings, tenors, currencies, interest rates etc.

The Company priced its maiden offering of US$ bonds amounting to US $300 million at an attractive coupon of 3.375% per annum payable semi-annually for meeting capital expenditure in accordance with the External Commercial Borrowing guidelines issued by the Reserve Bank of India. The bond was priced at 99.253% to provide a yield to maturity of 3.464% per annum and will mature in December 05, 2029. This was the tightest coupon for 10 year or longer tenor offering from India ever achieved by any Indian Corporate at the time of issuance.

The Company has access to committed credit facilities and the details of facilities used are given below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in million)

| Unsecured bank overdraft facility, reviewed annually and payable at call: | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| amount used | - | 18.33 |
| amount unused # | 2,900 | 81.67 |

# At the year-end, the cash credit limit was ₹ 13,000 million (Previous year ₹ 43,400 million) considering business requirement of the Company. The cash credit limit of ₹ 10,100 million (Previous year ₹ 43,300 million) was utilised as working capital loan.

Besides the above, the Company had arrangement for unutilized working credit loan facilities of ₹ 44,480 million as on March 31, 2020 with other banks.

The Company also had an unutilized limit of ₹ 90,000 million (Previous year ₹ 5,500 million) for raising funds through Commercial Paper.

### 46.6 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency risk and interest rate risk.

The primary commodity price risks that the Company is exposed to international crude oil and gas prices that could adversely affect the value of the Company's financial assets or expected future cash flows. Substantial or extended decline in international prices of crude oil and natural gas may have an adverse effect on the Company's reported results.

The Company is constantly carrying out macro level analysis and keeping a vigilant eye on global reports & analysis being done by global analyst & firms. With spread of pandemic globally and later due to lockdown, the supply chain have witnessed minor disruption, however it is expected that India being a net importer of oil & gas, the Company's customer base would not be adversely affected for a long time save for some temporary blips. The Company feel that the impact of COVID on crude price may be a temporary phenomenon as the price is expected to bounce back, though range bound in medium to long term.

### 46.7 Foreign currency risk management

Sale price of crude oil is denominated in United States dollar (US$) though billed and received in Indian Rupees (₹). The Company is, therefore, exposed to foreign currency risk principally out of ₹ appreciating against US$. Foreign currency risks on account of receipts / revenue and payments / expenses are managed by netting off naturally-occurring opposite exposures through export earnings, wherever possible and carry unhedged exposures for the residual considering the natural hedge available to it from domestic sales.

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

During the year the Company has approved the Foreign exchange and Interest Risk Management Policy (RMP) with objective to ensure that foreign exchange exposures on both revenue and balance sheet accounts are properly computed, recorded and monitored, risks are limited to tolerable levels and an efficient process is created for reporting of risk and evaluation of risk management operations.

The RMP primary objective is to risk limitation/ reduction and to constitute a committee with appropriate authority and structured responsibility of all activities of Company with regard to management of foreign exchange risk.

The Company shall constitute Forex Risk Management Committee (FRMC) to enable risk to be identified, assessed, monitored and managed / mitigated appropriately within the legal and regulatory framework. FRMC of the Company has been entrusted with the responsibility to assist the Board through Audit Committee in overseeing and approving the ONGC's Foreign Exchange and Interest risk Management framework.

The Company has also approved Hedging policy so that exposures are identified and measured across Company, accordingly appropriate hedging can be done on net exposure basis. ONGC has adopted structured risk management policy to hedge foreign exchange risk within acceptable risk limit. Hedging instrument includes plain vanilla forward (including plain vanilla swaps) and option contract. FRMC shall decide and take decision regarding selection of hedging instrument based on market volatility, market condition, legal framework, global events, macro-economic situation etc. All the decision and strategies shall be in line and within the approved Foreign exchange and Interest Risk Management Policy. During the year no hedging was resorted to, due to negative net exposure for the period.

**(₹ in million)**

| Particulars | Liabilities as at | | Assets as at | |
|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at 31 March, 2020 | As at 31 March, 2019 |
| US$ | 198,399.49 | 160,591.60 | 5,605.66 | 10,900.34 |
| GBP | 1,464.65 | 892.56 | - | - |
| EURO | 1,113.84 | 851.64 | - | - |
| JPY | 37.69 | 32.61 | - | - |
| Others | 74.73 | 23.97 | - | - |
| **Total** | **201,090.40** | **162,392.38** | **5,605.66** | **10,900.34** |

### 46.7.1 Foreign currency sensitivity analysis

The Company is principally exposed to risk against US$. Sensitivity of profit or loss arises mainly from US$ denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of (+/-) 5% between US$-₹ currency pair, sensitivity of profit or loss only on outstanding US$ denominated monetary items at the period end is presented below:

**(₹ in million)**

| US$ sensitivity at year end | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Assets:** | | |
| Weakening of ₹ by 5% | 280.28 | 545.02 |
| Strengthening of ₹ by 5% | (280.28) | (545.02) |
| **Liabilities:** | | |
| Weakening of ₹ by 5% | (9,919.97) | (8,029.58) |
| Strengthening of ₹ by 5% | 9,919.97 | 8,029.58 |

The Sensitivity of Revenue from operation (net of levies) to change in (+/-) Re. 1 in exchange rate between ₹ - US$ currency pair is presented as under:

**(₹ in million)**

| Sensitivity of Revenue from operation (net of levies) | 2019-2020 | 2018-2019 |
|---|---|---|
| Impact on Revenue from operation (net of levies) for exchange rate | (+/-) 10,418.66 | (+/-) 11,962.04 |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### 46.7.2 Forward foreign exchange contracts

The Company has not entered into any forward foreign exchange contracts during the reporting period.

### 46.8 Interest rate risk management

The Company is exposed to interest rate risk because the Company has borrowed funds benchmarked to overnight MCLR, Treasury Bills and US$ LIBOR. The Company's exposure to interest rates on financial assets and financial liabilities are detailed in note no. 28.2.

### 46.9 Price risks

The Company's equity securities price risk arises from investments held and classified in the balance sheet either at fair value through OCI or at fair value through profit or loss. The Company's equity investments in IOC and GAIL are publicly traded. The fair value of these investments is marked to an active market which factors the uncertainties arising out of COVID-19.

Investment of short-term surplus funds of the Company in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

### 46.9.1 Price sensitivity analysis

The sensitivity of profit or loss in respect of investments in equity shares at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Other comprehensive income for the year ended March 31, 2020 would increase / decrease by ₹ 6,292.85 million (for the year ended March 31, 2019 would increase / decrease by ₹ 12,781.32 million) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

The Sensitivity of Revenue from operation (net of levies) to change in (+/-) 1 US$ in prices of crude oil, natural gas & value added products (VAP)

**(₹ in million)**

| Sensitivity of Revenue from operation (net of levies) | 2019-2020 | 2018-2019 |
|---|---|---|
| Impact on Revenue from operation (net of levies) for US$ in prices of crude oil, natural gas & VAP | (+/-) 57,914.67 | (+/-) 60,043.89 |

### 46.10 Interest rate risk management

The Company invests the surplus fund generated from operations in term deposits with banks and mutual funds. Bank deposits are made for a period of upto 12 months carry interest rate as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk. Average interest earned on term deposit and a mutual fund for the year ended March 31, 2020 was 4.85% p.a. (Previous year 6.82% p.a.).

### 46.11 Fair value measurement

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

### 46.11.1 Fair value of the Company's Financial

**Assets/ Financial Liabilities that are measured at fair value on a recurring basis**

Some of the Company's financial assets/ financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets/ financial liabilities are determined.

(₹ in million)

| Financial Assets/ (Financial Liabilities) | Fair value as at | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | | |
| Investment in Equity Instruments (quoted) | 125,857.06 | 255,626.50 | Level 1 | Quoted bid prices from Stock exchange-NSE. |
| Compulsorily Convertible Preference Share | 220.69 | 95.69 | Level 2 | Discounted Free Cash Flow Methodology |
| Investment in Equity Shares | 0.32 | 0.32 | Level 2 | Discounted Free Cash Flow Methodology |
| Employee Loans | 13,911.86 | 12,313.84 | Level 2 | Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate. |
| Financial Guarantee | (1,335.14) | (991.37) | Level 2 | Interest Rate Differential Model. |
| Lease Liabilities | (98,265.75) | (417.96) | Level 2 | Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate. |
| Security Deposits from Contractors | (6,588.05) | (4,541.36) | Level 2 | Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate. |

**46.11.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note no. 46.11.1 approximate their fair values.

## 47 Disclosure of Interests in Joint Arrangements and Associates:

### 47.1 Joint Operations

In respect of certain unincorporated PSC/ NELP/HELP/CBM blocks, the Company's Joint Operation (JO) with certain body corporates have entered into Production Sharing Contracts (PSCs) / Revenue Sharing Contracts (RSC) with GoI for operations in India. As per signed PSC, RSC & JOA, Company has direct right on Assets, liabilities, income & expense of blocks. Details of these Joint Operation Blocks are as under:

| Sl. No. | Blocks | Company's Participating Interest | | Others Partners and their PI in the JO/Operatorship |
|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | |
| **A** | **Jointly Operated JOs** | | | |
| 1 | Panna, Mukta and Tapti (Note no. 49.1.1.e) | 40% | 40% | BGEPIL 30%, RIL 30% |
| 2 | NK-CBM-2001/1 | 55% | 55% | IOC 20%, PEPL 25% |
| **B** | **ONGC Operated JOs** | | | |
| 3 | AA-ONN-2001/2 | 80% | 80% | IOC 20% |
| 4 | CY-ONN-2002/2 | 60% | 60% | BPRL 40% |
| 5 | KG-ONN-2003/1 | 51% | 51% | Vedanta Ltd (erstwhile Cairn India Ltd)-49% |
| 6 | CB-ONN-2004/1 | 60% | 60% | GSPC 40%, |
| 7 | CB-ONN-2004/2 | 55% | 55% | GSPC 45% |
| 8 | CB-ONN-2004/3 | 65% | 65% | GSPC 35% |
| 9 | CY-ONN-2004/2 | 80% | 80% | BPRL 20% |
| 10 | MB-OSN-2005-1 | 80% | 80% | GSPC 20% |
| 11 | Raniganj (Note no. 47.1.9) | 74% | 74% | CIL 26% |
| 12 | Jharia (Note no. 47.1.9) | 74% | 74% | CIL 26% |
| 13 | BK-CBM-2001/1 | 80% | 80% | IOC 20% |
| 14 | WB-ONN-2005/4 | 75% | 75% | OIL 25% |
| 15 | GK-OSN-2009/1 | 40% | 40% | AWEL 20%, GSPC 20%, IOC 20% |
| 16 | GK-OSN-2009/2* | 40% | 40% | AWEL 30%, IOC 30% |
| 17 | GK-OSN-2010/1 | 60% | 60% | OIL-30%, GAIL-10% |
| 18 | MB-OSN-2005/3 | 70% | 70% | EEPL-30% |
| 19 | KG-OSN-2009/2* | 90% | 90% | APGIC-10% |
| 20 | KG-OSN-2001/3 (Note no. 47.1.10) | 80% | 80% | GSPC-10%, JODPL (10%) |
| 21 | CY-ONHP-2017/1 | 60% | - | BPRL -40% |

| Sl. No. | Blocks | Company's Participating Interest | | Others Partners and their PI in the JO/Operatorship |
|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | |
| C | **Operated by JO Partners** | | | |
| 22 | Ravva | 40% | 40% | Vedanta Ltd (erstwhile Cairn India Ltd) (Operator) 22.5%, VIL 25%, ROPL 12.5% |
| 23 | CY-OS-90/1 (PY3) | 40% | 40% | HEPI (operator) 18%, HOEC 21% TPL 21% |
| 24 | RJ-ON-90/1 (Note no. 47.1.7) | 30% | 30% | Vedanta Ltd (erstwhile Cairn India Ltd) (Operator) 35%, CEHL 35% |
| 25 | CB-OS/2 –Development Phase | 50% | 50% | Vedanta Ltd (erstwhile Cairn India Ltd) (operator) 40%, TPL 10% |
| 26 | CB-ON/7 | 30% | 30% | HOEC (Operator) 35%, GSPC 35% |
| 27 | CB-ON/3 – Development Phase | 30% | 30% | EOL (Operator)70% |
| 28 | CB-ON/2- Development phase | 30% | 30% | GSPC (Operator) 56%, Geo-Global Resources 14% |
| 29 | AA-ONN-2010/2 | 30% | 30% | OIL -50%(Operator), GAIL-20%, |
| 30 | AA-ONN-2010/3 | 40% | 40% | OIL-40%(Operator), BPRL-20% |
| 31 | CB-ONHP-2017/9 | 40% | - | BPRL -60%(Operator) |
| 32 | AA-ONHP-2017/10 | 30% | - | OIL -70%(Operator) |
| 33 | AA-ONHP-2017/13 | 30% | - | OIL -70%(Operator) |

*The blocks have been proposed for relinquishment.

Note: There is no change in previous year details unless otherwise stated.

Abbreviations:- APGIC- AP Gas Infrastructure Corporation Limited, AWEL- Adani Welspun Exploration Limited, BGEPIL- British Gas Exploration & Production India Limited, BPRL- Bharat Petro Resources Limited, CEHL- Cairn Energy Hydrocarbons Limited, CIL- Coal India Limited, EEPL- Essar Exploration & Production Limited, EOL-Essar Oil Limited, EWP – East West Petroleum, GAIL- Gas Authority of India Limited, GSPC- Gujarat State Petroleum Corporation Limited, HEPI- Hardy Exploration & Production India Limited, HOEC- Hindustan Oil Exploration Company Limited, IOC- Indian Oil Corporation Limited, JODPL- Jubilant Offshore Drilling Private Limited, OIL- Oil India Limited, PEPL-Prabha Energy Private Limited, RIL- Reliance Industries Limited, ROPL- Ravva Oil (Singapore) Private Limited, TPL- Tata Petrodyne Limited, VIL- Videocon Industries Limited.

**47.1.1 During the year the Company has entered into Revenue Sharing Contracts with Government of India for 15 blocks acquired under Open Acreage Licensing Policy (OALP) as detailed below:**

| Sl.No. | OALP Round | Name of Revenue sharing contracts/Blocks | Participating Interest | Nature of Activity |
|---|---|---|---|---|
| 1 | II | CB-ONHP-2018/2 | 100% | Exploration |
| 2 | III | CY-ONHP-2018/2 | 100% | Exploration |
| 3 | III | CY-ONHP-2018/3 | 100% | Exploration |
| 4 | III | AA-ONHP-2018/4 | 100% | Exploration |
| 5 | III | BP-ONHP-2018/1 | 100% | Exploration |
| 6 | III | MB-OSHP-2018/1 | 100% | Exploration |
| 7 | III | MB-OSHP-2018/2 | 100% | Exploration |
| 8 | III | MN-DWHP-2018/1 | 100% | Exploration |
| 9 | IV | BP-ONHP-2019/1 | 100% | Exploration |
| 10 | IV | VN-ONHP-2019/1 | 100% | Exploration |
| 11 | IV | VN-ONHP-2019/2 | 100% | Exploration |
| 12 | IV | VN-ONHP-2019/3 | 100% | Exploration |
| 13 | IV | VN-ONHP-2019/4 | 100% | Exploration |
| 14 | IV | VN-ONHP-2019/5 | 100% | Exploration |
| 15 | IV | RJ-ONHP-2019/1 | 100% | Exploration |

Similarly, during the year the Company has entered into Revenue Sharing Contracts with Government of India in respect five fields awarded under Discovered Small Field (DSF) Round II as detailed below:

| Sl.No. | DSF Round | Name of Revenue sharing contracts/Blocks | Participating Interest | Nature of Activity |
|---|---|---|---|---|
| 1 | II | MB/OSDSF/CA/2018 | 100% | Development |
| 2 | II | MB/OSDSF/NMT/2018 | 100% | Development |
| 3 | II | MB/OSDSF/D-33/2018 | 100% | Development |
| 4 | II | MB/OSDSF/SB-15/2018 | 100% | Development |
| 5 | II | RJ/ONDSF/Chinnewala/2018 | 100% | Development |

**47.1.2** In respect of CY-ONHP-2017/1 block, the approval of Government of India was received on November 26, 2019 for farm out of 40% stake to Bharat Petro Resources Limited (BPRL) with effective date as February 20, 2019. Similarly, the approval of Government of India was received on November 26, 2019 for farm in agreement entered for the blocks AA-ONHP-2017/10, AA-ONHP-2017/13 & CB-ONHP-2017/9 to acquire 30% stake from Oil India Limited in the blocks AA-ONHP-2017/10 & AA-ONHP-2017/13 with effective date as February 19, 2019 and 40% stake from BPRL in the block CB-ONHP-2017/9 with effective date as February 20, 2019.

**47.1.3 Financial position of the Joint Operation –Company's share are as under:**

The financial statements of 154 nos. (Previous year 124 nos.), out of 160 nos. (Previous year 137 nos.) Joint operation block (JOs/NELP/HELP), have been incorporated in the accounts to the extent of Company's participating interest in assets, liabilities, income, expenditure and profit / (loss) before tax on the basis of statements certified in accordance with production sharing contract and in respect of balance 6 (Previous year 13) Joint operation blocks (JOs/NELP/CBM blocks), the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Both the figures have been adjusted for changes as per note no. 3.4. The financial positions of JO/NELP/HELP are as under:-

### As at March 31, 2020

(₹ in million)

| Particulars | Current Assets | Non Current Assets | Current Liabilities | Non Current Liabilities | Revenue | Profit or( Loss) from continuing operations | Other Compre-hensive Income | Total Compre-hensive Income |
|---|---|---|---|---|---|---|---|---|
| NELP -100% PI (11) | 148.28 | 127,833.05 | 437.06 | 1,079.18 | 90.91 | (16,369.27) | (17.06) | (16,386.32) |
| HELP -100% PI (16) | 9.65 | 4.04 | 0.03 | - | - | (1,673.77) | 0.02 | (1,673.74) |
| DSF 100% (5) | 3.69 | 5.63 | - | - | - | (1.92) | - | (1.92) |
| NELP/Pre NELP Block with other partner (29) | 37,836.42 | 135,458.88 | 40,573.20 | 12,784.32 | 98,093.63 | 8,442.56 | (6.04) | 8,436.52 |
| HELP Blocks with other partners (4) | 106.66 | 1.55 | 40.55 | - | - | (99.68) | - | (99.68) |
| Surrendered (95) | 871.59 | 44.08 | 16,357.86 | 59.07 | - | (998.41) | - | (998.41) |
| **Total (160)** | **38,976.29** | **263,347.23** | **57,408.70** | **13,922.57** | **98,184.54** | **(10,700.49)** | **(23.08)** | **(10,723.57)** |
| **Further Break-up of above blocks as under:** | | | | | | | | |
| Audited (142) | 6,569.67 | 212,001.10 | 16,783.57 | 3,557.69 | 2,912.51 | (31,161.90) | (22.71) | (31,184.61) |
| Certified (9)# | 31,919.34 | 49,362.54 | 37,714.69 | 9,233.94 | 95,188.66 | 20,482.91 | - | 20,482.91 |
| Unaudited (9) | 487.28 | 1,983.59 | 2,910.44 | 1,130.94 | 83.37 | (21.50) | (0.37) | (21.87) |
| **Total (160)** | **38,976.29** | **263,347.23** | **57,408.70** | **13,922.57** | **98,184.54** | **(10,700.49)** | **(23.08)** | **(10,723.57)** |

*# Certified by other Chartered Accountants as per PSC provisions.*

### As at March 31, 2019

(₹ in million)

| Particulars | Current Assets | Non Current Assets | Current Liabilities | Non Current Liabilities | Revenue | Profit or( Loss) from continuing operations | Other Compre-hensive Income | Total Compre-hensive Income |
|---|---|---|---|---|---|---|---|---|
| NELP -100% PI (11) | 56.00 | 86,879.20 | 446.75 | 10.49 | 46.78 | (11,960.69) | 6.44 | (11,954.25) |
| HELP -100% PI (2) | 0.31 | 1.21 | - | - | - | (77.78) | - | (77.78) |
| Block with other partner (29) | 60,196.02 | 145,067.89 | 40,939.27 | 28,211.74 | 124,202.49 | 19,968.57 | 0.07 | 19,968.64 |
| Surrendered (95) | 4,939.24 | 44.40 | 15,685.24 | 59.07 | - | 1,153.62 | (0.06) | 1,153.56 |
| **Total (137)** | **65,191.58** | **231,992.69** | **57,071.26** | **28,281.29** | **124,249.27** | **9,083.71** | **6.45** | **9,090.16** |
| **Further Break-up of above blocks as under:** | | | | | | | | |
| Audited (120) | 10,559.86 | 172,891.58 | 15,050.88 | 1,770.94 | 2,882.87 | (25,013.84) | 6.45 | (25,007.39) |
| Certified (4)# | 5,626.78 | 20,515.30 | 5,520.45 | 18,216.49 | 16,963.56 | 6,697.93 | - | 6,697.93 |
| Unaudited (13) | 49,004.94 | 38,585.81 | 36,499.92 | 8,293.86 | 104,402.84 | 27,399.63 | - | 27,399.63 |
| **Total (137)** | **65,191.58** | **231,992.69** | **57,071.25** | **28,281.29** | **124,249.27** | **9,083.72** | **6.45** | **9,090.17** |

*# Certified by other Chartered Accountants as per PSC provisions.*

### 47.1.4 Additional Financial information related to Joint Operation blocks are as under:

**As at March 31, 2020** (₹ in million)

| Particulars | Cash and Cash Equivalents | Current Financial Liabilities | Depreciation and Amortisation | Interest Income | Interest Expense |
|---|---|---|---|---|---|
| NELP -100% PI (11) | 0.02 | 333.84 | 11,263.91 | 0.16 | 0.90 |
| HELP -100% PI (16) | - | 0.03 | 19.84 | 0.11 | - |
| DSF 100% (5) | - | - | - | 0.23 | - |
| NELP/Pre NELP Block with other partner (29) | 445.65 | 36,825.52 | 19,457.78 | 1,209.18 | 1,830.04 |
| HELP Blocks with other partners (4) | - | 40.55 | 32.78 | - | - |
| Surrendered (95) | 0.09 | 16,303.04 | - | 18.46 | - |
| **Total (160)** | **445.76** | **53,502.98** | **30,774.31** | **1,228.14** | **1,830.94** |
| **Further Break-up of above blocks as under:** | | | | | |
| Audited (142) | 98.98 | 15,869.42 | 21,095.40 | 13.46 | 183.81 |
| Certified (9)# | 217.60 | 34,752.49 | 10,058.11 | 1,168.51 | 1,548.25 |
| Unaudited (9) | 129.18 | 2,881.07 | (379.20) | 46.17 | 98.88 |
| **Total (160)** | **445.76** | **53,502.98** | **30,774.31** | **1,228.14** | **1,830.94** |

*# Certified by other Chartered Accountants as per PSC provisions.*

**As at March 31, 2019** (₹ in million)

| Particulars | Cash and Cash Equivalents | Current Financial Liabilities | Depreciation and Amortisation | Interest Income | Interest Expense |
|---|---|---|---|---|---|
| NELP -100% PI (11) | 0.02 | 354.72 | 3,886.92 | 0.06 | 0.98 |
| HELP -100% PI (2) | - | - | 6.52 | 0.01 | - |
| Block with other partner (29) | 120.95 | 33,924.58 | 15,985.74 | 1,106.69 | 2,174.43 |
| Surrendered (95) | 0.18 | 15,621.77 | 0.18 | 224.84 | - |
| **Total (137)** | **121.15** | **49,901.07** | **19,879.36** | **1,331.60** | **2,175.41** |
| **Further Break-up of above blocks as under:** | | | | | |
| Audited (120) | 0.14 | 14,227.17 | 9,915.26 | 225.16 | 166.80 |
| Certified (4)# | 13.90 | 2,339.20 | 5,294.33 | 742.75 | 1,314.02 |
| Unaudited (13) | 107.11 | 33,334.70 | 4,669.77 | 363.69 | 694.59 |
| **Total (137)** | **121.15** | **49,901.07** | **19,879.36** | **1,331.60** | **2,175.41** |

*# Certified by other Chartered Accountants as per PSC provisions.*

**47.1.5** In respect of 3 NELP/Pre NELP blocks (Previous year 3) which have expired as at March 31, 2020, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to ₹ 448.91 million (Previous year ₹ 1,025.40 million) has not been provided for since the Company has already applied for further extension of period in these blocks as 'excusable delay'/ special dispensations citing technical complexities, within the extension policy of NELP Blocks, which are under active consideration of Government of India (GoI). The delays have occurred generally on account of pending statutory clearances from various Government Authorities like Ministry of Defence, Ministry of Commerce & Industry, environmental clearances, State Government permissions etc. The above MWP amount of ₹ 448.91 million (Previous year ₹ 1,025.40 million) is included in MWP commitment under Note no. 49.2.3 (i).

As per the Production Sharing Contracts signed by the Company with the GoI, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) are payable for extension of time to complete MWP. Further, in case the Company does not complete MWP or surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI. LD (net of reversal) amounting to ₹ (226.60) million (Previous year ₹ 434.18 million) and cost of unfinished MWP (net of reversal) ₹ 35.99 million (Previous year ₹ 1,080.61 million), paid/payable to the GoI is included in survey and wells written off expenditure respectively.

**47.1.6** Government of India has approved the relinquishment of 30% Participating Interest (PI) of ONGC in SGL Field with future interest in block RJ-ON/6 in Jaisalmer Basin Rajasthan and assignment of PI to Focus Energy Limited (Operator) and other JV partners on the condition that Focus Energy Limited (Operator) will pay towards 100 % past royalty obligation, PEL/ML fees, other statutory levies (total amount ₹ 2,011.89 million as on March 31, 2020) and waive off development/production cost payable by the Company in SGL Field of the block as well as take all future 100% royalty obligation of the Company as licensee. The process of entering into Farm-out Agreement and amendment in Production Sharing Contract (PSC) is under progress. Pending the execution of agreements, no adjustment is made in the accounts in respect of relinquishment of RJ-ON/6.

**47.1.7** The Company is having 30% Participating interest in Block RJ-ON-90/1 alongwith Vedanta Limited (erstwhile Cairn India Limited) (Operator) and Cairn Energy Hydrocarbons Limited There are certain unresolved issues including cost recovery and sharing in respect of exploration, development and production cost in the Block between the Company and Operator of the Block amounting to US$ 1,380.02 million (₹ 1,04.163.79 million) as on March 31, 2019, (based on unaudited End of Year Statements provided by Operator). The amount under dispute related to cost recovery and sharing for FY 2019-20 is yet to be finalised. In the opinion of Company, it is not required to pay exploration cost of US$ 75.48 million (₹ 5,697.57 million), being 30% of US$ 251.62 million (₹ 18,991.90 million), out of the above amount, as per PSC.

Further, the Operator has also claimed exploration cost (beyond exploration phase as per PSC) of US$ 156.53 million (₹ 11,815.26 million) being 30% of US$ 521.78 Million (₹ 39,384.20 million) from the Company upto FY 2019-20 (Previous year US$ 174.03 Million and equivalent ₹ 12,037.88 million) from the Company, which in view of Company is not tenable. The Company has shown a sum of US$ 232.02 million (₹ 17,512.87 million) under Contingent Liabilities, as the issues are presently under Arbitration proceedings.

Pending settlement of issues, an amount of US$ 205.37 Million (₹ 15,501.36 million), which is 30% of US$ 684.57 million (₹ 51,671.21 million) pertaining to development and production cost have been accounted for as per the participating interest of the Company.

Royalty on production is being paid by the Company as licensee and the share of JV Partners of Royalty is recoverable through revenue from Sale of Crude Oil and Gas as per PSC. Accordingly, an amount of ₹ 12,198.65 million outstanding from JV Partners has been included in the revenue upto March 31, 2020.

**47.1.8** The primary period of twenty five years of the Production Sharing Contract (PSC) of the Block Block RJ-ON-90/1 expired on May 14, 2020. The Contractors in the Block had applied for extension of the PSC for a period of 10 years, which was approved by Government in October 2018 under the pre-NELP Extension Policy as per notification dated April 7, 2017, subject to certain conditions. One of the conditions for extension, stipulated by Government relates to notification of certain audit exceptions raised for FY 2016-17 as per PSC provisions and requires payment of Additional Profit Petroleum, in case these exceptions are accepted by Contractors. In connection with these audit exceptions, US$ 156.03 million (₹ 11,777.12 million) relating to the share of Company out of total US$ 520.10 million (₹ 39,257.15 million) has been raised by DGH on May 12, 2020. The other Partners in the JV have disputed the demand with a Notice of Arbitration dated May 14, 2020 against the Government. The Company is not a Party to the Arbitration against Government and will pay the amount, once liability, if any, arises out of the Audit Exceptions for the year 2016-17 is finalized for the Contractors. The Company share of US$ 156.03 million (₹ 11,777.12 million) in the Audit Exceptions has already been shown under Contingent liabilities.

As all the conditions required for extension of PSC could not be complied with and the Addendum for extension of the PSC could not be signed by the Contractors and Government on or before May 14, 2020, Government has allowed the Contractors to continue the Petroleum operations for a period of three months or signing of PSC amendment, whichever is earlier. It is expected that Addendum for extension of the PSC will be signed by all Parties within this period. Accordingly, the accounts of the Company's share in the Block for FY 2019-20 has been prepared on a 'going concern' basis.

**47.1.9** In respect of Jharia CBM Block, revised Feasibility Report (FR) has been approved in the 27th Steering Committee (SC) held on September 9, 2019. In light of better techno-economics, the Company has decided to implement the revised FR as phases in the light of overlap issue with Bharat Coking Coal Limited and early implementation and monetization. Therefore, Parbatpur and adjoining area was taken up in Phase-I under the approved FR and accordingly, implementation strategy for Stage-I has been approved by the Company on November 21, 2019 and 36th Operating Committee (OC) meeting for Jharia CBM Block held on December 10, 2019. The same was communicated to the Partner, Coal India Limited (CIL) and was approved by the Board of Directors of CIL in its meeting held on January 10, 2020. Process for location and release and awarding of contract for cadastral and route survey has been initiated. As per Performa provided by DGH, all the formalities for enhancement of PI of CIL to 26% has been completed by both the Company (Assignor) and CIL (Assignee) and the signed documents has been submitted to DGH for the approval of GoI on January 27, 2020.

In respect of Raniganj CBM Block, the Feasibility Report (FR) is under process exploring different variants to optimize the cost. Bengal Aerotropolis Projects Limited (BAPL) has submitted price offer for the two land patches for Raniganj. Work Program and Budget for RE 2019-20, BE 2020-

21 has been approved in the Steering Committee. The issue of connectivity of proposed locations in Raniganj with Urja Ganga Pipeline is being discussed with GAIL (India) Limited, Kolkata. Government of West Bengal has granted PML for 311.79 Sq. km including the BAPL overlap area on February 10, 2020. Pending final decision on the Block, an impairment provision of ₹ 617.36 million has been provided in the books.

**47.1.10** During the year 2017-18 the Company had acquired the entire 80% Participating Interest (PI) of Gujarat State Petroleum Corporation Limited (GSPC) along with operatorship rights, at a purchase consideration of US$ 995.26 million (equivalent ₹ 62,950.20 million) for Deen Dayal West (DDW) Field in the Block KG-OSN-2001/3.

A farm-in Farm-out agreement (FIFO) was signed with GSPC on March 10, 2017 and the said consideration has been paid on August 04, 2017 being the closing date. In the current year 2019-20, accounting for the final closing adjustment (i.e., working capital and other adjustments) to sale consideration viz. transactions from the economic date up to the closing date has been carried out and a sum of ₹ 1,034.01 million is net payable to GSPC as final settlement, net of risks and infirmities of ₹ 25.00 million which had been incorporated and the same is under deliberation.

As per FIFO, the Company is entitled to receive sums as adjustments to the consideration already paid based on the actual gas production and the differential in agreed gas price. Pending executing mother wells and estimating future production, the contingent adjustment to consideration remains to be quantified.

The Company has also paid part consideration of US$ 200 million (equivalent ₹ 12,650.00 million) for six discoveries other than DDW Field in the Block KG-OSN-2001/3 to GSPC towards acquisition rights for these discoveries in the Block KG-OSN-2001/3 to be adjusted against the valuation of such fields based on valuation parameters agreed between GSPC and the Company.

## 48 Disclosure under Indian Accounting Standard 36 – Impairment of Assets

**48.1** The Company is engaged mainly in the business of oil and gas exploration and production in Onshore and Offshore. In case of onshore assets, the fields are using common production/transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

**48.2** The Value in Use of producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under the circumstances where further development of the fields in the CGUs are under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use.

**48.3** In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 15.55% (as at March 31, 2019 - 14.71 %) for Rupee transactions and 10.07% (as at March 31, 2019: 9.79%) for crude oil and value added products revenue, which are measured in US$. Future cash inflows from sale of crude oil and value added products have been computed using Management's best estimate of future crude oil and value added products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of notification issued by the Government of India (GoI) and discounted applying the rate applicable to the cash flows measured in US$ in view of the pricing guidelines issued by GoI. (Note no. 31.2)

**48.4** The outbreak of COVID-19 pandemic globally and in India has caused significant disturbance and slowdown of economic activity. During this period, there has been significant volatility in oil prices. The Company has considered possible effects of COVID-19 on the recoverability of its Cash Generating Units in accordance with Ind AS. The Company has considered the business conditions to make an assessment of the implications of the Pandemic on estimate of future crude oil and natural gas prices and production based on internal and external information / indicators of future economic condition. Based on the assessment, the Company has recorded an impairment to the extent the carrying amount exceeds the value in use and has disclosed the same as exceptional amounting to ₹ 48,990.47 million. This mainly consisting of Onshore CGU Sibsagar (₹ 15,619.17 million), Rajahmundry Onshore (₹ 12,962.26 million), Offshore CGUs S1 Vashishta at Eastern Offshore Asset (₹ 5,227.19 million), G1 GS-15 (₹ 1,469.88 million), B-193 Cluster, B-Series and B-127 at Western offshore (₹ 9,486.90 million), NELP Joint Venture block KG-OSN-2001/3 (₹ 4,163.34 million) and GS-29 Field of Eastern Offshore Asset (₹ 61.73 million).

**48.5** The Company has assessed the impairment as at March 31, 2020 for its CGUs. During the year, ₹ 54,685.26 million (As on 31 March, 2019: ₹ 3,827.50 million) has been provided for impairment loss which mainly consisting of CGUs mentioned above as exceptional item, CWIP facilities of Western Offshore (₹ 5,311.74 million), onshore CGUs Silchar and Jodhpur (₹ 761.61 million) and Tapti field (₹ 188.71 million).

**48.6** During the year ₹ 1,837.59 million (Previous year ₹ 503.28 million) of impairment loss has been reversed. This mainly pertains to WO-16 cluster of Western Offshore amounting to ₹ 1,415.96 million.

**48.7** The following 2P reserves for respective CGU were considered as a basis for the impairment testing as at March 31, 2020:

| Name of the CGU | Quantity of Reserves used for Impairment Assessment (In MMT) |
|---|---|
| S1 Vashishta | 5.23 |
| Silchar Onshore Asset | 0.77 |
| Jodhpur | 0.18 |
| RJ-ON-90/1 (Pre NELP PSC Block) | 15.19 |
| Sibsagar Onshore Asset | 39.83 |
| WO 16 (Western Offshore) | 8.20 |
| Ravva (Pre NELP PSC Block) | 1.27 |
| Ankleshwar Onshore Asset | 19.20 |
| B-193 (Western Offshore) | 6.56 |
| Ratna (Western Offshore) | 8.53 |
| KG-OSN-2001/3 | 20.99 |

48.8 Impairment testing of assets under exploratory phase (Exploratory wells in progress) has been carried out as on March 31, 2020 and an amount of ₹ 16,915.56 million (year ended March 31, 2019 ₹ 8,839.71 million) has been provided during the year 2019-20 as impairment loss mainly at GK-28/42 in Western Offshore (₹ 2,101.35 million), GS-OSN-2004/1 in Kutch offshore (₹ 7,237.09 million) and D1 Field of KG-DWN-98/2 (₹ 3,935.31 million). Further, ₹ 3,908.05 million (year ended March 31, 2019 ₹ 223.58 million) impairment losses has been reversed as exploratory phase assets have been written off at Sibsagar and Rajahmundry.

48.9 The Sensitivity of impairment loss to change in (+/-) US$ 5 per barrel in management estimated future crude oil prices is presented as under:

(₹ in million)

| Sensitivity of impairment loss | (-) US$ 5 | (+) US$ 5 |
|---|---|---|
| Impact on impairment loss for change in future crude oil prices | (+) 42,867.95 | (-) 18,552.73 |

## 49. Contingent liabilities, Contingent Assets and commitments (to the extent not provided for)

### 49.1 Contingent Liabilities & Contingent Assets:

### 49.1.1 Claims against the Company/ disputed demands not acknowledged as debt: -

(₹ in million)

| | Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **A** | **In respect of Company** | | |
| I. | Income Tax | 81,268.38 | 120,023.40 |
| II. | Excise Duty | 6,761.17 | 2,784.65 |
| III | Custom Duty | 400.49 | 800.25 |
| IV | Royalty | 496.82 | 496.82 |
| V | Cess | 6.45 | 6.57 |
| VI | AP Mineral Bearing Lands (Infrastructure) Cess | 3,234.71 | 3,117.08 |
| VII | Sales Tax | 23,658.51 | 22,486.44 |
| VIII | Service Tax (Note no. 49.1.1.b) | 30,084.38 | 29,936.46 |
| IX | GST (Note no. 49.1.1.b) | 43,606.42 | 25,575.53 |
| X | Octroi and other Municipal Taxes | 66.89 | 66.89 |
| XI | Specified Land Tax (Assam) | 11,039.96 | 5,199.72 |
| XII | Claims of contractors (Incl. LAQ) in Arbitration / Court | 167,336.70 | 180,698.83 |
| XIII | Employees Provident Fund | 66.35 | 66.35 |
| XIV | Others | 23,477.47 | 26,226.58 |
| | **Sub Total (A)** | **391,504.70** | **417,485.57** |
| **B** | **In respect of Joint Operations** | | |
| I. | Income Tax | 8.91 | 8.91 |
| II. | Custom Duty | - | 232.42 |
| III | Royalty | 108.02 | 116.06 |
| IV | Sales Tax | 2,621.66 | 2,621.66 |
| V | Service Tax and GST (Note no. 49.1.1.b) | 43,678.05 | 30,941.66 |
| VI | Claims of contractors in Arbitration / Court | 9,375.94 | 7,977.04 |
| VII | Others (Note no. 49.1.1.d & e) | 155,817.42 | 144,985.70 |
| | **Sub Total (B)** | 211,610.00 | 186,883.45 |
| | **Total (A+B)** | **603,114.70** | **604,369.02** |

a. The Company's pending litigations comprise claims against the Company and proceedings pending with Tax / Statutory/ Government Authorities. After review of all its pending litigations and proceedings, the Company has made / updated adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

b. 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 Gujarat High Court. The Company had also obtained legal opinion as per which the Service Tax/GST on Royalty in respect of Crude oil and Natural gas is not applicable. Meanwhile, the Company also received demand order dated January 01, 2019 on account of GST on Royalty in the State of Rajasthan against which the Company filed writ (4919/2019) before Hon'ble High Court of Rajasthan. The Hon'ble High Court of Rajasthan heard the matter on April 3, 2019 and issued notice to Department with a direction that no coercive action shall be taken against the Company. The final hearing has not yet taken place. The Company also filed writ of mandamus (9961/2019) before Hon'ble High Court of Madras seeking stay on the levy of GST on royalty. The Hon'ble High Court of Madras heard the matter on April 3, 2019 and issued notice to Central 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 March 31, 2020) works out towards Service Tax is ₹ 39,001.85 million (Previous year ₹ 38,616.33 million) and GST is ₹ 61,041.86 million (Previous year ₹ 37,956.11 million). 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 ₹ 13,509.56 million (Previous year ₹ 13,725.72 million) and ₹ 45,531.20 million (Previous year ₹ 28,065.77 million) respectively.

c. The Company had reviewed pending disputed cases pertaining to pre-GST regime in light of Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) announced in Budget 2019 which was in force till January 15, 2020. This amnesty scheme provided for payment of only 30/50% disputed tax amount with full waiver of interest and penalty, under litigation category, to settle the disputed case. Based on opinion of the consultant, declarations have been filed for total 104 cases having tax demand of ₹ 3083.48 million. To settle these cases, the Company had paid ₹ 1,356.57 million (net off pre-deposit of ₹ 212.76 million) under the scheme, out of which ₹ 544.15 million is recoverable from OMCs in respect of settlement of differential excise duty demand on LPG (Domestic) & SKO (PDS) whereas ₹ 359.00 million is recoverable in respect of settlement of PMT JV cases.

d. There are certain unresolved issues including cost recovery and sharing in respect of exploration, development and production cost in the Block between the Company and Operator - Vedanta Limited (erstwhile Cairn India Limited) of the Block RJ-ON-90/1. Pending settlement of issues, the company has shown an amount of US$ 232.02 million (equivalent ₹ 17,512.87 million) under contingent liability as on March 31, 2020. For further details please refer note no. 47.1.7.

e. 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 terms of the Panna Mukta Field Asset Handover Agreement, the Contractors of PMT JV are liable for this pre-existing liability.

In December 2010, RIL & BGEPIL (JV Partners) invoked an international arbitration proceeding against the Union of India in respect of certain disputes, differences and claims arising out of and in connection with both the PSCs pursuant to the provisions of Article 33 of the PSCs and UNCITRAL Rules, 1976. The Ministry of Petroleum and Natural Gas (MoP&NG), vide their letter dated July 4, 2011, had directed the Company not to participate in the arbitration initiated by the JV Partners. MoP&NG has also stated that 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 04, 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) equivalent to ₹ 122,583.29 million @ ₹ 75.48 (closing rate as on March 31, 2020). 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. In view of the Company, any changes approved, if any, for increase in the Cost Recovery Limit (CRL) by the Management Committee (MC) as per the terms of the PSCs, the liability to DGH, would potentially reduce.

The English Court has delivered its final verdict on May 02, 2018 following which the Arbitral Tribunal re-considered some of its earlier findings from the 2016 FPA and ruled in favour of BGEPIL and RIL (Revised Award). The Government of India, BGEPIL and RIL have challenged parts of the Revised Award.

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

DGH vide letter dated January 14, 2019 has advised to the contractors to re-cast the accounts for Panna-Mukta and Mid and South Tapti Fields for the year 2017-18. Pending finalization of the decision of the Arbitral Tribunal, the JV partners and the Company 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 US$ 1,624.05 million equivalent to ₹ 122,583.29 million has been considered as contingent liability.

**49.1.2** A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

**49.2 Commitments**

**49.2.1 Capital Commitments:**

Estimated amount of contracts remaining to be executed on capital account: -

(i) In respect of Company: ₹ 87,408.96 million (Previous year ₹ 64,398.91 million).

(ii) In respect of Joint Operations: ₹ 141,390.12 million (Previous year ₹ 179,574.32 million).

**49.2.2 Other Commitments**

(i) Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts' and 'Revenue Sharing Contracts' with Government of India / Nominated Blocks:

a) In respect of NELP/HELP blocks in which the Company has 100% participating interest: ₹ 28,381.59 million (Previous year ₹ 2,941.23 million).

b) In respect of NELP/HELP blocks in Joint Operations, Company's share: ₹ 2,646.45 million (Previous year ₹ 1,018.94 million).

c) In respect of DSF blocks in which the Company has 100% participating interest: ₹ 15,318.90 million (Previous year Nil).

(ii) In respect of ONGC Petro additions Limited, a Joint Venture Company ₹ 639.50 million (Previous year ₹ 639.50 million) on account of subscription of Share Warrants with a condition to convert it to shares after a balance payment of ₹ 0.25 per share.

(iii) The Company has entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon of Compulsorily Convertible Debentures (CCDs) amounting to ₹ 77,780.00 million (Previous year ₹ 77,780.00 million) issued by ONGC Petro additions Limited in three tranches. The cumulative interest till March 31, 2020 is amounting to ₹ 11,644.38 million (Previous year ₹ 5,117.73 million).

The first tranche and second tranche of CCDs amounting to ₹ 56,150.00 million and ₹ 16,710 million have been extended for a period of 18 months and due for maturity in January 2021 and November 2021 respectively while the third tranche of CCD amounting to ₹ 4,920 million will be due for maturity in March 2021.

(iv) The Company has entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon amount for three years compulsorily convertible debentures amounting to ₹ 10,000.00 million (Previous year Nil) issued by ONGC Mangalore Petrochemicals Limited. The backstopping support provided by the Company along with Mangalore Refinery and Petrochemicals Limited according to their respective shareholding i.e. 49% by the Company and 51% by Mangalore Refinery and Petrochemicals Limited.

## 50. Quantitative Details

### 50.1 Production Quantities (Certified by the Management):

(₹ in million)

| Products | Unit | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| Crude Oil* | MT | 23,352,645 | 24,231,087 |
| Natural Gas | $000M^3$ | 24,895,701 | 25,810,339 |
| Liquified Petroleum Gas | MT | 1,013,303 | 1,107,465 |
| Ethane-Propane | MT | 345,137 | 413,957 |
| Ethane | MT | 536,181 | 454,622 |
| Propane | MT | 224,412 | 209,984 |
| Butane | MT | 125,056 | 114,366 |
| Naphtha | MT | 1,115,257 | 1,174,938 |
| SKO | MT | 50,438 | 66,424 |
| ATF | MT | 26,052 | 17,521 |
| LSHS | MT | 26,412 | 22,013 |
| HSD | MT | 79,507 | 49,724 |
| MTO | MT | 3,091 | 4,438 |

*Crude Oil production includes BS&W.

**Notes:**

a) **Production includes internal consumption and intermediary losses.**

b) **Crude oil production includes condensate of 1.383 MMT (Previous year 1.485 MMT).**

### 50.2 Raw Material Consumed:

For production of Liquefied Petroleum Gas, Ethane / Propane, Naphtha, Superior Kerosene Oil, Low Sulphur High Stock, Aviation Turbine Fuel and High Speed Diesel.

(₹ in million)

| Particulars | | Year ended March 31, 2020 | | Year ended March 31, 2019 | |
|---|---|---|---|---|---|
| | Unit | Quantity | Value at cost | Quantity | Value at cost |
| **Out of own production:** | | | | | |
| Crude Oil | MT | 86,120 | 1,706.57 | 66,156 | 1,200.94 |
| Natural Gas | $000M^3$ | 8,52,309 | 5,920.58 | 9,02,239 | 5,840.22 |
| Gas Equivalent Condensate | $000M^3$ | 3,58,682 | 1,704.81 | 4,13,220 | 1,906.67 |
| **Purchases** | | | | | |
| Liquefied Natural Gas | MT | 9,30,354 | 18,321.96 | 8,52,267 | 15,482.10 |

**50.3 Consumption of Stores and Spare Parts:** (₹ in million)

| Particulars | Year ended March 31, 2020 | | Year ended March 31, 2019 | |
|---|---|---|---|---|
| | Amount | % | Amount | % |
| Imported | 11,686.43 | 20.38 | 10,379.19 | 17.88 |
| Indigenous | 45,659.21 | 79.62 | 47,681.35 | 82.12 |
| **Total** | **57,345.64** | **100.00** | **58,060.54** | **100.00** |

**50.4 Value of Imports on CIF Basis:** (₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Capital items * | 3,210.10 | 3,748.17 |
| Stores and Spare Parts | 19,354.54 | 17,859.21 |
| **Total** | **22,564.64** | **21,607.38** |

**Includes stage payments made against capital works.*

**50.5 Expenditure in Foreign Currency:** (₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Services | 1,76,955.10 | 188,364.91 |
| Others | 2,781.52 | 3,617.95 |
| **Total** | **1,79,736.62** | **191,982.86** |

**50.6 Earnings in Foreign Currency:** (₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Services | 4,407.01 | 2,867.94 |
| FOB value of Sales | 10,159.61 | 29,408.53 |
| Others | 1,687.57 | 1,947.73 |
| **Total** | **16,254.19** | **34,224.20** |

## 51. Disclosure under Guidance Note on Accounting for "Oil and Gas Producing Activities" (Ind AS)

### 51.1 Company's share of Proved Reserves on the geographical basis is as under:

| Particulars | Details | Crude Oil (MMT) | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| **Offshore** | Opening | 183.00 | 187.73 | 198.91 | 182.37 | 381.91 | 370.10 |
| | Addition | 11.86 | 19.63 | 1.98 | 46.84 | 13.84 | 66.48 |
| | Production | 14.53 | 15.01 | 19.10 | 19.74 | 33.63 | 34.75 |
| | Changes* | - | (9.35) | 0.17 | (10.57) | 0.17 | (19.92) |
| | **Closing** | **180.33** | **183.00** | **181.62** | **198.91** | **361.95** | **381.91** |
| **Onshore** | Opening | 140.61 | 179.21 | 123.08 | 145.56 | 263.69 | 324.77 |
| | Addition | 4.67 | 17.05 | 4.30 | 8.94 | 8.97 | 25.99 |
| | Production | 8.17 | 8.43 | 5.58 | 5.87 | 13.75 | 14.30 |
| | Changes* | (0.22) | (47.22) | (0.27) | (25.55) | (0.49) | (72.77) |
| | **Closing** | **136.89** | **140.61** | **121.53** | **123.08** | **258.42** | **263.69** |
| **Total** | Opening | 323.61 | 366.94 | 321.99 | 327.93 | 645.60 | 694.88 |
| | Addition | 16.53 | 36.69 | 6.28 | 55.79 | 22.81 | 92.48 |
| | Production | 22.70 | 23.44 | 24.68 | 25.61 | 47.38 | 49.05 |
| | Changes* | (0.22) | (56.58) | (0.44) | (36.12) | (0.66) | (92.70) |
| | **Closing** | **317.22** | **323.61** | **303.15** | **321.99** | **620.37** | **645.60** |

*Refer note no. 4.2 (e) for procedure of estimation of reserves.*

Western Offshore - backbone of ONGC's production for the last 45 years

**51.2 Company's share of Proved Developed Reserves on the geographical basis is as under:**

| Particulars | Details | Crude Oil (MMT) | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| **Offshore** | **Opening** | 130.29 | 127.23 | 145.00 | 112.31 | 275.29 | 239.54 |
| | Addition | 28.47 | 20.76 | 2.59 | 55.61 | 31.06 | 76.37 |
| | Production | 14.53 | 15.01 | 19.09 | 19.74 | 33.62 | 34.75 |
| | Changes* | - | (2.69) | - | (3.18) | - | (5.87) |
| | **Closing** | **144.23** | **130.29** | **128.50** | **145.00** | **272.73** | **275.29** |
| **Onshore** | **Opening** | 103.49 | 133.03 | 74.50 | 89.56 | 177.99 | 222.59 |
| | Addition | (22.92) | 3.72 | (25.87) | 5.78 | (48.79) | 9.50 |
| | Production | 8.17 | 8.43 | 5.59 | 5.88 | 13.76 | 14.30 |
| | Changes* | (0.22) | (24.83) | (0.26) | (14.96) | 0.48 | (39.79) |
| | **Closing** | **72.18** | **103.49** | **42.78** | **74.50** | **114.96** | **177.99** |
| **Total** | **Opening** | 233.78 | 260.26 | 219.50 | 201.86 | 453.28 | 462.12 |
| | Addition | 5.55 | 24.48 | (23.28) | 61.40 | (17.73) | 85.88 |
| | Production | 22.70 | 23.44 | 24.68 | 25.61 | 47.38 | 49.05 |
| | Changes* | (0.22) | (27.52) | (0.26) | (18.15) | (0.48) | (45.67) |
| | **Closing** | **216.41** | **233.78** | **171.28** | **219.50** | **387.69** | **453.28** |

# MMTOE denotes "Million Metric Tonne Oil Equivalent" and for calculating Oil equivalent of Gas, 1000 M3 of Gas has been taken to be equal to 1 MT of Crude Oil.

* The changes shown above are due Discovered Small Field (DSF) Bid Round – II (2018).

Variations in totals, if any, are due to internal summations and rounding off.

**51.3** In Discovered Small Field (DSF) Bid Round – II (2018), 12 out of 17 contract areas falling in the Company's acreages were awarded to other parties and 5 contract areas were awarded to the Company. Accordingly, estimates of the fields within DSF-II boundary (Proved Developed Reserves: 0.48 MMTOE, Proved Reserves 0.66 MMTOE) have been removed from the Company's reserves as on March 31, 2020.

52. **Disclosure pursuant to Schedule V to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:**

(₹ in million)

| Particulars | Outstanding as at March 31, 2020 | Maximum Amount Outstanding during the year 2019-20 | Outstanding as at March 31, 2019 | Maximum Amount Outstanding during the year 2018-19 |
|---|---|---|---|---|
| (a) **Loans to Subsidiaries: *** | | | | |
| i) ONGC Videsh Limited (OVL) * (Note 52.1) | - | - | - | 1,860.00 |
| ii) Mangalore Refinery and Petrochemicals Limited (MRPL) (Note 52.2) | - | - | - | 18,856.90 |
| (b) **Loan to Associate:** | Nil | Nil | Nil | Nil |
| (c) **Loans in the nature of loans to Firms\ companies in which directors are interested:** | Nil | Nil | Nil | Nil |

** Excludes Current account transactions.*

**52.1** During the year 2018-19, loan of ₹1,860 million was drawn by OVL which carried interest @ 7.80% p.a. (based on SBI MCLR) and was fully repaid during FY 2018-19.

**52.2** During the year 2018-19, loan to MRPL carried interest as G-Sec yield for 5-year tenor as on March 31, 2018 (as per FIMMDA) plus a spread of 40 (forty) basis points which amounted to 7.90%. Based on the terms of the loan, the entire loan outstanding from MRPL had been repaid in FY 2018-19.


Samudra Nidhi: Well Stimulation Vessel for Offshore operations

### 52.3 Investments by the ONGC Videsh Limited (OVL), loanee:

| Name of Subsidiary | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares | ₹ in million | No. of Shares | ₹ in million |
| (a) ONGC Nile Ganga B.V.<br>Equity Shares<br>- Class A<br>- Class B<br>- Class C | <br><br>40<br>100<br>880 | <br><br>14,310.40<br>32,985.11<br>1,383.59 | <br><br>40<br>100<br>880 | <br><br>13,121.66<br>30,245.09<br>1,268.66 |
| (b) ONGC Narmada Limited<br>Equity Shares | 20,000,000 | 11.73 | 20,000,000 | 10.75 |
| (c) ONGC Amazon Alaknanda Limited<br>Equity Shares<br>Preference Shares | <br>12,000<br>125,001,131 | <br>0.91<br>9,435.09 | <br>12,000<br>125,001,131 | <br>0.83<br>8,651.33 |
| (d) Imperial Energy Limited (formerly Jarpeno Limited)<br>Equity Shares<br>Preference Shares | <br>1,450<br>192,210 | <br>23,700.82<br>145,080.11 | <br>1,450<br>192,210 | <br>21,732.03<br>133,028.54 |
| (e) Carabobo One AB<br>Equity Shares | 377,678 | 4,298.03 | 377,678 | 3,941.00 |
| (f) ONGC (BTC) Limited<br>Equity Shares | 973,791 | 427.11 | 973,791 | 391.63 |
| (g) Beas Rovuma Energy Mozambique Limited<br>Equity Shares | 7,680 | 123,058.56 | 7,680 | 112,836.29 |
| (h) ONGC Videsh Rovuma Limited<br>Equity Shares | 65,000 | 4.91 | 50,000 | 3.46 |
| (i) ONGC Videsh Atlantic Limited<br>Equity Shares | 2,040,000 | 153.98 | 2,040,000 | 141.19 |
| (j) ONGC Videsh Singapore Pte. Limited<br>Equity Shares | 500,000 | 37.74 | 500,000 | 34.61 |
| (k) Indus East Mediterranean Exploration Limited<br>Equity Shares | 15,035,000 | 3.40 | 15,035,000 | 3.12 |
| (l) OVRL India Limited<br>Equity Shares | 1,000,000 | 10.86 | - | - |

### 52.4 Investments by the Mangalore Refinery and Petrochemicals Limited (MRPL), loanee: (₹ in million)

| Name of Subsidiary | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. of Shares (in million) | ₹ in million | No. of Shares (in million) | ₹ in million |
| (a) ONGC Mangalore Petrochemicals Limited<br>Equity Shares | 1,297.63 | 17,426.37 | 1,085.13 | 14,876.28 |

## 53. Disclosure on Foreign currency exposures at the year-end that have not been hedged by derivative instrument or otherwise are given below

(₹ in million)

| Import Creditors | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Foreign Currency | Equivalent ₹ | Foreign Currency | Equivalent ₹ |
| United Arab Emirates Dirham (AED) | 0.00 | 0.02 | 0.61 | 11.54 |
| Australia Dollar (AUD) | 0.07 | 3.04 | 0.13 | 6.52 |
| Switzerland Franc (CHF) | - | - | 0.08 | 5.47 |
| Euro (EUR) | 13.39 | 1,113.84 | 10.96 | 851.64 |
| Great Britain Pound (GBP) | 15.72 | 1,464.65 | 9.86 | 892.56 |
| Japan Yen (JPY) | 54.11 | 37.69 | 52.07 | 32.61 |
| Norway Kroner (NOK) | 9.86 | 70.79 | 0.02 | 0.18 |
| Sweden Krona (SEK) | 0.03 | 0.21 | - | - |
| Singapore Dollar (SGD) | 0.01 | 0.67 | 0.01 | 0.26 |
| USA Dollar (US$) | 1,002.97 | 75,703.90 | 1,001.44 | 69,308.15 |
| **Total** | | **78,394.80** | | **71,108.93** |
| **Short Term Borrowings** | | | | |
| USA Dollar (US$) | 1,126.01 | 84,991.51 | 1,126.03 | 77,930.46 |
| **Long Term Borrowings** | | | | |
| USA Dollar (US$) | 303.45 | 22,904.09 | - | - |
| **MWP** | | | | |
| USA Dollar (US$) | 189.30 | 14,288.12 | 192.93 | 13,351.99 |
| **Cash Call Payable** | | | | |
| USA Dollar (US$) | 6.78 | 511.87 | 0.01 | 1.00 |
| **Receivables** | | | | |
| USA Dollar (US$) | 53.96 | 4,072.91 | 132.80 | 9,191.07 |
| **Cash Call Receivable** | | | | |
| USA Dollar (US$) | 20.31 | 1,532.75 | 24.70 | 1,709.27 |

## 54. Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements'.

54.1 In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements', the Company has retrospectively restated its Balance Sheet as at March 31, 2019 and April 1, 2018 (beginning of the preceding period) and Statement of Profit and Loss for the year ended March 31, 2019 for the reasons as stated below.

54.1.1 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.

**54.1.2** During the year based on the opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India, the Company has changed the accounting policy on accounting of excess decommissioning provision written back where by any change in the present value of the estimated decommissioning provision other than the periodic unwinding of discount is adjusted to the decommissioning provision and to the carrying amount of the related asset. In case reversal of decommissioning provision exceeds the carrying amount of the related asset including written down value (WDV) of the capitalised portion of decommissioning provision in the carrying amount of related asset (as against the WDV of capitalised component of decommissioning provision of the related asset done hitherto), the excess amount is recognized in the Statement of Profit and Loss.

This change in accounting policy has resulted in decrease in carrying value of oil and gas asset, valuation of inventory, excess decommissioning provision written back, change in inventory of finished goods, and depletion expenditure in earlier years.

**54.1.3** Certain changes have also been made in the Significant Accounting Policy at note no.3.14 and other minor improvements / changes in some polices for improved disclosures, understandability and clarity. However, such changes have no impact on the Standalone Ind AS financial statements.

**Reconciliation of financial statement line items which are retrospectively restated are as under (to the extent practicable):**

**54.2 Reconciliation of restated items of Balance Sheet as at March 31, 2019 and April 01, 2018** **(₹ in million)**

| Particulars | Note no. 54.5 | As at March 31, 2019 | | | As at April 1, 2018 | | |
|---|---|---|---|---|---|---|---|
| | | As previously reported | Adjustment | As restated | As previously reported | Adjustment | As restated |
| Oil and Gas Assets | 2 & 3 | 1,143,385.36 | (22,207.79) | 1,121,177.57 | 1,102,648.35 | (19,185.29) | 1,083,463.06 |
| Other Property, Plant and Equipment | 3 | 99,061.28 | (2,626.14) | 96,435.14 | 92,507.13 | - | 92,507.13 |
| Capital work in progress - Oil and gas facilities in progress | 1 | 97,498.02 | - | 97,498.02 | 91,367.07 | (7,156.89) | 84,210.18 |
| Non-current tax assets (net) | 5 | 94,253.77 | 18.64 | 94,272.41 | 99,463.66 | 19.44 | 99,483.10 |
| Inventories | 1 & 3 | 77,491.65 | (452.40) | 77,039.25 | 66,889.08 | (515.01) | 66,374.07 |
| Others | | 1,510,658.04 | - | 1,510,658.04 | 1,459,406.49 | - | 1,459,406.49 |
| **Total assets** | | **3,022,348.12** | **(25,267.69)** | **2,997,080.43** | **2,912,281.78** | **(26,837.75)** | **2,885,444.03** |
| Other equity | 1, 2, 3 & 5 | 1,967,024.01 | (12,029.81) | 1,954,994.20 | 1,869,680.49 | (12,517.91) | 1,857,162.58 |
| Deferred tax liabilities (net) | 5 | 280,703.80 | (6,442.72) | 274,261.08 | 262,591.57 | (6,704.11) | 255,887.46 |
| Other non-current liabilities | 1 | 7,121.30 | (6,795.16) | 326.14 | 7,949.35 | (7,615.73) | 333.62 |
| Others | | 767,499.01 | - | 767,499.01 | 772,060.37 | - | 772,060.37 |
| **Total equity and liabilities** | | **3,022,348.12** | **(25,267.69)** | **2,997,080.43** | **2,912,281.78** | **(26,837.75)** | **2,885,444.03** |

### 54.3 Reconciliation of restated items of Statement of Profit and Loss for the year ended March 31, 2019

(₹ in million)

| Particulars | Note no. 54.5 | As previously reported | Adjustment | As restated |
|---|---|---|---|---|
| Other income | 4 | 75,190.08 | (2,537.46) | 72,652.62 |
| Changes in inventories of finished goods, stock-in-trade and work in progress | 4 | (1,662.69) | (2.27) | (1,664.96) |
| Production, transportation, selling and distribution expenditure | 4 | 496,219.58 | (60.34) | 496,159.24 |
| Depreciation, depletion, amortisation and impairment | 2 & 3 | 157,786.22 | (3,225.14) | 154,561.08 |
| Total tax expense | 6 | 132,382.36 | 262.18 | 132,644.54 |
| **Profit for the year** | | 267,157.89 | 488.11 | 267,646.00 |
| **Total comprehensive income for the year** | | 249,170.28 | 488.11 | 249,658.39 |
| **Earning Per Share** | | | | |
| Basic and diluted (in ₹) | **7** | **20.86** | **0.04** | **20.90** |

### 54.4 Reconciliation of Statement of Cash Flows for the year ended March 31, 2019

(₹ in million)

| Particulars | Note no. 54.5 | As previously reported | Adjustment | As restated |
|---|---|---|---|---|
| Net Profit after tax | 7 | 267,157.89 | 488.11 | 267,646.00 |
| Income tax expense | 6 | 132,382.36 | 262.18 | 132,644.54 |
| Depreciation, Depletion, Amortisation and Impairment | 3 | 157,786.22 | (3,225.14) | 154,561.08 |
| Excess provision written back | 4 | (9,167.05) | 1,716.88 | (7,450.17) |
| Amortization of Government Grant | 4 | 828.74 | (820.58) | 8.16 |
| Operating Profit before Working Capital Changes | | 600,302.98 | (1,578.55) | 598,724.43 |
| Inventories | 4 | (11,553.07) | (62.61) | (11,615.68) |
| Trade payable and other liabilities | 8 | 19,619.99 | 1,482.37 | 21,102.36 |

### 54.5 Notes:

54.5.1 On change in accounting policy as per 54.1.1, has resulted in decrease in of carrying value of Capital work in Progress by ₹ 7,156.89 million received in earlier years as non-monetary grant and consequent reversal of other non- current liabilities - Deferred Government Grant by ₹ 7,615.73 million and reduction in inventory of store and spares by ₹ 458.84 million as at April 1, 2018.

54.5.2 On change in accounting policy as per 54.1.2 above, for the period pertaining to years prior to 2018-19 has resulted in decrease in Gross Value of Oil & Gas Assets by ₹ 26,631.99 million and consequent reduction in accumulated depletion by ₹ 7,446.70 million as at April 1, 2018 (reduction in WDV of Oil & Gas Assets by ₹ 19,185.29 million as at April 1, 2018). The decrease in depletion has also resulted in decrease in value of inventory of Finished and Semi -finished goods by ₹ 56.17 million as at April 1, 2018. This has resulted in total decrease in other equity by ₹ 19,241.46 million as at April 1, 2018.

**54.5.3** For the previous year 2018-19, the change in accounting policy as per 54.1.1 resulted is a reduction in Other Property Plant and equipment by ₹ 2,846.59 million as at March 31, 2019 and consequent reduction is depreciation ₹ 220.45 for previous year 2018-19. Further there is also a decrease in Gross Value of Oil & Gas Assets by ₹ 4,310.30 million and consequent reduction in depletion expenditure by ₹ 539.78 million. There is also a reduction in inventory of Stores and Spares by ₹ 398.50 million as at March 31, 2019. The total reduction in assets has a corresponding reversal of non- current liabilities - Deferred Government Grant by ₹ 6,795.16 million.

Further, for the previous year 2018-19, the change in accounting policy as per 54.1.2 above there is a decrease in Oil & Gas Assets by ₹ 1,716.88 million and consequent reduction in depletion expenditure by ₹ 2,464.90 million (total reduction in WDV of Oil & Gas Assets by ₹ 22,207.79 million as at March 31, 2019 including ₹ 19,185.29 million as at April 1, 2018). The decrease in depletion has also resulted in decrease in value of inventory of Finished and Semi -finished goods by ₹ 53.90 million as at March 31, 2019. This has resulted in total decrease in other equity by ₹ 18,491.18 million for the year ended March 31, 2019.

**54.5.4** For the previous year 2018-19, the change in accounting policy as per 54.1.1 has resulted in decrease in other income – miscellaneous receipts by ₹ 820.58 million and the change in accounting policy as per 54.1.2 has also resulted in decrease in other income – excess decommissioning provision written back by ₹ 1,716.88 million. Further due to reduction in the value of opening and closing inventories of Finished/Semi Finished Goods there is a decrease in Change inventories of Finished/Semi Finished Goods in Stock in Trade and work in progress by ₹ 2.27 million. There is also a reduction in Production, transportation, selling and distribution expenditure - Consumption of Raw materials, Stores and Spares by ₹ 60.34 million due to change in accounting policy as per 54.1.1.

**54.5.5** On change in accounting policy as per 54.1.1 and 54.1.2 above, for the period pertaining to years prior to 2018-19 has resulted an increase in Non-current tax assets (net) by ₹ 19.44 million and decreased in Deferred tax liabilities (net) by ₹ 6,704.11 million. This has resulted in total increase in other equity by ₹ 6,723.55 million as at April 1, 2018.

Further, for the previous year 2018-19, the change in accounting policy as per 54.1.1 and 54.1.2 above there is decrease in Non-current tax assets (net) by ₹ 0.80 million (net increase in Non-current tax assets (net) by ₹ 18.64 million as at March 31, 2019 including ₹ 19.44 million as at April 1, 2018) and there is increase in Deferred tax liabilities (net) by ₹ 261.39 million (net decrease in Deferred tax liabilities (net) by ₹ 6,442.72 million as at March 31, 2019 including ₹ 6,704.11 million as at April 1, 2018). This has resulted in total increase in other equity by ₹ 6,461.36 million as at March 31, 2019.

**54.5.6** There is a change in the tax expenses by ₹ 262.18 million due to the restatement of the Statement of Profit and Loss for the previous year 2018-19.

**54.5.7** Further there is an increase in profit after tax for the previous year by ₹ 488.11 million and consequently there is an increase in Earning per Share from ₹ 20.86 per share to ₹ 20.90 per share.

**54.5.8** For the previous year 2018-19 the change in accounting policy as per 54.1.1 has resulted cumulative impact of ₹ 1,482.36

million in trade payable and other liabilities on account of decrease in other Non-current liabilities - Amortization of Government Grant by ₹ 1,641.16 million. Further there is an increase on account of regrouping (other than restatement) by ₹ 158.80 million in trade payable and other liabilities.

55. The Company has a system of physical verification of Inventory, Property, Plant & Equipment and Capital Stores in a phased manner to cover all items over a period of three years. Adjustment differences, if any, are carried out on completion of reconciliation.

56. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

57. The Company has a system of obtaining periodic confirmation of balances from banks and other parties. Further, some balances of Trade and other receivables, Trade and other payables and Loans are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation/reconciliation of the same, which will not have a material impact.

58. Previous year's figures have been regrouped, wherever necessary, to confirm to current year's grouping.

59. Approval of financial statements

The Standalone Financial Statements were approved by the Board of Directors on June 30, 2020.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-
(M.E.V Selvamm)
Company Secretary
Place: New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place: New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place: New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

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

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

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

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

June 30, 2020

**Oil and Natural Gas Corporation Ltd**
**CIN - L74899DL1993GOI054155**
**Form- AOC-1**

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures as on 31.03.2020

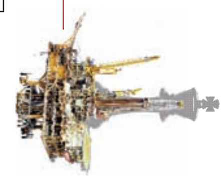
ANNEXURE-C

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries** **(₹ in million)**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the subsidiary | Date since when subsidiary was acquired | Reporting period for the subsidiary | Reporting currency and Exchange rate (note 3) | Share capital | Reserves & surplus | Total assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | Extent of share holding (%) |
| 1 | ONGC Videsh Limited | 05.03.1965 | 31.03.2020 | INR | 150,000.00 | 184,868.77 | 845,651.91 | 510,783.14 | 291,146.16 | 121,921.15 | (36,980.48) | 35,664.35 | (72,644.83) | 3,000.00 | 100.00% |
| 2 | Mangalore Refinery & Petrochemicals Limited | 30.03.2003 | 31.03.2020 | INR | 17,526.64 | 60,468.65 | 254,089.63 | 176,094.34 | 17,576.56 | 607,515.38 | (39,554.28) | (12,477.86) | (27,076.42) | - | 80.29% |
| 3 | Hindustan Petro-leum Corporation Limited | 31.01.2018 | 31.03.2020 | INR | 15,242.10 | 274,381.50 | 1,140,108.30 | 850,484.70 | 122,816.70 | 2,874,169.30 | 15,725.90 | (10,646.70) | 26,372.60 | 14,857.30 | 51.11% |
| 4 | ONGC Mangalore Petrochemicals Limited (note 4) | 28.02.2015 | 31.03.2020 | INR | 25,442.91 | (19,596.89) | 72,667.14 | 66,821.12 | 4.80 | 48,611.69 | (15,119.21) | (1,114.89) | (14,004.32) | - | 89.95% |
| 5 | ONGC Nile Ganga B.V. | 12.03.2003 | 31.03.2020 | USD | 5.39 | 152,663.87 | 122,351.34 | 4,568.25 | 59,891.30 | 11,520.93 | (15,535.88) | (1,232.11) | (11,797.98) | - | 100% for A&B and 77.491% for Class C |
| 6 | ONGC Campos Ltda. | 16.03.2007 | 31.03.2020 | USD | 34,881.71 | (19,857.48) | 36,140.34 | 21,116.12 | - | 15,551.68 | (3,116.70) | (1,058.31) | (2,058.39) | - | 100.00% |
| 7 | ONGC Nile Ganga (San Cristobal) B.V. | 29.02.2008 | 31.03.2020 | USD | 4.47 | 65,951.55 | 67,025.27 | 1,069.25 | 31,105.72 | 309.93 | (129.75) | 44.27 | (407.58) | | 100.00% |
| 8 | ONGC Caspian E&P B.V. | 07.06.2010 | 31.03.2020 | USD | - | - | - | - | - | - | 106.08 | 25.73 | 1,434.83 | 313.44 | 100.00% |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Name of the subsidiary** | **Date since when subsidiary was acquired** | **Reporting period for the subsidiary** | **Reporting currency and Exchange rate (note 3)** | **Share capital** | **Reserves & surplus** | **Total assets** | **Total Liabilities** | **Investments** | **Turnover** | **Profit before taxation** | **Provision for taxation** | **Profit after taxation** | **Proposed Dividend** | **Extent of share holding (%)** |
| 9 | ONGC Amazon Alaknanda Limited | 08.08.2006 | 31.03.2020 | USD | 9,435.99 | 25,375.98 | 34,883.86 | 71.89 | 34,798.48 | - | 647.01 | - | 647.01 | - | 100.00% |
| 10 | ONGC Narmada Limited | 07.12.2005 | 31.03.2020 | USD | 11.75 | (2,401.37) | 23.83 | 2,413.46 | - | - | (27.35) | - | (27.35) | - | 100.00% |
| 11 | ONGC (BTC) Limited | 28.03.2013 | 31.03.2020 | USD | 73.50 | 74.77 | 201.19 | 52.91 | 0.00 | 165.74 | 164.25 | 49.61 | 114.64 | - | 100.00% |
| 12 | Carabobo One AB | 05.02.2010 | 31.03.2020 | USD | 349.62 | 3,754.07 | 4,347.72 | 244.03 | 4,347.50 | - | (3.40) | - | (3.40) | - | 100.00% |
| 13 | Petro Carabobo Ganga B.V. | 26.02.2010 | 31.03.2020 | USD | 1.49 | 13,385.50 | 13,726.00 | 339.02 | 151.39 | 93.51 | (317.94) | (0.19) | (318.13) | - | 100.00% |
| 14 | Imperial Energy Limited | 12.08.2008 | 31.03.2020 | USD | 16.34 | 189,546.29 | 205,713.88 | 16,151.22 | - | 495.80 | 29.30 | 14.38 | 14.92 | - | 100.00% |
| 15 | Imperial Energy Tomsk Limited | 13.01.2009 | 31.03.2020 | USD | 0.18 | 730.58 | 755.49 | 24.76 | - | 0.12 | (1.54) | - | (1.54) | - | 100.00% |
| 16 | Imperial Energy (Cyprus) Limited | 13.01.2009 | 31.03.2020 | USD | 1.94 | 18,540.23 | 18,564.14 | 21.95 | - | 0.11 | (1.52) | - | (1.52) | - | 100.00% |
| 17 | Imperial Energy Nord Limited | 13.01.2009 | 31.03.2020 | USD | 1.96 | 77,002.12 | 77,102.69 | 98.61 | - | 0.15 | (1.56) | - | (1.56) | - | 100.00% |
| 18 | Biancus Holdings Limited | 13.01.2009 | 31.03.2020 | USD | 0.16 | 2,023.36 | 18,458.39 | 16,434.86 | - | 658.18 | 210.77 | 32.41 | 178.37 | - | 100.00% |
| 19 | Redcliffe Holdings Limited | 13.01.2009 | 31.03.2020 | USD | 0.20 | 4,545.85 | 4,556.06 | 10.00 | - | 0.08 | (1.50) | - | (1.50) | - | 100.00% |
| 20 | Imperial Frac Services (Cyprus) Limited | 13.01.2009 | 31.03.2020 | USD | 0.18 | 94.30 | 95.69 | 1.22 | - | (0.41) | (1.59) | - | (1.59) | - | 100.00% |



| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the subsidiary | Date since when subsidiary was acquired | Reporting period for the subsidiary | Reporting currency and Exchange rate (note 3) | Share capital | Reserves & surplus | Total assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | Extent of share holding (%) |
| 21 | San Agio Investments Limited | 13.01.2009 | 31.03.2020 | USD | 0.16 | (263.44) | 1,466.58 | 1,729.88 | - | 6.07 | (52.64) | 2.06 | (54.70) | - | 100.00% |
| 22 | LLC Sibinterneft | 13.01.2009 | 31.03.2020 | USD | 0.10 | (2,016.63) | 0.13 | 2,016.67 | - | (370.43) | (421.74) | - | (421.74) | - | 55.90% |
| 23 | LLC Allianceneftegaz | 13.01.2009 | 31.03.2020 | USD | 0.05 | (11,434.50) | 11,078.38 | 22,512.86 | - | 4,140.43 | (1,606.14) | (0.01) | (1,606.13) | - | 100.00% |
| 24 | LLC Nord Imperial | 13.01.2009 | 31.03.2020 | USD | 0.29 | 11,920.56 | 16,162.58 | 4,241.70 | - | 2,383.32 | (307.78) | - | (307.78) | - | 100.00% |
| 25 | LLC Rus Imperial Group | 13.01.2009 | 31.03.2020 | USD | 0.10 | (1,263.54) | 372.05 | 1,635.49 | - | 168.96 | (75.78) | - | (75.78) | - | 100.00% |
| 26 | LLC Imperial Frac Services | 13.01.2009 | 31.03.2020 | USD | 0.01 | 327.05 | 377.20 | 50.11 | - | 517.68 | 136.78 | 6.11 | 130.66 | - | 100.00% |
| 27 | Beas Rovuma Energy Mozambique Ltd. | 07.01.2014 | 31.03.2020 | USD | 55,924.40 | (1,539.19) | 56,759.73 | 2,374.52 | 33.86 | 0.24 | (5.75) | - | (5.75) | - | 60.00% |
| 28 | ONGC Videsh Rovuma Ltd. | 24.03.2015 | 31.03.2020 | USD | 0.15 | 0.01 | 0.16 | - | - | - | (0.82) | - | (0.82) | - | 100.00% |
| 29 | ONGC Videsh Atlantic Inc. | 14.08.2014 | 31.03.2020 | USD | 153.98 | (46.98) | 109.74 | 2.73 | - | - | (63.91) | (8.46) | (55.45) | - | 100.00% |
| 30 | ONGC Videsh Singapore Pte. Ltd. | 15.04.2016 | 31.03.2020 | USD | 37.74 | (117.34) | 2,728.46 | 2,808.06 | 37.74 | - | (30.47) | - | (30.47) | - | 100.00% |
| 31 | ONGC Videsh Vankorneft Pte. Ltd. | 18.04.2016 | 31.03.2020 | USD | 37.74 | 18,862.19 | 139,202.28 | 120,302.35 | 112,329.02 | - | 8,676.95 | (43.18) | 8,633.76 | - | 100.00% |
| 32 | Indus East Mediterranean Exploration Ltd. | 27.02.2018 | 31.03.2020 | USD | 3.40 | (11.31) | 1.55 | 9.45 | - | - | (10.72) | - | (10.72) | - | 100.00% |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the subsidiary | Date since when subsidiary was acquired | Reporting period for the subsidiary | Reporting currency and Exchange rate (note 3) | Share capital | Reserves & surplus | Total assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Dividend | Extent of share holding (%) |
| 33 | ONGC Videsh Rovuma Ltd., India | 15.04.2019 | 31.03.2020 | INR | 10.00 | (1,040.36) | 229,532.44 | 230,562.80 | - | - | (8,016.92) | (109.52) | (7,907.40) | | 100.00% |
| 34 | HPCL Biofuels Ltd. | 31.01.2018 | 31.03.2020 | INR | 6,251.72 | (6,596.70) | 7,376.80 | 7,721.80 | - | 3,002.30 | (855.50) | - | (855.50) | - | 100.00% |
| 35 | Prize Petroleum Company Ltd.# | 31.01.2018 | 31.03.2020 | INR | 2,450.00 | (5,533.50) | 3,121.60 | 6,205.10 | - | 661.40 | (343.10) | - | (343.10) | - | 100.00% |
| 36 | HPCL Middle East FZCO | 11.02.2018 | 31.03.2020 | Arab Emirates Dirham (AED) | 59.20 | (31.20) | 50.00 | 22.00 | - | 14.60 | (22.60) | - | (22.60) | - | 100.00% |
| 37 | HPCL Rajasthan Refinery Ltd.* | 31.01.2018 | 31.03.2020 | INR | 12,987.40 | (90.20) | 26,282.00 | 13,384.80 | - | - | 13.40 | - | 13.40 | - | 74.00% |
| 38 | Petronet MHB Ltd (PMHBL) ** | 31.01.2018 | 31.03.2020 | INR | 5,487.07 | 3,557.70 | 9,301.84 | 457.07 | - | 1,105.89 | 1,192.37 | 309.64 | 882.72 | - | 75.55% |

Note:

1 Name of subsidiaries which are yet to commence operations:

a) HPCL Rajasthan Refinery Ltd.

b) Indus East Mediterranean Exploration Ltd.

2 Name of subsidiaries which is under winding up/liquidated: a) ONGC Videsh Rovuma Ltd., Mauritius, b) ONGC Caspian E&P B.

3 Exchange Rates :

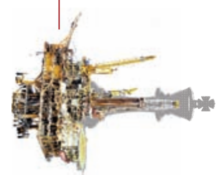
For Balance sheet items: 1 USD = ₹ 75.48

For Profit & loss item: 1 USD = ₹ 70.9150

1 AED = ₹ 20.60

4 The figures in the table above does not include eliminations of intercompany transactions.

5 # Figures based on Consolidated Financial Statements of the Company.



6 *HPCL Rajasthan Refinery Ltd. is considered as subsidiary as per Sec 2(87) of Companies Act, 2013.

7 ** Petronet MHB Ltd. has been reclassified from joint venture to a subsidiary since 31.01.2018, during the year s the company holds 49.996% ownership interest and its subsidary HPCL holds 49.996% ownership interest.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-
(M. E. V Selvamm)
Company Secretary
Place : New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place : New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place : New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

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

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

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

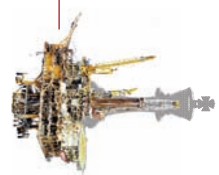
Sd/-
(Rangarajan Raghavan Iyengar)
Partner (M. No. 041883)
Place: Mumbai

June 30, 2020

**Part “B”: Associates and Joint Ventures**

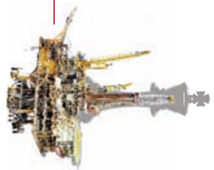
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures **( ₹ in million)**

| 1 | 2 | 3 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Name of the Joint Ventures/Associates | Latest audited Balance Sheet Date | Date on which associate or joint venture was associated or acquired | Shares of Associate/Joint Ventures held by the company on the year end | | | Description of how there is significant influence | Reason why Associate & JV not consolidated | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit / Loss for the year | |
| | | | | No. | Amount of Investment in Associates/ Joint Venture | Extend of Holding % | | | | Considered in Consolidation | Not Considered in Consolidation |
| 1 | Mangalore SEZ Ltd (MSEZ) (note3) | 31.03.2020 | 24.02.2006 | 13,000,000 | 130.00 | 26.86 | Share holding more than 20% | NA | 118.09 | (84.98) | - |
| 2 | ONGC Petro Additions Ltd. (OPaL) | 31.03.2020 | 15.11.2006 | 997,980,632 | 9,979.81 | 49.36 | Share holding more than 20% | NA | 12,789.07 | (10,314.21) | - |
| 3 | ONGC Tripura Power Company Ltd. (OTPC) | 31.03.2020 | 27.09.2004 | 560,000,000 | 5,600.00 | 50.00 | Share holding more than 20% | NA | 6,389.02 | 352.44 | - |
| 4 | ONGC Teri Biotech Ltd. (OTBL) | 31.03.2020 | 26.03.2007 | 24,990 | 0.25 | 49.98 | Share holding more than 20% | NA | 312.19 | 37.54 | - |
| 5 | Dahej SEZ Limited (DSEZ)* | 31.03.2019 | 21.09.2004 | 23,025,000 | 230.25 | 50.00 | Share holding more than 20% | NA | 930.23 | 230.53 | - |
| 6 | Shell MRPL Aviation Fuels & Services Limited (SMASL)(through MRPL) | 31.03.2020 | 11.03.2008 | 15,000,000 | 150.00 | 50.00 | Share holding more than 20% | NA | 286.79 | 7.38 | - |
| 7 | ONGC Mittal Energy Limited | 31.03.2019 | 26.03.2009 | 24,990,000 | 1,886.25 | 49.98 | Share holding more than 20% | NA | (1,981.16) | | - |



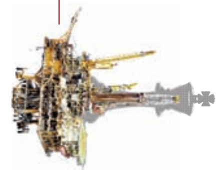
| 1 | 2 | 3 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Name of the Joint Ventures/Associates | Latest audited Balance Sheet Date | Date on which associate or joint venture was associated or acquired | Shares of Associate/Joint Ventures held by the company on the year end | | | Description of how there is significant influence | Reason why Associate & JV not consolidated | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit / Loss for the year | |
| | | | | No. | Amount of Investment in Associates/ Joint Venture | Extend of Holding % | | | | Considered in Consolidation | Not Considered in Consolidation |
| 8 | Mansarovar Energy colombia Limited | 31.03.2019 | 20.09.2006 | 6,000 | 15,945.40 | 50.00 | Share holding more than 20% | NA | 25,466.82 | 646.38 | - |
| 9 | Himalya Energy Syria BV | 31.12.2014 | 07.11.2006 | 45,000 | 207.73 | 50.00 | Share holding more than 20% | NA | 285.22 | (16.16) | - |
| 10 | SUDD Petroleum Operating Company, | 31.12.2015 | 30.04.2012 | 241.25 | 0.00 | 24.13 | Share holding more than 20% | NA | - | - | |
| 11 | Hindustan Colas Pvt. Ltd. | 31.03.2020 | 31.01.2018 | 4,725,000 | 47.25 | 50.00 | Share holding more than 20% | NA | 1,950.10 | 690.80 | - |
| 12 | HPCL-Mittal Energy Ltd. | 31.03.2020 | 31.01.2018 | 3,939,555,200 | 39,395.55 | 48.99 | Share holding more than 20% | NA | 49,057.90 | (321.20) | - |
| 13 | South Asia LPG Co. Pvt. Ltd. | 31.03.2020 | 31.01.2018 | 50,000,000 | 500.00 | 50.00 | Share holding more than 20% | NA | 1,207.40 | 618.00 | - |
| 14 | Bhagyanagar Gas Ltd. | 31.03.2020 | 31.01.2018 | 43,650,000 | 1,282.50 | 24.99 | Share holding more than 20% | NA | 867.90 | 47.70 | - |
| 15 | Petronet India Ltd. ^ | 31.03.2018 | 31.01.2018 | 16,000,000 | 1.60 | 16.00 | By virtue of shareholding agreement | In the process of winding up. | 4.19 | - | - |

| 1 | 2 | 3 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Name of the Joint Ventures/Associates | Latest audited Balance Sheet Date | Date on which associate or joint venture was associated or acquired | Shares of Associate/Joint Ventures held by the company on the year end | | | Description of how there is significant influence | Reason why Associate & JV not consolidated | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit / Loss for the year | |
| | | | | No. | Amount of Investment in Associates/ Joint Venture | Extend of Holding % | | | | Considered in Consolidation | Not Considered in Consolidation |
| 16 | HPOIL Gas Pvt Ltd. | 31.03.2020 | 30.11.2018 | 6,000,000 | 60.00 | 50.00 | Share holding more than 20% | NA | 583.60 | (14.00) | |
| 17 | Godavari Gas Pvt Ltd. | 31.03.2019 | 31.01.2018 | 16,074,643 | 160.70 | 26.00 | Share holding more than 20% | NA | 149.30 | (6.50) | - |
| 18 | Aavantika Gas Ltd. | 31.03.2020 | 31.01.2018 | 29,557,038 | 500.22 | 49.99 | Share holding more than 20% | NA | 1,169.50 | 210.20 | - |
| 19 | HPCL Shaaporji Energy Pvt. Ltd. | 31.03.2020 | 31.01.2018 | 175,000,000 | 1,750.00 | 50.00 | Share holding more than 20% | NA | 1,729.30 | (1.70) | - |
| 20 | Mumbai Aviation Fuel Farm Facilities Pvt. Ltd. | 31.03.2020 | 31.01.2018 | 48,288,750 | 482.89 | 25.00 | Share holding more than 20% | NA | 868.40 | 100.10 | - |
| 21 | Ratnagiri Refinery & Petrochemical Ltd. | 31.03.2020 | 31.01.2018 | 50,000,000 | 500.00 | 25.00 | Share holding more than 20% | NA | 362.80 | (49.90) | - |
| 22 | IHB Pvt. Ltd. | 31.03.2020 | 09.07.2019 | 26,250,000 | 262.50 | 25.00 | Share holding more than 20% | NA | 249.50 | (13.00) | |
| 23 | Indradhanush Gas Grid Ltd. | 31.03.2020 | 10.08.2018 | 12,000,000 | 120.00 | 20.00 | Share holding more than 20% | NA | 85.13 | (10.62) | - |



| 1 | 2 | 3 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Name of the Joint Ventures/Associates | Latest audited Balance Sheet Date | Date on which associate or joint venture was associated or acquired | Shares of Associate/Joint Ventures held by the company on the year end | | | Description of how there is significant influence | Reason why Associate & JV not consolidated | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit / Loss for the year | |
| | | | | No. | Amount of Investment in Associates/ Joint Venture | Extend of Holding % | | | | Considered in Consolidation | Not Considered in Consolidation |
| | Associates | | | | | | | | | | |
| 1 | Petronet LNG Limited (PLL) | 31.03.2020 | 02.04.1998 | 187,500,000 | 987.50 | 12.50 | By virtue of shareholding agreement | NA | 13,976.55 | 3,451.14 | - |
| 2 | Pawan Hans Limited. (PHL)* | 31.03.2018 | 15.10.1985 | 273,166 | 2,731.66 | 49.00 | Share holding more than 20% | NA | 4,871.06 | (267.24) | - |
| 3 | Rohini Heliport Limited | Unaudited | 07.01.2019 | 4,900 | 0.05 | 49.00 | Share holding more than 20% | NA | 0.05 | - | |
| 4 | Petro Carabobo S.A. | 31.03.2019 | 12.05.2010 | 1,126,400 | 4,449.55 | 11.00 | By virtue of shareholding agreement | NA | 6,183.65 | (3,331.17) | - |
| 5 | Carabobo Ingeniería y Construcciones, S.A. | 31.03.2019 | 21.01.2011 | 379 | 0.32 | 37.90 | Share holding more than 20% | NA | 0.32 | - | - |

| 1 | 2 | 3 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Name of the Joint Ventures/Associates | Latest audited Balance Sheet Date | Date on which associate or joint venture was associated or acquired | Shares of Associate/Joint Ventures held by the company on the year end | | | Descrip-tion of how there is sig-nificant influence | Reason why Asso-ciate & JV not consoli-dated | Networth attributable to Share-holding as per latest audited Bal-ance Sheet | Profit / Loss for the year | |
| | | | | No. | Amount of Investment in Associates/ Joint Venture | Extend of Holding % | | | | Considered in Consoli-dation | Not Consid-ered in Consol-idation |
| 6 | Petrolera Indovenezolana S.A. | 31.03.2020 | 08.04.2008 | 40,000 | 31,105.72 | 40.00 | Share holding more than 20% | NA | 33,422.18 | (233.57) | - |
| 7 | South-East Asia Gas Pipeline Company Limited | 30.09.2019 | 25.06.2010 | 16,694 | 1,844.90 | 8.35 | By virtue of share-holding agree-ment | NA | 3,562.07 | 1,354.48 | |
| 8 | Tamba B.V. | 31.12.2019 | 01.11.2006 | 1,620 | 9,023.35 | 27.00 | Share holding more than 20% | NA | 4,607.79 | 986.73 | - |
| 9 | JSC Vankorneft | 31.03.2020 | "15% Ac-quistion - 31.05.2016 11% Ac-quistion - 28.10.2016" | 3,092,871 | 112,329.02 | 26.00 | Share holding more than 20% | NA | 59,923.55 | 13,221.60 | - |
| 10 | Moz LNG1 Holding Com-pany Ltd. | 31.12.2019 | 21.04.2019 | 700,000 | 67.72 | 20.00 | By virtue of share-holding agree-ment | NA | 65.36 | 18.77 | - |



| 1 | 2 | 3 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Name of the Joint Ventures/Associates | Latest audited Balance Sheet Date | Date on which associate or joint venture was associated or acquired | Shares of Associate/Joint Ventures held by the company on the year end | | | Description of how there is significant influence | Reason why Associate & JV not consolidated | Networth attributable to Shareholding as per latest audited Balance Sheet | Profit / Loss for the year | |
| | | | | No. | Amount of Investment in Associates/ Joint Venture | Extend of Holding % | | | | Considered in Consolidation | Not Considered in Consolidation |
| 11 | Falcon Oil & Gas BV | 31.03.2020 | 06.02.2018 | 40 | 22,119.75 | 40.00 | Share holding more than 20% | NA | 22,119.75 | 1,535.21 | - |
| 12 | GSPL India Gasnet Ltd. | 31.03.2020 | 31.01.2018 | 103,622,128 | 1,036.20 | 11.00 | By virtue of share-holding agree-ment | NA | 973.00 | (39.60) | - |
| 13 | GSPL India Transco Ltd. | 31.03.2020 | 31.01.2018 | 54,120,000 | 541.20 | 11.00 | By virtue of share-holding agree-ment | NA | 502.10 | (47.50) | - |

Note:

1 Names of associates or joint ventures which are yet to commence operations:

a) IHB Pvt. Ltd.

b) HPCL Shapoorji Energy Ltd.

c) Ratnagiri Refinery & Petrochemicals Ltd.

d) Indradhanush Gas Grid Ltd.

2 Names of associates or joint ventures which have been liquidated or sold during the year: NIL.

3 Includes holding of 0.96% by ONGC Mangalore Petrochemicals Limited

4 * figures for the same are derived basis unaudited finanicial of FY’20.

5 ^ Petronet India Ltd is in the process of voluntary winding up w.e.f. Augest 30, 2018. Net worth presented above is as per management accounts as of August 30, 2018.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-
(M. E. V Selvamm)
Company Secretary
Place : New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place : New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place : New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

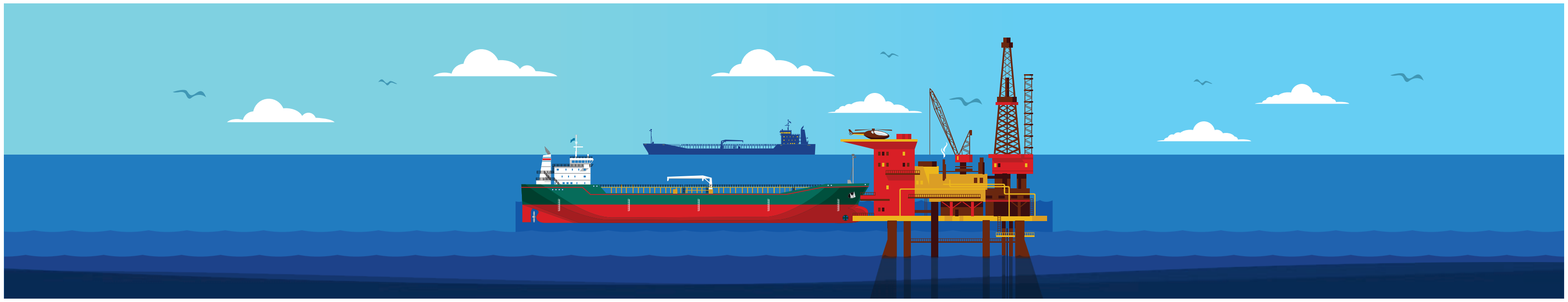
**For SARC & Associates**
Chartered Accountants
Firm Reg. No. 006085N

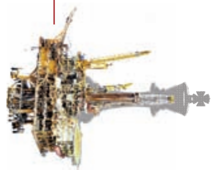
Sd/-
(Pankaj Sharma)
Partner (M. No. 086433)
Place: New Delhi

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

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

June 30, 2020





## ONGC Group Performance at a Glance

| ( ₹ in million unless otherwise stated) | 2019-20* | 2018-19* | 2017-18* | 2016-17 * | 2015-16 * |
|---|---|---|---|---|---|
| **FINANCIAL** | | | | | |
| Revenue from Operations | 4,250,014 | 4,536,828 | 3,622,464 | 3,256,662 | 1,356,642 |
| Dividend Income | 9,074 | 15,263 | 15,987 | 17,527 | 10,243 |
| Other Non-operating Income | 76,242 | 62,036 | 58,694 | 75,705 | 71,205 |
| **Total Revenue** | **4,335,330** | **4,614,127** | **3,697,145** | **3,349,894** | **1,438,090** |
| Statutory Levies | 524,150 | 603,591 | 610,944 | 651,502 | 318,823 |
| Operating Expenses ^ | 3,078,993 | 3,079,546 | 2,368,010 | 2,024,929 | 584,655 |
| Exchange Loss | 35,184 | 13,296 | - | - | 1,033 |
| Exploration costs written off | 90,234 | 92,206 | 74,620 | 52,195 | 60,785 |
| **Profit Before Interest, Depreciation & Tax (PBIDT)** | **606,769** | **825,488** | **643,571** | **621,268** | **472,794** |
| Depreciation, Depletion, Amortisation and Impairment | 266,349 | 237,037 | 231,119 | 202,192 | 163,840 |
| **Profit Before Interest & Tax (PBIT)** | **340,420** | **588,451** | **412,452** | **419,076** | **308,954** |
| **Finance Costs** | **69,998** | **58,367** | **49,990** | **35,911** | **37,656** |
| **Profit before Tax and Exceptional Items** | **270,422** | **530,084** | **362,462** | **383,165** | **271,298** |
| Exceptional item | (90,285) | (15,910) | 2,481 | 5,910 | (79,432) |
| Share of profit/ (loss) of Joint Ventures & Associates (net) | 10,544 | 34,282 | 27,132 | 28,100 | 8,657 |
| **Profit before Tax** | **190,681** | **548,456** | **392,075** | **417,175** | **200,523** |
| Corporate Tax | 75,080 | 209,076 | 131,395 | 125,484 | 69,507 |
| **Profit after Tax** | **115,601** | **339,380** | **260,680** | **291,691** | **131,016** |
| Profit attributable to Non Controlling interests | 6,530 | 33,920 | 39,621 | 47,499 | 2,264 |
| **Profit attributable to Owners of the Company** | **109,071** | **305,460** | **221,059** | **244,192** | **128,752** |
| Dividend | 72,488 | 96,407 | 79,206 | 112,954 | 49,194 |
| Tax on Dividend | 13,809 | 19,153 | 15,705 | 22,972 | 10,005 |
| Share Capital | 62,902 | 62,902 | 64,166 | 64,166 | 42,778 |
| Net Worth (Equity) | 2,069,677 | 2,169,347 | 2,040,189 | 1,943,852 | 1,978,137 |
| Total Equity including NCI | 2,247,805 | 2,350,409 | 2,196,249 | 2,076,772 | 2,004,655 |
| Long-term Borrowings## | 720,834 | 521,680 | 550,249 | 527,723 | 402,292 |
| Working Capital | (422,836) | (473,776) | (495,362) | (535,501) | 38,978 |
| Capital Employed | 2,047,548 | 1,950,175 | 1,844,539 | 1,649,004 | 1,756,994 |
| **FINANCIAL PERFORMANCE RATIOS** | | | | | |
| PBIDT to Turnover (%) | 14.28 | 18.20 | 17.77 | 19.08 | 34.85 |
| PBDT to Turnover (%) | 12.63 | 16.91 | 16.39 | 17.97 | 32.07 |
| Profit Margin (%)- incl. exceptional items | 2.47 | 6.72 | 6.45 | 8.09 | 9.02 |
| Return on Capital Employed) (%) (ROCE) | 16.18 | 29.39 | 21.49 | 24.35 | 17.00 |
| Return on Capital Employed) (%) (ROCE)- incl. exceptional items | 11.77 | 28.58 | 21.63 | 24.71 | 12.48 |
| Net Profit to Equity (%)- incl. exceptional items | 5.27 | 14.08 | 10.84 | 12.56 | 6.51 |
| **BALANCE SHEET RATIOS** | | | | | |
| Current Ratio | 0.69:1 | 0.67:1 | 0.62:1 | 0.64:1 | 1.13:1 |
| Debt Equity Ratio | | | | | |
| - Long Term Debt to Total Equity Ratio | 0.37:1 | 0.25:1 | 0.27:1 | 0.28:1 | 0.21:1 |
| - Total Debt to Total Equity Ratio | 0.51:1 | 0.46:1 | 0.48:1 | 0.39:1 | 0.23:1 |
| Debtors Turnover Ratio (Days) | 12 | 13 | 15 | 13 | 34 |
| **PER SHARE DATA** | | | | | |
| Earning Per Share (₹) # | 8.67 | 23.85 | 17.23 | 19.03 | 10.03 |
| Dividend (%) | 100 | 140 | 132 | 121 | 170 |
| Book Value Per Share (₹) (Restated)# | 165 | 172 | 159 | 151 | 154 |

| ( ₹ in million unless otherwise stated) | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|
| **FINANCIAL** | | | | | |
| Income form Operations | 1,663,888 | 1,782,051 | 1,658,482 | 1,511,003 | 1,252,873 |
| Dividend Income | 6,074 | 4,383 | 3,303 | 3,974 | 4,252 |
| Other Non-operating Income | 53,179 | 64,516 | 51,604 | 43,960 | 32,928 |
| **Total Revenue** | **1,723,141** | **1,850,950** | **1,713,389** | **1,558,937** | **1,290,053** |
| Statutory Levies | 306,836 | 299,174 | 284,369 | 269,402 | 247,631 |
| Operating Expenses ^ | 824,585 | 901,110 | 824,465 | 639,629 | 488,606 |
| Exchange Loss/(Gain) | (465) | (650) | 4,206 | 11,925 | 42 |
| Exploration costs written off | 109,514 | 84,881 | 110,457 | 105,136 | 92,620 |
| **Profit Before Interest, Depreciation & Tax (PBIDT)** | **482,671** | **566,435** | **489,892** | **532,845** | **461,154** |
| Depreciation, Depletion, Amortisation and Impairment | 180,330 | 166,057 | 117,633 | 131,866 | 113,644 |
| **Profit Before Interest & Tax (PBIT)** | **302,341** | **400,377** | **372,259** | **400,979** | **347,510** |
| **Finance Cost** | **28,637** | **6,243** | **4,838** | **4,349** | **4,377** |
| **Profit before Tax and Exceptional Items** | **273,704** | **394,134** | **367,421** | **396,630** | **343,133** |
| Exceptional item | - | - | - | 31,405 | - |
| **Profit before Tax** | **273,704** | **394,134** | **367,421** | **428,035** | **343,133** |
| Corporate Tax | 96,974 | 127,604 | 127,519 | 143,746 | 114,883 |
| **Profit after Tax** | **176,730** | **266,530** | **239,902** | **284,289** | **228,250** |
| Share of profit/(loss) in Associates for the year (net) | 303 | 118 | 38 | (11) | 30 |
| Profit relating to minority | (6,302) | 1,583 | (2,256) | 2,842 | 3,720 |
| **Profit after Tax & Minority Interest** | **183,335** | **265,065** | **242,196** | **281,436** | **224,560** |
| Dividend | 81,277 | 81,277 | 81,277 | 83,416 | 74,859 |
| Tax on Dividend | 16,317 | 13,842 | 13,053 | 13,611 | 12,528 |
| Share Capital | 42,778 | 42,778 | 42,778 | 42,778 | 42,778 |
| Net Worth (Equity) | 1,794,742 | 1,710,556 | 1,510,417 | 1,352,666 | 1,145,312 |
| Total Equity | 1,819,473 | 1,739,676 | 1,529,883 | 1,374,906 | 1,165,203 |
| Long-term Borrowings | 475,755 | 316,809 | 88,428 | 52,086 | 39,771 |
| Working Capital | 15,427 | (44,857) | 63,899 | 96,213 | 75,237 |
| Capital Employed | 1,781,995 | 1,447,991 | 1,183,203 | 1,003,223 | 909,267 |
| **FINANCIAL PERFORMANCE RATIOS** | | | | | |
| PBIDT to Turnover (%) | 29.01 | 31.79 | 29.54 | 35.26 | 36.81 |
| PBDT to Turnover (%) | 27.29 | 31.44 | 29.25 | 34.98 | 36.46 |
| Profit Margin (%)- incl. exceptional items | 10.62 | 14.96 | 14.47 | 18.81 | 18.22 |
| Return on Capital Employed) (%) (ROCE) | 16.63 | 27.35 | 31.18 | 39.57 | 37.75 |
| Return on Capital Employed) (%) (ROCE)- incl. exceptional items | 16.63 | 27.35 | 31.18 | 42.70 | 37.75 |
| Net Profit to Equity (%)- incl. exceptional items | 10.22 | 15.50 | 16.04 | 20.81 | 19.61 |
| **BALANCE SHEET RATIOS** | | | | | |
| Current Ratio | 1.03:1 | 0.93:1 | 1.13: 1 | 1.21:1 | 1.21:1 |
| Debt Equity Ratio | | | | | |
| - Long Term Debt to Equity Ratio | 0.27:1 | 0.2:1 | 0.06:1 | 0.04:1 | 0.04:1 |
| - Total Debt to Equity Ratio | 0.3:1 | 0.28:1 | 0.13:1 | 0.12:1 | 0.06:1 |
| Debtors Turnover Ratio (Days) | 38 | 33 | 34 | 28 | 29 |
| **PER SHARE DATA** | | | | | |
| Earning Per Share (₹) # | 14.29 | 20.65 | 18.87 | 21.93 | 17.50 |
| Dividend (%) | 190 | 190 | 190 | 195 | 175 |
| Book Value Per Share (₹) (Restated)# | 140 | 133 | 118 | 105 | 89 |

*The figures of FY 2019-20, FY 2018-19 (restated), FY 2017-18, FY 2016-17 and FY 2015-16 (restated Ind AS compliant) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013 and figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956.

# In accordance with Ind AS 33 ‘Earnings per Share’, Earnings per share has been adjusted for bonus issue and split for all years. The book value per share has also been adjusted post bonus & split.

^ includes (Accretion) / Decretion in stock, Purchase of Stock in Trade and provisions & write-offs

## Pursuant to adoption of Ind AS 116 from April 01, 2019, the Finance Lease Obligation classified as borrowing has been reclassified to lease liabilities under Financial liabilities for FY 2018-19

Note:

1. Turnover = Revenue from Operaions
2. Capital Employed = Net Working Capital + Net Non Current Assets excluding Capital work in progress, Exploratory/Developments wells & Investments
3. Equity (Net Worth) = (Equity Share Capital + Other Equity ) attributable to Owners of the Company
4. Total Equity = Equity Share Capital + Other Equity + Non Controlling Interests
5. Total Debt = Short Term Borrowings + Long Term Borrowings + Current Maturities of Long Term Debt
6. Profit Margin (%) = Profit after tax for the year/ Turnover
7. Current Ratio = Current Assets including Current Investments / Current Liablities
8. Long Term Debt to Total Equity = (Long Term Borrowings + Current Maturities of Long Term Debt)/ Total Equity
9. Total Debt to Total Equity = Total Debt /Total Equity
10. Net Profit to Equity (%) = Profit after tax for the year / Equity
11. Debtor Turnover Ratio (days) = (Average Receivables/Revenue from Operaions)*365
12. Earning per share = Profit after Tax attributable to Owners of the Company / No. of Equity Shares
13. Book vaule per share = Equity/ No. of Equity Shares
14. ROCE = (PBIT excluding Dividend income) / Capital Employed.

Rail rakes transporting LPG produced by ONGC’s flagship downstream subsidiary HPCL

## Statement of Income and Retained Earnings of ONGC Group

| ( ₹ in million) | 2019-20* | 2018-19* | 2017-18* | 2016-17 * | 2015-16 * |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| **Sale of Products** | **4,227,808** | **4,515,709** | **3,606,428** | **3,232,749** | **1,348,162** |
| Other Operating Revenue | 22,206 | 21,119 | 16,036 | 23,913 | 8,480 |
| **Total Revenue from Operations** | **4,250,014** | **4,536,828** | **3,622,464** | **3,256,662** | **1,356,642** |
| Dividend Income | 9,074 | 15,263 | 15,987 | 17,527 | 10,243 |
| Other Non-operating Income | 76,242 | 62,036 | 58,694 | 75,705 | 71,205 |
| **Total Revenues** | **4,335,330** | **4,614,127** | **3,697,145** | **3,349,894** | **1,438,090** |
| **COST & EXPENSES** | | | | | |
| **Operating, Selling & General** | | | | | |
| Statutory Levies | | | | | |
| (a) Royalties | 127,846 | 147,730 | 109,379 | 125,242 | 99,152 |
| (b) Cess | 107,878 | 128,568 | 99,638 | 89,045 | 101,916 |
| (c) Excise Duty | 282,393 | 320,753 | 395,407 | 431,601 | 115,901 |
| (d) Natural Calamity Contingent Duty - Crude Oil | 1,020 | 1,063 | 1,122 | 1,129 | 1,137 |
| (e) Service Tax/GST | 503 | - | 465 | 367 | 384 |
| (f) Octroi & Port Trust Charges # | 4,510 | 5,477 | 4,933 | 4,118 | 333 |
| **Sub-Total (a to f)** | **524,150** | **603,591** | **610,944** | **651,502** | **318,823** |
| (Accretion) / Decretion in stock | 11,456 | (30,956) | (82) | (47,847) | 7,560 |
| Production, Transportation, Selling and Distribution Expenditure | 1,280,146 | 1,439,817 | 1,135,340 | 1,027,440 | 569,416 |
| Purchase of Stock-in-Trade | 1,760,064 | 1,654,387 | 1,216,894 | 1,041,983 | - |
| Provisions and Write-offs | 27,327 | 16,298 | 15,858 | 3,353 | 7,679 |
| Exchange Loss | 35,184 | 13,296 | - | - | 1,033 |
| Exploration Costs Written off | | | | | |
| -Survey Costs | 19,015 | 19,607 | 15,968 | 19,019 | 17,389 |
| -Exploratory Well Costs | 71,219 | 72,599 | 58,652 | 33,176 | 43,396 |
| **Profit Before Depreciation, Interest &Tax** | **606,769** | **825,488** | **643,571** | **621,268** | **472,794** |
| Depreciation, Depletion, Amortisation and Impairment | 266,349 | 237,037 | 231,119 | 202,192 | 163,840 |
| **Total Cost & Expenses** | **3,994,910** | **4,025,676** | **3,284,693** | **2,930,818** | **1,129,136** |
| **Profit Before Interest &Tax** | **340,420** | **588,451** | **412,452** | **419,076** | **308,954** |
| **Finance Cost** | **69,998** | **58,367** | **49,990** | **35,911** | **37,656** |
| **Profit before Tax and Exceptional item** | **270,422** | **530,084** | **362,462** | **383,165** | **271,298** |
| Exceptional item | (90,285) | (15,910) | 2,481 | 5,910 | (79,432) |
| Share of profit of Joint Ventures & Associates | 10,544 | 34,282 | 27,132 | 28,100 | 8,657 |
| **Profit before Tax** | **190,681** | **548,456** | **392,075** | **417,175** | **200,523** |
| Corporate Tax ( Net) | 75,080 | 209,076 | 131,395 | 125,484 | 69,507 |
| **Profit after Tax (A)** | **115,601** | **339,380** | **260,680** | **291,691** | **131,016** |
| **Other comprehensive income (B)** | **(119,021)** | **(8,965)** | **(31,728)** | **137,070** | **22,465** |
| **Total Comprehensive Income (A) +(B)** | **(3,420)** | **330,415** | **228,952** | **428,761** | **153,481** |
| **Profit after tax for the year attributable to:** | | | | | |
| - Owners of the Company | 109,071 | 305,460 | 221,059 | 244,192 | 128,752 |
| - Non-controlling interests | 6,530 | 33,920 | 39,621 | 47,499 | 2,264 |
| **Other comprehensive income** | | | | | |
| - Owners of the Company | (115,788) | (8,531) | (31,914) | 136,283 | 22,467 |
| - Non-controlling interests | (3,233) | (434) | 186 | 787 | (2) |
| **Total comprehensive income attributable to:** | | | | | |
| - Owners of the Company | (6,717) | 296,929 | 189,146 | 380,475 | 151,219 |
| - Non-controlling interests | 3,297 | 33,486 | 39,806 | 48,286 | 2,262 |

| ( ₹ in million) | 2019-20* | 2018-19* | 2017-18* | 2016-17 * | 2015-16 * |
|---|---|---|---|---|---|
| **Retained Earnings at beginning of the year *** | **204,656** | **190,809** | **184,724** | **162,942** | **122,100** |
| Effect of change in accounting policies | - | (12,549) | - | - | - |
| Effect of reclassification of reserves | - | (2) | - | - | - |
| **Retained Earnings at beginning of the year (restated)** | **204,656** | **178,258** | **184,724** | **162,942** | **122,100** |
| Profit after tax for the year | 109,071 | 305,460 | 221,059 | 244,192 | 128,752 |
| Other comprehensive income | (3,691) | (2,912) | (534) | (3,121) | (299) |
| Other adjustments (including joint ventures & associates) | (2,689) | 681 | (420) | (132) | (24) |
| Adjustments due to Cross holding of Investment | 2,433 | (1,001) | (2,989) | (2,834) | - |
| Preacquistion Adjustment for Bonus share by HPCL | - | - | 2,483 | 3,311 | - |
| Dividend | 72,488 | 96,407 | 79,206 | 112,954 | 49,194 |
| Tax on Dividend | 13,809 | 19,153 | 15,705 | 22,972 | 10,005 |
| Transition impact of Ind AS 115 (net of tax) | - | 420 | - | - | - |
| Expenses Related to Buy Back of Shares | - | 75 | - | - | - |
| Transfer to legal Reserves | - | 6,890 | 9,530 | 581 | 8,082 |
| Transfer to general Reserve | 50,216 | 154,592 | 110,472 | 64,691 | 76,067 |
| Transfer from/to Debenture Redemption Reserve | 2,418 | 295 | (387) | 17,482 | 6,763 |
| **Retained Earnings at end of the year** | **165,983** | **204,656** | **190,809** | **184,724** | **100,418** |

View of an offshore platform in Mozambique. ONGC Videsh, the overseas arm of ONGC has 37 assets in 17 countries

## Statement of Income and Retained Earnings of ONGC Group

| ( ₹ in million) | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| **Sale of Products** | **1,645,426** | **1,769,362** | **1,649,074** | **1,501,615** | **1,226,613** |
| Traded Products | 60 | 44 | 43 | 34 | 172 |
| Other Operating Revenue | 18,402 | 12,645 | 9,365 | 9,354 | 26,088 |
| **Total Revenue from Operations** | **1,663,888** | **1,782,051** | **1,658,482** | **1,511,003** | **1,252,873** |
| Dividend Income | 6,074 | 4,383 | 3,303 | 3,974 | 4,252 |
| Other Non-operating Income | 53,179 | 64,516 | 51,604 | 43,960 | 32,928 |
| **Total Revenues** | **1,723,141** | **1,850,950** | **1,713,389** | **1,558,937** | **1,290,053** |
| **COST & EXPENSES** | | | | | |
| **Operating, Selling & General** | | | | | |
| Statutory Levies | | | | | |
| (a) Royalties | 141,451 | 150,102 | 137,210 | 155,316 | 126,529 |
| (b) Cess | 102,535 | 99,734 | 99,971 | 57,831 | 56,963 |
| (c) Motor Spirit Cess | - | 3 | | | |
| (d) Excise Duty | 52,669 | 37,432 | 34,732 | 37,427 | 51,544 |
| (e) Natural Calamity Contingent Duty - Crude Oil | 1,123 | 1,097 | 1,101 | 1,097 | 1,114 |
| (f) Sales Tax | 2,586 | 3,123 | 3,834 | 3,339 | 3,112 |
| (g) Service Tax | 298 | 439 | 353 | 8,337 | 2,018 |
| (h) Education Cess | 91 | 2,348 | 3,111 | 1,871 | 1,828 |
| (i) Octroi & Port Trust Charges | 6,083 | 4,896 | 4,057 | 4,184 | 4,523 |
| **Sub-Total (a to i)** | **306,836** | **299,174** | **284,369** | **269,402** | **247,631** |
| (Accretion) / Decretion in stock | 17,229 | (5,285) | (11,205) | (4,641) | (8,917) |
| Production, Transportation, Selling and Distribution Expenditure | 793,345 | 898,504 | 813,428 | 632,912 | 487,776 |
| Provisions and Write-offs | 10,876 | 10,315 | 22,243 | 11,599 | 9,635 |
| Exchange Loss | (465) | (650) | 4,206 | 11,925 | 42 |
| Adjustments relating to Prior Period (Net) | 3,135 | (2,423) | (1) | (241) | 112 |
| Exploration Costs Written off | | | | | |
| -Survey Costs | 20,835 | 17,471 | 18,078 | 14,947 | 19,542 |
| -Exploratory Well Costs | 88,679 | 67,410 | 92,379 | 90,189 | 73,078 |
| **Profit Before Depreciation, Interest &Tax** | **482,671** | **566,435** | **489,892** | **532,845** | **461,154** |
| Depreciation, Depletion, Amortisation and Impairment | 180,330 | 166,057 | 117,633 | 131,866 | 113,644 |
| **Total Cost & Expenses** | **1,420,800** | **1,450,573** | **1,341,130** | **1,157,958** | **942,543** |
| **Profit Before Interest &Tax** | **302,341** | **400,377** | **372,259** | **400,979** | **347,510** |
| Finance Cost | 28,637 | 6,243 | 4,838 | 4,349 | 4,377 |
| **Profit before Tax and Exceptional item** | **273,704** | **394,134** | **367,421** | **396,630** | **343,133** |
| Exceptional item | - | - | - | 31,405 | - |
| **Profit before Tax** | **273,704** | **394,134** | **367,421** | **428,035** | **343,133** |
| Corporate Tax ( Net) | 96,974 | 127,604 | 127,519 | 143,746 | 114,883 |
| **Profit after Tax** | **176,730** | **266,530** | **239,902** | **284,289** | **228,250** |
| Share in Associates for the year | 303 | 118 | 38 | (11) | 30 |
| Profit relating to minority | (6,302) | 1,583 | (2,256) | 2,842 | 3,720 |
| **Group Profit after Tax** | **183,335** | **265,065** | **242,196** | **281,436** | **224,560** |
| Profit & Loss Account Balance b/f | 233,115 | 205,773 | 179,959 | 144,332 | 116,377 |
| Adjustments due to change in share holding /other adjustment | 1 | 46 | 59 | 44 | (137) |
| Transfer to Capital Redemption Reserve | - | - | 46 | 46 | - |

| ( ₹ in million) | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|
| Dividend | 81,277 | 81,277 | 81,277 | 83,416 | 74,859 |
| Tax on Dividend | 16,317 | 13,842 | 13,053 | 13,611 | 12,528 |
| Transfer to Self Insurance Reserves | 4 | - | - | - | - |
| Transfer to CSR Reserves | - | - | - | - | - |
| Transfer to general Reserve | 80,755 | 132,250 | 117,757 | 144,461 | 104,773 |
| Transfer to Debenture Redemption Reserve | 24,003 | 10,400 | 4,308 | 4,319 | 4,308 |
| **Retained Earnings at Close** | **214,095** | **233,115** | **205,773** | **179,959** | **144,332** |

*The figures of FY 2019-20, FY 2018-19(restated), FY 2017-18, FY 2016-17 and FY 2015-16 (restated Ind AS compliant) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013 and figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956.

# In terms of Para 8 of Ind AS 18 'Revenue' sale of goods has been presented net of sales tax and Octroi for 2016-17 and 2015-16.

Always prepared: ONGC's acclaimed safety institute (IPSHEM) imparts the most advanced trainings, such as the Helicopter Underwater Escape Training (HUET), to prepare for any eventualities

## Statement of Financial Position of ONGC Group

| ( ₹ in million) | 2019-20* | 2018-19* | 2017-18* | 2016-17 * | 2015-16 * |
|---|---|---|---|---|---|
| **RESOURCES** | | | | | |
| **A. Own** | | | | | |
| 1.Net Worth | | | | | |
| (a) Equity | | | | | |
| i)Share Capital | 62,902 | 62,902 | 64,166 | 64,166 | 42,778 |
| ii)Other Equity | | | | | |
| - Reserve for equity instruments through other comprehensive income (OCI) | 77,221 | 200,362 | 215,813 | 246,864 | 110,536 |
| - Others | 1,929,554 | 1,906,083 | 1,760,210 | 1,632,822 | 1,824,823 |
| **Total other equity** | **2,006,775** | **2,106,445** | **1,976,023** | **1,879,686** | **1,935,359** |
| **Net worth #** | **2,069,677** | **2,169,347** | **2,040,189** | **1,943,852** | **1,978,137** |
| **B. Long-term Borrowings** | 720,834 | 521,680 | 550,249 | 527,723 | 402,292 |
| **C. Deferred Tax Liability (Net)** | 434,725 | 449,910 | 398,070 | 352,172 | 264,456 |
| **D. Non-Controlling interests** | 178,128 | 181,062 | 156,060 | 132,920 | 26,518 |
| **TOTAL RESOURCES ( A+B+C+D )** | **3,403,364** | **3,321,999** | **3,144,568** | **2,956,667** | **2,671,403** |
| **DISPOSITION OF RESOURCES** | | | | | |
| **A.Non-current assets** | | | | | |
| **1. Block Capital (Net)** | | | | | |
| i) Other Property Plant & Equipment ^ | 741,274 | 712,382 | 681,341 | 667,449 | 309,498 |
| ii)Oil and Gas Assets ^ | 1,400,441 | 1,443,794 | 1,430,878 | 1,296,152 | 1,198,915 |
| iii) Right of Use Assets | 147,118 | - | - | - | - |
| iv)Intangible assets | 7,641 | 6,768 | 6,254 | 5,749 | 1,054 |
| v)Investment Properties | 79 | 79 | 79 | 1 | - |
| **Total Block Capital** | **2,296,553** | **2,163,023** | **2,118,552** | **1,969,351** | **1,509,467** |
| **2. Goodwill on consolidation** | 142,367 | 140,884 | 142,025 | 141,904 | 153,301 |
| **3. Financial asssets** | | | | | |
| a) Trade receivables | 23,741 | 20,572 | 16,564 | 13,630 | 11,695 |
| b) Loans | 32,155 | 28,504 | 20,911 | 21,546 | 21,188 |
| c) Deposit with Bank Under Site Restoration Fund Scheme | 222,836 | 181,884 | 160,640 | 145,943 | 135,986 |
| d) Others | 41,221 | 37,275 | 11,630 | 9,392 | 9,660 |
| **Total Financial assets** | **319,953** | **268,235** | **209,745** | **190,511** | **178,529** |
| **4. Non-current tax assets** | 107,600 | 105,232 | 108,314 | 98,720 | 83,615 |
| **5.Other non-current Assets (Excluding Capital Advance)** | 36,263 | 44,962 | 32,400 | 25,575 | 15,362 |
| **6. Sub-Total (A) = (1+2+3+4+5)** | **2,902,736** | **2,722,336** | **2,611,036** | **2,426,061** | **1,940,274** |
| **B. Less:Non-current Liabilities & Provision** | | | | | |
| a) Lease liabilities## | 80,149 | 6,053 | - | - | - |
| b) Financial liabilities | 14,760 | 8,353 | 7,310 | 2,321 | 1,538 |
| c) Provisions | 331,006 | 278,499 | 252,002 | 231,146 | 220,487 |
| d) Other non current liabilities | 6,437 | 5,480 | 11,823 | 8,089 | 233 |
| **Sub-Total (B)** | **432,352** | **298,385** | **271,135** | **241,556** | **222,258** |
| **Net Non Current Asset (C)=(A)-(B)** | **2,470,384** | **2,423,951** | **2,339,901** | **2,184,505** | **1,718,016** |
| **D. Net Working Capital** | | | | | |
| **1.Current Assets** | | | | | |
| i) Inventories | 330,512 | 351,341 | 305,571 | 298,817 | 99,181 |
| ii) Financial assets | | | | | |
| a)Trade Receivables | 91,734 | 153,965 | 138,992 | 125,471 | 83,317 |
| b)Cash & Bank Balances | 57,041 | 48,197 | 50,628 | 132,126 | 246,890 |

| ( ₹ in million) | 2019-20* | 2018-19* | 2017-18* | 2016-17 * | 2015-16 * |
|---|---|---|---|---|---|
| c) Loans | 11,821 | 17,015 | 12,583 | 9,927 | 3,406 |
| d) Others | 155,187 | 169,288 | 142,436 | 110,016 | 79,004 |
| iii) Others Current Assets | 107,477 | 81,315 | 24,085 | 28,435 | 42,804 |
| **Sub-Total (1)** | **753,772** | **821,121** | **674,295** | **704,792** | **554,602** |
| **Less:** | | | | | |
| **II. Current Liabilities** | | | | | |
| **a) Financial liabilities** | | | | | |
| i) Short-term borrowings | 315,745 | 493,323 | 462,212 | 216,274 | 43,185 |
| ii) Trade payables | 229,679 | 305,575 | 264,847 | 240,138 | 297,780 |
| iii) Lease Liabilities## | 51,552 | 1,017 | - | - | - |
| iv) Others | 469,505 | 369,207 | 322,356 | 661,557 | 130,660 |
| b) Other current liabilities | 62,003 | 69,897 | 66,659 | 63,862 | 21,244 |
| c) Short-term provisions | 41,872 | 43,825 | 44,099 | 49,512 | 12,309 |
| d) Current tax liabilities (net) | 6,252 | 12,053 | 9,484 | 8,950 | 10,446 |
| **Sub-Total (II)** | **1,176,608** | **1,294,897** | **1,169,657** | **1,240,293** | **515,624** |
| **Net Working Capital (D)= (1) - (II)** | **(422,836)** | **(473,776)** | **(495,362)** | **(535,501)** | **38,978** |
| **E. Capital Employed** | **2,047,548** | **1,950,175** | **1,844,539** | **1,649,004** | **1,756,994** |
| **F. Investments** | | | | | |
| i)Non-current Investments | 452,954 | 618,252 | 623,352 | 620,026 | 303,836 |
| ii)Current Investments | 53,449 | 50,838 | 49,994 | 87,431 | 30,032 |
| **G. Capital Works in Progress (Including Capital Advance)** | 470,413 | 311,131 | 225,378 | 332,665 | 329,976 |
| **H. Exploratory/Development Wells in Progress** | 379,000 | 391,603 | 401,305 | 267,541 | 250,565 |
| **TOTAL DISPOSITION (E+F+G+H)** | **3,403,364** | **3,321,999** | **3,144,568** | **2,956,667** | **2,671,403** |

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## Statement of Financial Position of ONGC Group

| ( ₹ in million) | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|
| **RESOURCES** | | | | | |
| **A. Own** | | | | | |
| 1.Net Worth | | | | | |
| (a) Equity | | | | | |
| i)Share Capital | 42,778 | 42,778 | 42,778 | 42,778 | 42,778 |
| ii)Reserves & Surplus | 1,761,766 | 1,678,738 | 1,482,498 | 1,321,614 | 1,110,495 |
| **Sub-Total** | **1,804,544** | **1,721,516** | **1,525,276** | **1,364,392** | **1,153,273** |
| (b) Less: Miscellaneous Expenditure | 9,802 | 10960 | 14,859 | 11,726 | 7,961 |
| **Net Worth** | **1,794,742** | **1,710,556** | **1,510,417** | **1,352,666** | **1,145,312** |
| **B. Long-term Borrowings** | **475,755** | **316,809** | **88,428** | **52,086** | **39,771** |
| **C. Deferred Tax Liability (Net)** | **181,759** | **178,635** | **142,251** | **121,846** | **111,526** |
| **D. Minority Interest** | 24,731 | 29,120 | 19,466 | 22,240 | 19,891 |
| **TOTAL RESOURCES ( A+B+C+D )** | **2,476,987** | **2,235,120** | **1,760,562** | **1,548,838** | **1,316,500** |
| **DISPOSITION OF RESOURCES** | | | | | |
| **A.Non-current assets** | | | | | |
| **1.Block Capital (Net)** | | | | | |
| i) Fixed Assets* | 686,712 | 462,254 | 406,745 | 306,080 | 266,924 |
| ii) Oil and Gas Assets/Producing Properties* | 910,049 | 912,681 | 705,395 | 608,004 | 571,896 |
| iii) Intangible assets | 1,169 | 754 | 1,041 | 1,364 | 1,735 |
| **Total Block Capital** | **1,597,930** | **1,375,689** | **1,113,181** | **915,448** | **840,555** |
| **2. Goodwill on consolidation** | **201,399** | **183,545** | **83,255** | **77,976** | **89,928** |
| **3.Long-term Loans and Advances(Excluding Capital Advance)** | **94,164** | **83,077** | **67,002** | **51,029** | **58,250** |
| **4.Deposit with Bank Under Site Restoration Fund Scheme** | **136,424** | **120,830** | **106,349** | **94,753** | **81,262** |
| **5.Other non-current Assets (Excluding DRE)** | **71,270** | **53,474** | **19,642** | **20,302** | **5,619** |
| **6. Sub-Total= (1+2+3+4+5)** | **2,101,187** | **1,816,615** | **1,389,429** | **1,159,508** | **1,075,614** |
| **7. Less:Non-current Liabilities & Provision** | | | | | |
| a. Other Long Term Liabilities | 7,625 | 18,467 | 17,163 | 10,758 | 9,731 |
| b. Provision for Abandonment Cost | 298,198 | 274,266 | 207,255 | 203,982 | 198,469 |
| c. Long Term Provisions | 28,796 | 31,034 | 45,707 | 37,758 | 33,384 |
| **Sub-Total (7)** | **334,619** | **323,767** | **270,125** | **252,498** | **241,584** |
| **Net Non Current Asset (A)=(6)-(7)** | **1,766,568** | **1,492,848** | **1,119,304** | **907,010** | **834,030** |
| **B. Net Working Capital** | | | | | |
| **1.Current Assets** | | | | | |
| i)Inventories | 106,198 | 148,015 | 127,726 | 131,680 | 85,676 |
| ii)Trade Receivables | 188,158 | 160,290 | 153,956 | 117,181 | 99,730 |
| iii)Cash & Bank Balances | 160,969 | 244,801 | 196,190 | 278,914 | 208,158 |
| iv)Short-term Loans & Advances | 100,174 | 66,317 | 59,766 | 52,210 | 40,124 |
| v) Others Current Assets (Excluding DRE) | 9,635 | 8,135 | 9,082 | 19,643 | 5,955 |
| **Sub-Total (1)** | **565,134** | **627,558** | **546,720** | **599,628** | **439,643** |
| **Less:** | | | | | |
| **2.Current Liabilities** | | | | | |
| i) Short-term borrowings | 53,448 | 139,073 | 115,271 | 100,538 | 20,843 |
| ii) Trade payables | 304,660 | 306,803 | 186,148 | 176,036 | 155,863 |
| iii) Other current liabilities | 168,205 | 217,039 | 170,869 | 202,917 | 176,615 |
| iv) Short-term provisions | 23,394 | 9,500 | 10,533 | 23,924 | 11,085 |
| **Sub-Total (2)** | **549,707** | **672,415** | **482,821** | **503,415** | **364,406** |
| **Net Working Capital** | **15,427** | **(44,857)** | **63,899** | **96,213** | **75,237** |

| ( ₹ in million) | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---|---|---|---|---|
| **C. Capital Employed** | **1,781,995** | **1,447,991** | **1,183,203** | **1,003,223** | **909,267** |
| **D. Investments** | | | | | |
| i) Non-current Investments | 47,470 | 47,205 | 20,453 | 20,412 | 28,920 |
| ii) Current Investments | 22 | 254 | 829 | 8,795 | 2,080 |
| **E. Capital Works in Progress (Including Capital Advance)** | **435,533** | **557,603** | **419,676** | **399,855** | **273,854** |
| **F. Exploratory/Development Wells in Progress** | **211,967** | **182,067** | **136,401** | **116,553** | **102,379** |
| **TOTAL DISPOSITION (C+D+E+F)** | **2,476,987** | **2,235,120** | **1,760,562** | **1,548,838** | **1,316,500** |

* The figures of FY 2019-20, FY 2018-19(restated) , FY 2017-18, FY 2016-17 and FY 2015-16 (restated Ind AS compliant) are given as per requirment of Ind AS Compliant Schedule-III to the Companies Act, 2013. Figures for 2014-15 are given as per requirements of Schedule-III to the Companies Act, 2013 and figures for FY 2010-11 to FY 2013-14 are given as per the requirement of revised Schedule VI to the Companies Act, 1956.

# Includes reserve for equity instruments through other comprehensive income

^ Note: As on transition date 1st April 2015, carrying value of assets pertaining to production & allied facilities has been regrouped from other Property Plant and Equipment to “Oil and Gas Assets” to reflect the aggregate amount of Oil and Gas Assets.

## Pursuant to adoption of Ind AS 116 from April 01, 2019, the Finance Lease Obligation classified as borrowing has been reclassified to lease liabilities under Financial labilties for FY 2018-19


Control room of Onshore Gas Terminal of ONGC’s HP-HT Asset in Kakinada, AP


A Floating Production, Storage and Offload vessel (FPSO) at work in BC-10 Project - a promising deep-water project located off the coast of Brazil, where ONGC Videsh has 27% PI

# INDEPENDENT AUDITORS' REPORT

## To the Members of Oil and Natural Gas Corporation Limited

### Report on the Audit of the Consolidated Financial Statements

### 1. Opinion

We have audited the accompanying consolidated financial statements of **Oil and Natural Gas Corporation Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), joint ventures and associates, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, joint ventures and associates, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint ventures and associates as at March 31, 2020 and its consolidated (loss) (including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended.

### 2. Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its joint ventures and associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred into Para 5(v) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### 3. Emphasis of Matter

i. We draw attention to Note No. 37.3 of the Consolidated Financial Statements regarding outbreak of COVID-19 and the impact assessment made by the management on its business and operations. As stated in the said Note, the unfolding events could in fact may end up being different but it is anticipated the same are unlikely to materially affect the oil and gas production/off-take etc.

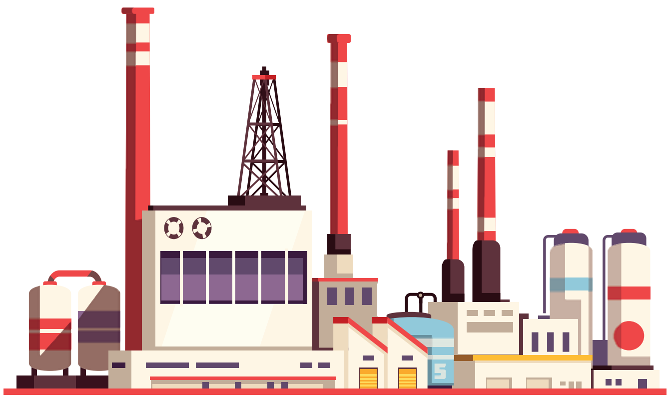
ii. We draw attention to Note No. 57.1.2 of the Consolidated Financial Statements, with respect to demand orders served on various work centres of the holding company by tax authorities under Service Tax (ST) and Goods & Service Tax (GST) demanding ST and GST on Royalty in respect of Crude Oil and Natural Gas. Based on the legal opinion, the holding company is contesting such demands and estimated amounts worked out towards ST and GST (including interest and penalty upto March 31, 2020) of ₹ 39,001.85 million and ₹ 61,041.86 million respectively (Total ₹ 1,00,043.31 million), 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 ₹ 13,509.56 million and ₹ 45,531.20 million respectively (Total ₹ 59,040.46 million).

iii. We draw attention to Note 57.1.5 of the Consolidated Financial Statements, 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 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 ₹ 122,583.29 million, 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); Pending finalization of the decision of the Arbitral Tribunal, the Holding 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 and therefore no provision for the same has been considered necessary and the same has been considered as contingent liability.

Our opinion on the Consolidated Financial Statements is not modified in respect of these matters.

## 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, description of how the matter was addressed in our audit is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report. Considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality, below Key Audit Matters have been reproduced from the Independent Auditors' report on the audit of Standalone Financial Statements of the Holding Company:



| Key Audit Matter | How our audit addressed the matter |
|---|---|
| **Modified Audit Procedures necessitated pursuant to outbreak of COVID-19 pandemic:**<br><br>Due to spread of COVID-19 pandemic, during the period of Nation-wide lockdown and travel restrictions imposed by Central / State Government / Local Authorities till date extended from time to time commencing from the last fortnight of March 2020, the audit could not be carried by visiting the respective Assets/ Basins/ Plants/ Units/ Offices / other Business areas/Corporate Office of the Company. Accordingly, this extraordinary situation due to Covid-19 has necessitated modification of our audit procedures so as to carry out the audit remotely through online access/receipt of digital documents.<br><br>In view of this extraordinary situation due to Covid-19, we have identified such modified audit procedures as a Key Audit Matter. | Due to the said travel and other related restrictions during the continuing lock down, the audit processes were carried remotely by us from our respective places.<br><br>The Company has provided/shared with us the necessary books of accounts, records, documents etc. through digital medium such as emails, file sharing through Video Conferencing and remote/ VPN access over secured network to SAP, Web Ice, BI platform, IFCR Portal etc. To this extent, the audit processes were carried out on the basis of verification of such books of accounts, records, documents etc. made available to us as above, which were relied upon as audit evidence for conducting the audit and reporting for the current period.<br><br>Accordingly, we modified our audit procedures as follows:<br><br>a. Conducted verification of necessary books of accounts, records, documents etc. maintained by the respective Assets/ Basins/ Plants/ Units/ Offices / other Business areas/Corporate Office of the company through digital medium and remote electronic access as mentioned above.<br><br>b. Carried out verification of scanned copies of the documents, evidences, deeds, certificates and the related records made available to us by the company through aforesaid digital medium.<br><br>c. Making enquiries and gathering necessary audit evidence through Video Conferencing, dialogues and discussions over phone calls, emails and similar communication channels.<br><br>d. Resolution of our audit observations through electronic and other telecommunication media instead of a face-to-face interaction with the designated officials.<br><br>e. We have also relied upon and performed our audit procedures in accordance with the Advisories and Key considerations issued by the Institute of Chartered Accountants of India on the various Accounting and Auditing aspects impacted by COVID19. |

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| **Evaluation of adequacy of provision for impairment for tangible and intangible assets**<br><br>**(Refer Note 56 to the Consolidated Financial Statements)**<br><br>Management of the Company has assessed whether any provision needs to be recognised on account of impairment of tangible and intangible assets.<br><br>The Company reviews the carrying amount of its tangible and intangible assets (Oil and Gas Assets including Capital Work-in-Progress (CWIP) & Development Wells in Progress (DWIP), Other Property, Plant & Equipment (including Capital Works-in-Progress), Right of Use Assets) for the "Cash Generating Unit" (CGU) determined at the end of each reporting period to assess whether there is any indication that those assets have suffered any impairment loss.<br><br>Oil and Gas price assumptions have a significant impact on CGU impairment assessments and are inherently uncertain. Furthermore, oil and gas prices are subject to increased uncertainty, given climate change and the global energy transition. The management's assumptions for prices of oil and gas in future are judgemental and may not be reflective of above factors, leading to a risk of material misstatement.<br><br>Given the long timeframes involved, certain recoverable amounts of assets are sensitive to the discount rate applied. Since the determination of appropriate discount rate is judgemental, there is a risk that discount rates may not reflect the return required by the market and the risks inherent in the cash flows being discounted, which may lead to a material misstatement.<br><br>A key input to impairment assessments and valuations is the production forecast, in turn closely related to the Company's reserves estimates, production profile and field development assumptions w.r.t Oil and Gas.<br><br>The determination of recoverable amount, being the higher of fair value less cost to sell and value- in-use is based on the factors as discussed above, necessitating judgement on the part of management.<br><br>In case of exploration and evaluation assets, based on management's judgement, assessment for | Our audit procedures included the following:<br><br>We evaluated the appropriateness of management's identification of the CGUs and exploration and evaluation assets and tested the operating effectiveness of controls over the impairment assessment process, including indicators of impairment.<br><br>We reviewed the reasonableness of the judgments and decisions made by the management regarding assumptions for Oil and Gas prices in future to identify whether there are indicators of possible management bias and accordingly relied upon the management's assumptions for Oil and Gas prices in future.<br><br>We reviewed the appropriateness of discount rates used in the estimation.<br><br>We relied on the technical assessment of the Management with regard to the Reserves and the Production profile of Oil and Gas, as shown to us by the management.<br><br>We performed testing of the mathematical accuracy of the cash flow models and checked the appropriateness of the related disclosures.<br><br>We evaluated management's assessment and related calculations of impairment including comparison of the recoverable amount with the carrying amounts of respective CGUs in the books of accounts.<br><br>We peruse the future plans related to exploration activities. Further, we have relied upon management's assessment that the ML/ PML shall be re granted, wherever expired/ is expiring in near future. |

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| impairment is carried out when further exploration activities are not planned in near future or when sufficient data indicate that although a development is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or by sale.<br><br>Based on the above factors, we have considered the measurement of impairment as Key Audit Matter. | |
| **Estimation of Decommissioning liability**<br><br>**<u>(Refer Note 32.3 to the Consolidated Financial Statements)</u>**<br><br>The Company has an obligation to restore and rehabilitate the fields operated upon by the Company at the end of their use. This decommissioning liability is recorded based on estimates of the costs required to fulfill this obligation.<br><br>The provision is based upon current cost estimates and has been determined on a discounted basis with reference to current legal requirements and technology. At each reporting date the decommissioning liability is reviewed and re-measured in line with changes in observable assumptions, timing and the latest estimates of the costs to be incurred at reporting date.<br><br>We have considered the measurement of decommissioning costs as Key Audit Matter as it requires significant management judgment, including accounting calculations and estimates that involve high estimation uncertainty. | Our audit procedures included the following:<br><br>Evaluated the approach adopted by the Company's management in determining the expected costs of decommissioning.<br><br>Identified the cost assumptions used that have the most significant impact on the provisions and tested the appropriateness of these assumptions.<br><br>Reviewed the appropriateness of discount and inflation rates used in the estimation.<br><br>Verified the unwinding of interest as well as understanding if any restoration was undertaken during the year.<br><br>We have relied upon the technical assessment w.r.t the Production Profile as estimated by the management based on which the Terminal year of the field for decommissioning has been considered.<br><br>We have relied upon the Company's management's assessment that the ML/ PML shall be re granted, wherever expired/ is expiring in near future.<br><br>Relied on the judgments of the internal/ external experts for the use of technical /commercial evaluation.<br><br>Performed a review to ensure that all key movements were understood, corroborated and recorded correctly.<br><br>Assessed the appropriateness of the disclosures made in the financial statements. |

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| **Litigations and Claims**<br><br>**(Refer Note 57 to the Consolidated Financial Statements)**<br><br>Litigation and claims are pending with multiple tax and regulatory authorities and there are claims from vendors/suppliers and employees which have not been acknowledged as debt by the Company (including Joint Operations).<br><br>In the normal course of business, financial exposures may arise from pending legal/regulatory proceedings and from above referred claims not acknowledged as debt by the Company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the Consolidated Financial Statements or considered as remote is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the financial statements, is inherently subjective.<br><br>We have considered Litigations and claims as Key Audit Matter as it requires significant management judgment, including accounting estimates that involves high estimation uncertainty. | Our audit procedures included the following:<br><br>Understood the Company's Management's process and control for determining tax litigations and other litigations and claims and its appropriate accounting and disclosure.<br><br>Tested key controls surrounding such litigations.<br><br>Discussed pending matters with the Company's legal department.<br><br>Assessed management's conclusions through understanding precedents set in similar cases, including placing reliance upon the expert opinions obtained by the management.<br><br>We have assessed the appropriateness of presentation of the contingent liabilities in the Consolidated Financial Statements. |
| **Adoption of Ind AS 116, Leases**<br><br>**(Refer Note 8, 30 & 47 to the Consolidated Financial Statements)**<br><br>As described in Note 47 to the Consolidated Financial Statements, during the current year the Company has adopted Ind AS 116, Leases ('Ind AS116'), the new standard on lease accounting. The application and transition to this accounting standard is complex and is an area of focus in our audit as the Company has a large number of leases with different contractual terms.<br><br>Ind AS 116 introduces a new lease accounting model wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on its balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of this standard involves significant judgements and estimates including, determination of the discount rates and the lease term. | Our audit procedures on adoption of Ind AS 116 included the following:<br><br>Verifying the "Operating Leases" covered under the previously applicable standard and ascertaining the leases to which the new standard is applicable and reviewing the residual lease obligations.<br><br>For new/modified leases, tested the lease accounting and estimates/ judgments used by the Management.<br><br>Corroborating by performing a check of the information used for determining assets and liabilities related to lease contracts with underlying contractual data. We assessed the key terms and conditions of the leases with the underlying lease contracts, evaluated computation of lease liabilities.<br><br>Evaluated broadly the design and implementation of the processes and internal controls relating to implementation of the new lease standard. |

| Key Audit Matter | How our audit addressed the matter |
|---|---|
| The Company adopted the modified retrospective approach method to transition to Ind AS 116, consequently comparative financial information was not restated.<br><br>Additionally, the standard mandates detailed disclosures with respect of transition. | Based on our evaluation of the contractual agreements entered into and our knowledge of the business, assessed the appropriateness of the leases identified by the Management.<br><br>Reviewed the assumptions made by the Management, including benchmark for low value assets not considered for determination of ROU.<br><br>Reviewed the appropriateness of discount rates used in the estimation and computing the lease liabilities.<br><br>Relied upon the Management's assessment/ judgement relating to the extension/ cancellation of lease period beyond/ before expiry of original lease period.<br><br>Evaluated the appropriateness of the accounting policy, disclosures provided under the new lease standard and assessed the completeness and arithmetical calculations of the relevant disclosures, including those related to transition. |

Focus on early monetization - 22 discoveries monetized in FY'20 including four from the same year

## 5. Other Matters

i. We have placed reliance on technical/ commercial evaluation by the Holding Company's management in respect of categorization of wells as exploratory, development, producing and dry well, allocation of cost incurred on them, production profile, proved (developed and undeveloped)/ probable hydrocarbon reserves, and depletion thereof on Oil and Gas Assets, impairment, liability for decommissioning costs, liability for NELP and nominated blocks for under performance against agreed Minimum Work Programme.

ii. As mentioned in Note No. 52.1.3, the Consolidated Financial Statements include the Holding Company's share in the total value of assets, liabilities, expenditure and income of 160 blocks under New Exploration Licensing Policy (NELP)/ Hydrocarbon Exploration and Licensing Policy (HELP)/ Joint Operations (JO) accounts for exploration and production out of which:

a. 9 NELPs/ JOs accounts have been certified by other Chartered Accountants. In respect of these 9 NELPs/ JOs, Consolidated Financial Statements include proportionate share in assets and liabilities as on March 31, 2020 amounting to ₹ 81,281.88 million and ₹ 46,948.63 million respectively and revenue and profit including other comprehensive Income for the year ended March 31, 2020 amounting to ₹ 95,188.66 million and ₹ 20,482.91 million respectively, Our opinion is based solely on the certificate of the other Chartered Accountants.

b. 9 NELPs / JOs have been certified by the management in respect of NELPs / JOs operated by other operators. In respect of these 9 NELPs / JOs, Consolidated Financial Statements include proportionate share in assets and liabilities as on March 31, 2020 amounting to ₹ 2,470.87 million and ₹ 4,041.38 million respectively and revenue and profit including other comprehensive Income for the year ended March 31, 2020 amounting to ₹ 83.37 million and ₹ (21.87) million respectively, Our opinion is based solely on management certified accounts.

iii. We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets and total net assets as at March 31, 2020, total revenues and net cash inflow/(outflow) for the year ended on that date considered as under in the Statement based on financial statements audited by other auditors:

(₹ in million)

| Name of the Subsidiary | Total Assets as at March 31, 2020 | Total Net Assets as at March 31, 2020 | Total Revenue for the year ended March 31, 2020 | Net Cash Inflow/ (Outflow) |
|---|---|---|---|---|
| ONGC Videsh Limited (OVL) # | 11,92,074.92 | 4,98,807.10 | 1,75,833.97 | 7,018.48 |
| Mangalore Refinery and Petrochemicals Limited (MRPL) # $ | 3,06,419.04 | 68,347.10 | 6,00,620.15 | (28.73) |
| Petronet MHB Limited (PMHBL) | 9,301.84 | 8,844.77 | 1,624.77 | 684.05 |
| Hindustan Petroleum Corporation Limited (HPCL) # | 11,69,062.17 | 3,09,806.26 | 28,94,236.65 | (2,466.90) |

# As per the consolidated financial statements.

$ Consolidated financial statements of MRPL include its subsidiary, ONGC Mangalore Petrochemicals Limited, which is an indirect Subsidiary of the Holding Company.

iv. The consolidated financial statements also include the Group's share of net profit/loss (including Other Comprehensive Income) for the year ended March 31, 2020 as considered in the consolidated financial statements in respect of following joint ventures whose financial statements/ financial information have not been audited by us.

(₹ in million)

| Name of the Company | Group share in Net Profit for the year ended March 31, 2020 | Group share in Net Other Comprehensive Income for the year ended March 31, 2020 | Group share – Total |
|---|---|---|---|
| **Joint Ventures** | | | |
| ONGC Teri Biotech Limited $ | 37.53 | (0.07) | 37.46 |
| ONGC Tripura Power Company Limited* | 352.44 | (0.44) | 352.00 |
| ONGC Petro additions Limited $ | (8,134.22) | (10.06) | (8,144.28) |
| Mangalore SEZ Limited* | (84.98) | (0.17) | (85.14) |
| Indradhanush Gas Grid Limited$ | (10.63) | - | (10.63) |

$ As per the standalone financial statements.

* As per the consolidated financial statements.

v. The financial statements/ financial information of subsidiaries and joint ventures, referred to in para 5 (iii) and 5 (iv), have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures, is based solely on the reports of the other auditors after considering the requirement of Standard on Auditing (SA 600) on 'Using the work of Another Auditor' including materiality.

vi. The consolidated financial statements also include the group's share of net profit (including Other Comprehensive Income) for the year ended March 31, 2020 considered as under based on financial statements not audited by us:

(₹ in million)

| Name of the Company | Group share in Net Profit for the year ended March 31, 2020 | Group share in Net Other Comprehensive Income for the year ended March 31, 2020 | Group share – Total |
|---|---|---|---|
| **Joint Venture** | | | |
| Dahej SEZ Limited | 231.95 | | 231.95 |
| **Associate** | | | |
| Petronet LNG Limited* | 3,451.14 | (0.07) | 3,451.07 |
| Pawan Hans Limited | (267.24) | | (267.24) |

* As per the consolidated financial statements.

These financial statements/ financial information of a joint venture and two associates are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint venture and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture and associates, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these financial statements / financial information are not material to the Group.

vii. We audited the adjustments, as disclosed in Note No. 64 to the Consolidated Financial Statements, which have been made to the comparative Consolidated Financial Statements presented for the years prior to year ended 31 March 2020, in accordance with the requirement of applicable Ind AS. In our opinion, such adjustments are appropriate and have been properly applied.

viii. The Consolidated Financial Statements of the Company for the year ended March 31, 2019 were audited by joint auditors of the Company three of which are the predecessor audit firms, and have expressed an unmodified opinion dated May 30, 2019 on such financial statements.

Our opinion on the Consolidated Financial Statements is not modified in respect of above matters.

## 6. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance but does not include the consolidated financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances & the applicable laws and regulations.

## 7. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, its joint ventures and associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, its joint ventures and associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group, its joint ventures and associates are responsible for assessing the ability of the Group, its joint ventures and associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group, its joint ventures and associates are also responsible for overseeing the financial reporting process of the Group, its joint ventures and associates.

## 8. Auditor's Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its joint ventures and associates has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its joint ventures and associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group, its joint ventures and associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its joint ventures and associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them.

We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 9. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, joint ventures and associates as noted in the other matter paragraph, we report, to the extent applicable, that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   d. in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

   e. as per notification number G.S.R. 463(E) dated June 5, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Holding Company and its subsidiary companies, since they are Government Companies;

   f. with respect to the adequacy of the internal financial controls with reference to financial statement of the Holding Company, its subsidiaries, joint ventures and associates incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

   g. as per notification number G.S.R. 463 (E) dated June 5, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to director is not applicable to the the Holding Company and its subsidiary companies, since they are Government Companies; and

h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Group, its joint ventures and associates have disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – Refer Note 57.1 to the Consolidated Financial Statements;

ii. according to information and explanations given to us, the Group, its joint ventures and associates have made provision for material foreseeable losses, if any, in respect of long- term contract including derivatives contracts; and

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its joint ventures and associates.

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

Sd/-
(Narendra Khandal)
Partner (M.No. 065025)
UDIN: 20065025AAAAFJ8525
Place: Mumbai

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

Sd/-
(Rajen Ashar)
Partner (M.No. 048243)
UDIN:20048243AAAAFN2063
Place: Mumbai

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

Sd/-
(Sandeep Kumar Sawaria)
Partner (M.No. 061771)
UDIN: 20061771AAAACC9970
Place: Kolkata

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

Sd/-
(Vikas Gupta)
Partner (M.No. 077076)
UDIN: 20077076AAAAAH1049
Place: Jaipur

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

Sd/-
(Pankaj Sharma)
Partner (M.No. 086433)
UDIN: 20086433AAAAAF5801
Place: New Delhi

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

Sd/-
(Rangarajan Raghavan Iyengar)
Partner (M.No. 041883)
UDIN:20041883AAAAAD7665
Place: Mumbai

June 30, 2020

Pawan Hans helicopter taking off from an offshore vessel. The logistics support provided by our associate company is the lifeline of offshore operations

## Annexure - A to Independent Auditors' Report on Consolidated Financial Statements

### (Referred to in paragraph 9 (1) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

**To the Members of Oil and Natural Gas Corporation Limited**

In conjunction with our audit of the consolidated financial statements of **Oil and Natural Gas Corporation Limited** (herein after referred to as "the Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries, Joint ventures and associates which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiaries, joint ventures and associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company, its subsidiaries, joint ventures and associates which are companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries, joint ventures and associates, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of the reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company, its subsidiaries, joint ventures and associates, which are companies incorporated in India.

### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company, its subsidiary companies, joint ventures and associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to four subsidiary companies and five joint ventures which are companies incorporated in India, is based on the corresponding standalone/ consolidated reports of the auditors, as applicable, of such companies incorporated in India.

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements does not include in respect of one joint venture and two associates, which are companies incorporated in India whose audit reports are not available. In our opinion and according to information and explanations given to us by the Management, this financial information are not material to the Group.

Our opinion is not modified in respect of these matters.

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

Sd/-
(Narendra Khandal)
Partner (M.No. 065025)
UDIN: 20065025AAAAFJ8525
Place: Mumbai

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

Sd/-
(Rajen Ashar)
Partner (M.No. 048243)
UDIN:20048243AAAAFN2063
Place: Mumbai

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

Sd/-
(Sandeep Kumar Sawaria)
Partner (M.No. 061771)
UDIN: 20061771AAAACC9970
Place: Kolkata

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

Sd/-
(Vikas Gupta)
Partner (M.No. 077076)
UDIN: 20077076AAAAAH1049
Place: Jaipur

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

Sd/-
(Pankaj Sharma)
Partner (M.No. 086433)
UDIN: 20086433AAAAAF5801
Place: New Delhi

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

Sd/-
(Rangarajan Raghavan Iyengar)
Partner (M.No. 041883)
UDIN:20041883AAAAAD7665
Place: Mumbai

June 30, 2020

At ONGC, environmental sustainability goes hand-in-hand with our business pursuits. This ONGC Videsh Offshore Platform in Vietnam is a perfect embodiment of this philosophy

## Consolidated Balance Sheet as at March 31, 2020

(₹ in million)

| | Particulars | Notes | As at March 31, 2020 | As at March 31, 2019 * | As at April 01, 2018 * |
|---|---|---|---|---|---|
| I. | **ASSETS** | | | | |
| (1) | **Non-current assets** | | | | |
| | **(a) Property, plant and equipment** | | | | |
| | (i) Oil and gas assets | 6 | 1,400,441.38 | 1,443,793.87 | 1,411,692.39 |
| | (ii) Other property, plant and equipment | 7 | 741,273.97 | 712,382.38 | 681,340.56 |
| | (iii) Right of Use Assets | 8 | 147,117.63 | - | - |
| | **(b) Capital work-in-progress** | 9 | | | |
| | (i) Oil and gas assets | | | | |
| | a) Development wells in progress | | 55,899.40 | 43,837.48 | 26,519.03 |
| | b) Oil and gas facilities in progress | | 197,501.09 | 132,308.54 | 111,734.99 |
| | (ii) Others | | 205,923.35 | 122,814.97 | 68,402.53 |
| | **(c) Goodwill(including Goodwill on Consolidation)** | 10 | 142,366.50 | 140,883.53 | 142,025.46 |
| | **(d) Investment Property** | 11 | 78.72 | 78.73 | 78.74 |
| | **(e) Other intangible assets** | 12 | 7,641.41 | 6,768.44 | 6,254.38 |
| | **(f) Intangible assets under development** | 13 | | | |
| | (i) Exploratory wells in progress | | 194,021.49 | 217,905.35 | 242,627.21 |
| | (ii) Acquisition cost | | 184,978.64 | 173,698.05 | 158,678.05 |
| | **(g) Financial assets** | | | | |
| | (i) Investments in: | 14 | | | |
| | (a) Joint Ventures and Associates | | 292,372.75 | 330,490.84 | 322,687.65 |
| | (b) Other Investments | | 160,581.40 | 287,760.68 | 300,664.62 |
| | (ii) Trade receivables | 15 | 23,740.97 | 20,572.16 | 16,564.13 |
| | (iii) Loans | 16 | 32,154.70 | 28,504.22 | 20,911.25 |
| | (iv) Deposit under site restoration fund | 17 | 222,836.06 | 181,884.30 | 160,639.59 |
| | (v) Finance lease receivables | 18 | - | - | - |
| | (vi) Others | 19 | 41,221.42 | 37,274.63 | 11,629.29 |
| | **(h) Deferred tax assets(net)** | 33 | 26,656.79 | 17,310.58 | 16,989.89 |
| | **(i) Non-current tax assets(net)** | 36 | 107,599.95 | 105,231.80 | 108,333.17 |
| | **(j) Other non-current assets** | 20 | 47,352.09 | 57,132.47 | 43,964.00 |
| | **Total non-current assets** | | **4,231,759.71** | **4,060,633.02** | **3,851,736.93** |
| (2) | **Current assets** | | | | |
| | **(a) Inventories** | 21 | 330,512.03 | 351,340.66 | 305,007.83 |
| | **(b) Financial assets** | | | | |
| | (i) Investments | 22 | 53,448.62 | 50,837.67 | 49,993.82 |
| | (ii) Trade receivables | 15 | 91,734.07 | 153,964.55 | 138,991.67 |
| | (iii) Cash and cash equivalents | 23 | 47,805.62 | 38,221.12 | 25,120.88 |
| | (iv) Other bank balances | 24 | 9,235.32 | 9,975.45 | 25,507.53 |
| | (v) Loans | 16 | 11,821.17 | 17,014.73 | 12,583.00 |
| | (vi) Others | 19 | 155,186.77 | 169,287.63 | 142,436.37 |
| | **(c) Current Tax Assets(net)** | 36 | 1,983.14 | 1,524.30 | 283.88 |
| | **(d) Other current assets** | 20 | 105,352.91 | 78,512.31 | 23,724.43 |
| | | | **807,079.65** | **870,678.42** | **723,649.41** |
| | Assets classified as held for sale | 25 | 141.34 | 1,278.66 | 76.89 |
| | **Total current assets** | | **807,220.99** | **871,957.08** | **723,726.30** |
| | **Total assets** | | **5,038,980.70** | **4,932,590.10** | **4,575,463.23** |
| II. | **EQUITY AND LIABILITIES** | | | | |
| (1) | **Equity** | | | | |
| | (a) Equity share capital | 26 | 62,901.54 | 62,901.54 | 64,166.32 |
| | (b) Other equity | 27 | 2,006,775.42 | 2,106,445.00 | 1,963,473.66 |
| | **Equity attributable to owners of the Company** | | **2,069,676.96** | **2,169,346.54** | **2,027,639.98** |
| | Non-controlling interests | 28 | 178,128.12 | 181,062.10 | 156,059.97 |
| | **Total Equity** | | **2,247,805.08** | **2,350,408.64** | **2,183,699.95** |

## Consolidated Balance Sheet as at March 31, 2020

(₹ in million)

| | Particulars | Notes | As at March 31, 2020 | As at March 31, 2019 * | As at April 01, 2018 * |
|---|---|---|---|---|---|
| **(2)** | **Liabilities** | | | | |
| | **Non-current liabilities** | | | | |
| | (a) Financial liabilities | | | | |
| | (i) Borrowings | 29 | 720,833.99 | 521,679.62 | 531,090.85 |
| | (ii) Lease Liabilities | 30 | 80,148.65 | 6,053.10 | 19,158.13 |
| | (iii) Others | 31 | 14,759.82 | 8,352.68 | 7,310.02 |
| | (b) Provisions | 32 | 331,006.04 | 278,498.63 | 252,001.50 |
| | (c) Deferred Tax liabilities(net) | 33 | 461,381.88 | 467,220.54 | 408,338.43 |
| | (d) Other non-current liabilities | 34 | 6,437.22 | 5,479.99 | 4,207.26 |
| | **Total non-current liabilities** | | **1,614,567.60** | **1,287,284.56** | **1,222,106.19** |
| | **Current Liabilities** | | | | |
| | (a) Financial liabilities | | | | |
| | (i) Borrowings | 29 | 315,745.21 | 493,323.02 | 462,211.54 |
| | (ii) Trade payables | 35 | | | |
| | - to micro and small enterprises | | 1,640.02 | 1,218.01 | 2,193.46 |
| | - to other than micro and small enterprises | | 228,038.49 | 304,356.71 | 262,653.89 |
| | (iii) Lease Liabilities | 30 | 51,552.18 | 1,017.31 | 3,922.49 |
| | (iv) Others | 31 | 469,505.13 | 369,206.96 | 318,433.94 |
| | (b) Other current liabilities | 34 | 62,002.71 | 69,897.10 | 66,658.57 |
| | (c) Provisions | 32 | 41,872.02 | 43,824.45 | 44,099.14 |
| | (d) Current Tax Liabilities(net) | 36 | 6,252.26 | 12,053.34 | 9,484.06 |
| | **Total current liabilities** | | **1,176,608.02** | **1,294,896.90** | **1,169,657.09** |
| | **Total liabilities** | | **2,791,175.62** | **2,582,181.46** | **2,391,763.29** |
| | **Total equity and liabilities** | | **5,038,980.70** | **4,932,590.10** | **4,575,463.23** |

* Restated, refer Note no. 64

*Accompanying notes to the Consolidated Financial Statements – 1 to 68*

**FOR AND ON BEHALF OF THE BOARD**

Sd/-
(M. E. V Selvamm)
Company Secretary
Place : New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place : New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place : New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

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

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

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

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

June 30, 2020

## Consolidated Statement of Profit and Loss for the year ended March 31, 2020

**(All amounts are in ₹ millions unless otherwise stated)**

| | Particulars | Notes | Year ended March 31, 2020 | Year ended March 31, 2019* |
|---|---|---|---|---|
| I | Revenue from operations | 37 | 4,250,014.18 | 4,536,827.98 |
| II | Other income | 38 | 85,315.45 | 77,298.56 |
| **III** | **Total income (I+II)** | | **4,335,329.63** | **4,614,126.54** |
| **IV** | **Expenses** | | | |
| | Purchase of Stock-in-Trade | | 1,760,064.29 | 1,654,387.19 |
| | Changes in inventories of finished goods, stock-in-trade and work-in progress | 39 | 11,455.63 | (30,956.21) |
| | Production, transportation, selling and distribution expenditure | 40 | 1,839,479.78 | 2,056,702.29 |
| | Exploration costs written off | | | |
| | (a) Survey costs | | 19,015.34 | 19,607.03 |
| | (b) Exploration well costs | | 71,218.77 | 72,599.48 |
| | Finance costs | 41 | 69,997.73 | 58,367.25 |
| | Depreciation, depletion, amortisation and impairment | 42 | 266,348.81 | 237,037.03 |
| | Other impairment and write offs | 43 | 27,327.17 | 16,298.38 |
| | **Total expenses (IV)** | | **4,064,907.52** | **4,084,042.44** |
| **V** | **Profit before exceptional items and tax (III-IV)** | | **270,422.11** | **530,084.10** |
| **VI** | Exceptional items - Income/(expenses) | 44 | (90,284.79) | (15,910.10) |
| **VII** | Share of profit of Associates | | 23,559.57 | 29,542.70 |
| **VIII** | Share of profit of Joint Ventures | | (13,015.39) | 4,739.85 |
| **IX** | **Profit before tax (V+VI+VII+VIII)** | | **190,681.50** | **548,456.55** |
| **X** | **Tax expense** | 45 | | |
| | (a) Current tax relating to: | | | |
| | - current year | | 96,475.80 | 159,121.35 |
| | - earlier years | | (18,054.22) | (381.20) |
| | (b) Deferred tax | | (3,341.56) | 50,336.32 |
| | **Total tax expense (X)** | | **75,080.02** | **209,076.47** |
| **XI** | **Profit for the year (IX-X)** | | **115,601.48** | **339,380.08** |
| **XII** | **Other comprehensive income** | | | |
| | A (i) Items that will not be reclassified to profit or loss | | | |
| | (a) Remeasurement of the defined benefit plans | | (6,595.42) | (4,372.15) |
| | - Deferred tax | | 2,121.79 | 1,529.78 |
| | (b) Equity instruments through other comprehensive income | | (132,515.55) | (17,108.07) |
| | - Deferred tax | | 8,031.93 | 1,265.25 |

## Consolidated Statement of Profit and Loss for the year ended March 31, 2020

**(All amounts are in ₹ millions unless otherwise stated)**

| | Particulars | Notes | Year ended March 31, 2020 | Year ended March 31, 2019* |
|---|---|---|---|---|
| | (c) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss | | (24.86) | (18.74) |
| | - Deferred tax | | 0.03 | (0.04) |
| | B (i) Items that will be reclassified to profit or loss | | | |
| | (a) Exchange differences in translating the financial statement of foreign operation | | 17,595.27 | 14,553.76 |
| | - Deferred tax | | (5,763.42) | (4,815.26) |
| | (b) Effective portion of gains (losses) on hedging instruments in cash flow hedges | | (241.63) | 0.24 |
| | - Deferred tax | | 60.82 | (0.08) |
| | (c) Share of other comprehensive income in associates and joint ventures, to the extent to be reclassified to profit or loss | | (1,690.69) | - |
| | **Total other comprehensive income (XII)(net of tax)** | | **(119,021.73)** | **(8,965.31)** |
| **XIII** | **Total Comprehensive Income for the year (XI+XII)** | | **(3,420.25)** | **330,414.77** |
| | Profit for the year attributable to: | | | |
| | - Owners of the Company | | 109,071.48 | 305,460.40 |
| | - Non-controlling interests | | 6,530.00 | 33,919.68 |
| | | | **115,601.48** | **339,380.08** |
| | Other comprehensive income for the year | | | |
| | - Owners of the Company | | (115,788.19) | (8,531.02) |
| | - Non-controlling interests | | (3,233.54) | (434.29) |
| | | | **(119,021.73)** | **(8,965.31)** |
| | **Total comprehensive income for the year** | | | |
| | - Owners of the Company | | (6,716.71) | 296,929.38 |
| | - Non-controlling interests | | 3,296.46 | 33,485.39 |
| | | | **(3,420.25)** | **330,414.77** |
| | Earnings per equity share: | 46 | | |
| | (a) Basic (₹) | | **8.67** | **23.85** |
| | (b) Diluted (₹) | | **8.67** | **23.85** |

* Restated, refer Note no. 64

Accompanying notes to the Consolidated Financial Statements – 1 to 68

**FOR AND ON BEHALF OF THE BOARD**

Sd/-
(M. E. V Selvamm)
Company Secretary
Place : New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place : New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place : New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

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

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

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

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

June 30, 2020

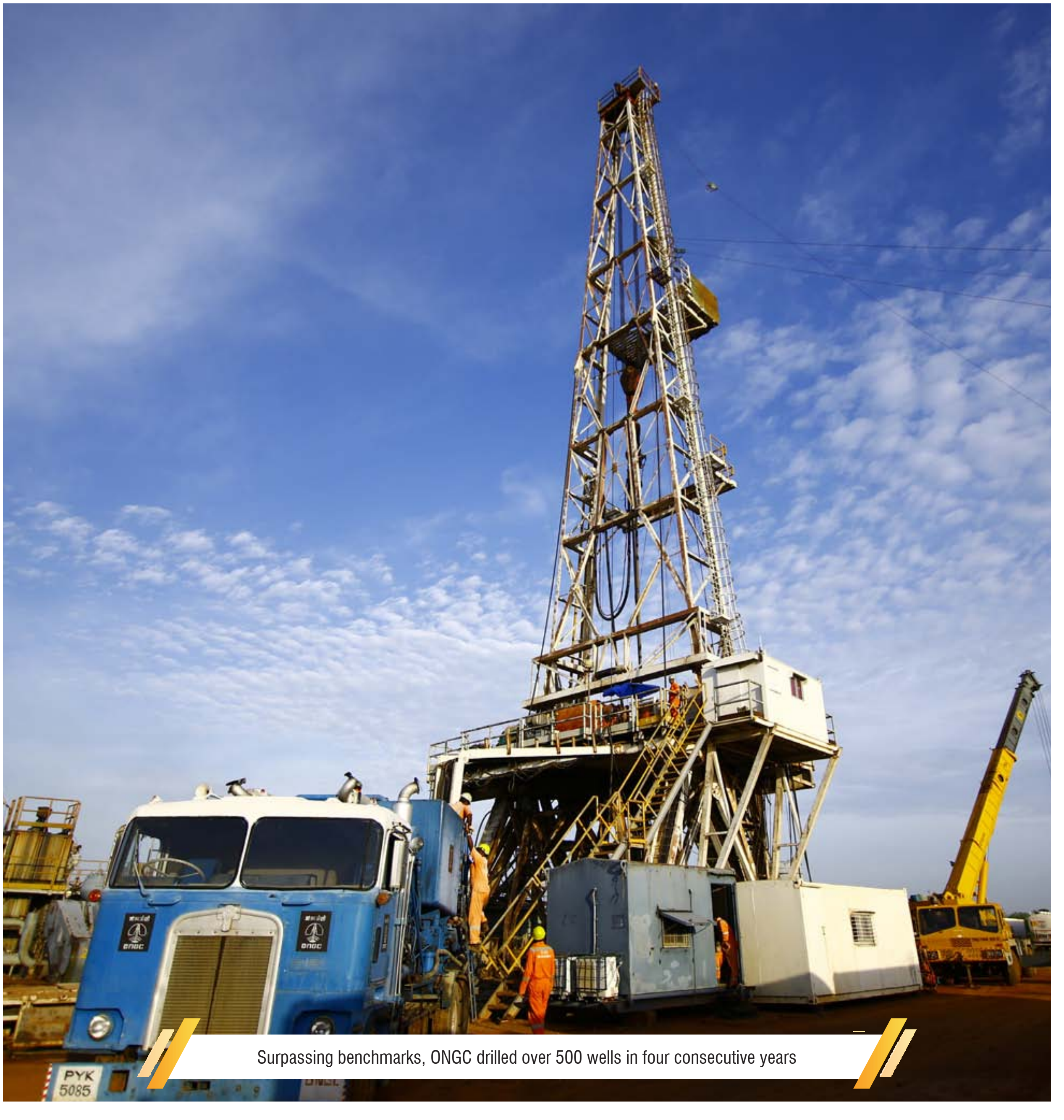
ONGC has one of the largest pipeline networks in the country for transporting oil and gas produced from its domestic fields

## Consolidated Statement of Changes in Equity for the year ended March 31, 2020

### (i) Equity share capital

(₹ in million)

| Particulars | Amount |
|---|---|
| **Balance as at March 31, 2018** | **64,166.32** |
| Changes during the year – Buy Back of Equity Shares (Refer Note No. 26.4 & 27.5) | (1,264.78) |
| **Balance as at March 31, 2019** | **62,901.54** |
| Changes during the year | - |
| **Balance as at March 31, 2020** | **62,901.54** |




Surpassing benchmarks, ONGC drilled over 500 wells in four consecutive years

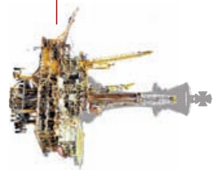
## Consolidated Statement of Changes in Equity for the year ended March 31, 2020

### (ii) Other Equity

(₹ in million)

| Particulars | Reserves and surplus | | | | | | | | Exchange difference on translating the financial statements of foreign operations | Cash Flow Hedge Reserve | Equity Instruments through Other comprehensive Income | Attributable to owners of the parent | Non Controlling interest (NCI) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Other Capital Reserve-Common Control | Capital Redemption Reserve | Debenture redemption reserve | General reserve | Legal reserve | Foreign Currency Monetary item Translation difference Account | Retained earnings | | | | | | |
| **Balance at March 31, 2018** | **614.14** | **(353,907.90)** | **99.82** | **80,142.96** | **1,660,032.68** | **49,127.49** | **(3.31)** | **190,809.52** | **133,294.32** | **-** | **215,813.31** | **1,976,023.04** | **156,059.97** | **2,132,083.01** |
| Effect of change in accounting policies | - | - | - | - | - | - | - | (12,549.38) | - | - | - | (12,549.38) | - | **(12,549.38)** |
| Effect of reclassification of reserves | - | - | - | - | - | - | - | (1.91) | - | 1.91 | - | - | - | **-** |
| **Balance at March 31, 2018 (restated)** | **614.14** | **(353,907.90)** | **99.82** | **80,142.96** | **1,660,032.68** | **49,127.49** | **(3.31)** | **178,258.23** | **133,294.32** | **1.91** | **215,813.31** | **1,963,473.66** | **156,059.97** | **2,119,533.63** |
| Profit for the year | - | - | - | - | - | - | - | 305,460.40 | - | - | - | 305,460.40 | 33,919.68 | **339,380.08** |
| Remeasurement of defined benefit plans (net of tax) | - | - | - | - | - | - | - | (2,908.48) | - | - | - | (2,908.48) | 66.10 | **(2,842.37)** |
| Other items of comprehensive income for the year (net of tax) | - | - | - | - | - | - | - | (3.33) | 9,831.64 | 0.13 | (15,450.99) | (5,622.55) | (500.39) | **(6,122.94)** |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **302,548.59** | **9,831.64** | **0.13** | **(15,450.99)** | **296,929.37** | **33,485.39** | **330,414.77** |
| Investment in Joint Venture and associates | - | - | - | - | - | - | - | (709.81) | - | - | - | (709.81) | - | **(709.81)** |
| Transfer/Additions (net) | - | - | - | - | 10.82 | - | (11.61) | - | - | - | - | (0.79) | - | **(0.79)** |
| Adjustments due to Inter Group Company holdings | - | - | - | - | - | - | - | 1,001.03 | - | - | - | 1,001.03 | - | **1,001.03** |
| Transition impact of Ind AS 115 (net of tax) | - | - | - | - | - | - | - | (419.94) | - | - | - | (419.94) | (401.69) | **(821.63)** |

| Particulars | Reserves and surplus | | | | | | | | Exchange difference on translating the financial statements of foreign operations | Cash Flow Hedge Reserve | Equity Instruments through Other comprehensive Income | Attributable to owners of the parent | Non Controlling interest (NCI) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Other Capital Reserve-Common Control | Capital Redemption Reserve | Debenture redemption reserve | General reserve | Legal reserve | Foreign Currency Monetary item Translation difference Account | Retained earnings | | | | | | |
| Impact of CCD issued by JV-OPaL (refer note no. 27.6) | - | - | - | - | - | - | - | 1,517.58 | - | - | - | 1,517.58 | - | **1,517.58** |
| Buy Back of Shares | - | - | - | - | (38,955.22) | - | - | - | - | - | - | (38,955.22) | - | **(38,955.22)** |
| Expenses Related to Buy Back of Shares | - | - | - | - | - | - | - | (75.11) | - | - | - | (75.11) | - | **(75.11)** |
| Payment of dividends | - | - | - | - | - | - | - | (96,407.25) | - | - | - | (96,407.25) | (7,741.08) | **(104,148.33)** |
| Tax on Dividends | - | - | - | - | (616.66) | - | - | (19,153.23) | - | - | - | (19,769.89) | (1,591.20) | **(21,361.09)** |
| Transfer to Capital Redemption Reserve | - | - | 1,264.78 | - | (1,264.78) | - | - | - | - | - | - | - | - | **-** |
| Transfer from / to general reserve | - | - | - | - | 154,592.32 | - | - | (154,592.32) | - | - | - | - | - | **-** |
| Transfer from / to legal reserve | - | - | - | - | - | 6,890.36 | - | (6,890.36) | - | - | - | - | - | **-** |
| Transfer from / to DRR | - | - | - | (14,301.43) | 14,583.63 | - | - | (294.58) | - | - | - | (12.38) | 31.41 | **19.03** |
| Others | - | - | - | - | - | - | - | (126.57) | - | - | - | (126.57) | 1,219.30 | **1,092.73** |
| Change in NCI due to acquisition/Disposal | 0.33 | - | - | - | - | - | - | - | - | - | - | 0.33 | - | **0.33** |
| **Balance at March 31, 2019** | **614.47** | **(353,907.90)** | **1,364.60** | **65,841.53** | **1,788,382.79** | **56,017.85** | **(14.92)** | **204,656.26** | **143,125.96** | **2.04** | **200,362.32** | **2,106,445.00** | **181,062.10** | **2,287,507.10** |
| Profit for the year | - | - | - | - | - | - | - | 109,071.48 | - | - | - | 109,071.48 | 6,530.00 | **115,601.48** |
| Remeasurement of defined benefit plans (net of tax) | - | - | - | - | - | - | - | (3,680.98) | - | - | - | (3,680.98) | (792.65) | **(4,473.63)** |



| Particulars | Reserves and surplus | | | | | | | | Exchange difference on translating the financial statements of foreign operations | Cash Flow Hedge Reserve | Equity Instruments through Other comprehensive Income | Attributable to owners of the parent | Non Controlling interest (NCI) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Other Capital Reserve-Common Control | Capital Redemption Reserve | Debenture redemption reserve | General reserve | Legal reserve | Foreign Currency Monetary item Translation difference Account | Retained earnings | | | | | | |
| Other items of comprehensive income for the year (net of tax) | - | - | - | - | - | - | - | (10.49) | 12,000.96 | (956.63) | (123,141.05) | (112,107.21) | (2,440.89) | **(114,548.10)** |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **105,380.01** | **12,000.96** | **(956.63)** | **(123,141.05)** | **(6,716.71)** | **3,296.46** | **(3,420.25)** |
| Investment in Joint Venture and associates | - | - | - | - | - | - | - | (933.47) | - | - | - | (933.47) | - | **(933.47)** |
| Transfer/Additions (net) | - | - | - | - | - | - | 14.92 | - | - | - | - | 14.92 | - | **14.92** |
| Adjustments due to Inter Group Company holdings | - | - | - | - | - | - | - | (2,433.22) | - | - | - | (2,433.22) | - | **(2,433.22)** |
| Impact of CCD issued by JV-OPaL (refer note no. 27.6) | - | - | - | - | - | - | - | (3,065.85) | - | - | - | (3,065.85) | - | **(3,065.85)** |
| Payment of dividends | - | - | - | - | - | - | - | (72,488.41) | - | - | - | (72,488.41) | (7,348.34) | **(79,836.75)** |
| Tax on Dividends | - | - | - | - | (1,048.32) | - | - | (13,808.60) | - | - | - | (14,856.92) | (1,510.48) | **(16,367.40)** |
| Transfer to Capital Redemption Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | **-** |
| Transfer to general reserve | - | - | - | - | 50,216.26 | - | - | (50,216.26) | - | - | - | - | - | **-** |
| Transfer from / to legal reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | **-** |
| Transfer from / to DRR | - | - | - | (154.92) | 2,585.55 | - | - | (2,418.24) | - | - | - | 12.39 | (31.41) | **(19.02)** |
| Others | - | (512.89) | - | - | - | - | - | 1,310.58 | - | - | - | 797.69 | 4,948.15 | **5,745.84** |
| Change in NCI due to acquisition/Disposal | - | - | - | - | - | - | - | - | - | - | - | - | (2,288.36) | **(2,288.36)** |

| Particulars | Reserves and surplus | | | | | | | | Exchange difference on translating the financial statements of foreign operations | Cash Flow Hedge Reserve | Equity Instruments through Other comprehen-sive Income | Attributable to owners of the parent | Non Controlling interest (NCI) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital reserve | Other Capital Reserve-Common Control | Capital Redemp-tion Reserve | Debenture redemption reserve | General reserve | Legal reserve | Foreign Currency Monetary item Translation difference Account | Retained earnings | | | | | | |
| Balance at March 31, 2020 | 614.47 | (354,420.79) | 1,364.60 | 65,686.61 | 1,840,136.28 | 56,017.85 | - | 165,982.80 | 155,126.92 | (954.59) | 77,221.27 | 2,006,775.42 | 178,128.12 | 2,184,903.54 |

Refer note 27 for nature and purpose of reserves.

## FOR AND ON BEHALF OF THE BOARD

Sd/-
(M. E. V Selvamm)
Company Secretary
Place : New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place : New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place : New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

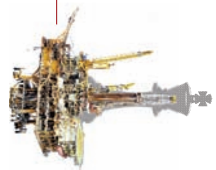
**For SARC & Associates**
Chartered Accountants
Firm Reg. No. 006085N

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

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

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

June 30, 2020



## Consolidated Statement of Cash Flows for the year ended March 31, 2020

(₹ in million)

| | Particulars | Year ended March 31, 2020 | | Year ended March 31, 2019* | |
|---|---|---|---|---|---|
| **A.** | **CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| | **Profit for the year** | | **115,601.48** | | **339,380.08** |
| | Adjustments For: | | | | |
| | - Income Tax Expense | 75,080.02 | | 209,076.47 | |
| | - Share of profit of joint ventures and associates | (10,544.18) | | (34,282.55) | |
| | - Exceptional Items | 90,284.79 | | 15,910.10 | |
| | - Depreciation, Depletion, Amortisation & Impairment | 266,348.81 | | 237,037.03 | |
| | - Exploratory Well Costs Written off | 71,218.77 | | 72,599.48 | |
| | - Finance cost | 69,997.73 | | 58,367.25 | |
| | - Unrealized Foreign Exchange Loss/(Gain) | 35,725.85 | | 7,742.08 | |
| | - Other impairment and Write offs | 27,327.17 | | 16,298.38 | |
| | - Excess Provision written back | (20,228.14) | | (9,345.55) | |
| | - Other non cash expenditure/income | (67.79) | | 66.48 | |
| | - Interest Income | (21,416.17) | | (23,629.17) | |
| | - Fair value loss (net) | (1,153.67) | | 109.29 | |
| | - Amortization of Financial Guarantee | 305.43 | | 318.72 | |
| | - Amortization of Operating leasehold land and others | 6.68 | | 11.26 | |
| | - Liabilities no longer required written back | (1,413.86) | | (3,790.45) | |
| | - Amortization of Government Grant | (205.12) | | (170.08) | |
| | - Loss/(Profit) on sale of property, plant & equipment | (61.22) | | (88.51) | |
| | - Dividend Income | (9,074.21) | | (15,262.74) | |
| | - Remeasurement of Defined benefit plans | (6,009.40) | 566,121.49 | (4,346.53) | 526,620.95 |
| | Operating Profit before Working Capital Changes | | **681,722.97** | | **866,001.04** |
| | Adjustments for:- | | | | |
| | - Receivables | 61,446.52 | | (22,516.44) | |
| | - Loans and Advances | 26,220.11 | | (63,735.55) | |
| | - Other Assets | (33,722.71) | | (59,507.77) | |
| | - Inventories | 9,569.06 | | (46,817.85) | |
| | - Trade Payable and Other Liabilities | 70,161.51 | **133,674.49** | 94,410.71 | **(98,166.91)** |
| | **Cash generated from Operations** | | **815,397.47** | | **767,834.12** |
| | Direct Taxes Paid (Net of tax refund) | | (99,053.69) | | (153,258.13) |
| | **Net Cash generated from Operating Activities 'A'** | | **716,343.78** | | **614,575.99** |
| **B.** | **CASH FLOW FROM INVESTING ACTIVITIES:** | | | | |
| | Payments for Property, plant and equipment | | (422,584.29) | | (259,629.92) |
| | Proceeds from disposal of Property, plant and equipment | | 4,009.26 | | 2,028.18 |
| | Exploratory and Development Drilling | | (127,264.97) | | (168,292.31) |
| | Proceeds/(Investments) in Term deposits with maturity 3 to 12 months | | (6,892.83) | | 8,235.17 |
| | Investment in Mutual funds | | (2,140.38) | | (2,246.15) |
| | Investment in Joint Controlled Entities and Associates | | (8,375.31) | | (14,678.38) |
| | Loan to Joint Ventures/Associates | | 1,031.56 | | (1,599.91) |
| | Investments- Others | | (210.52) | | (115.10) |
| | Deposit in Site Restoration Fund | | (40,848.69) | | (21,198.58) |
| | Dividend Received from Associates and Joint Ventures | | 41,412.58 | | 49,890.29 |
| | Dividend Received from Other Investments | | 8,910.23 | | 14,965.58 |
| | Interest Received | | 17,970.22 | | 19,323.91 |
| | **Net Cash used in Investing Activities 'B'** | | **(534,983.14)** | | **(373,317.22)** |

| | Particulars | Year ended March 31, 2020 | Year ended March 31, 2019* |
|---|---|---|---|
| C. | **CASH FLOW FROM FINANCING ACTIVITIES:** | | |
| | Change in Equity | (162.01) | (40,354.06) |
| | Change in NCI | 917.56 | 1,187.51 |
| | Proceeds from Non Current Borrowings | 270,290.32 | 82,296.42 |
| | Repayment of Non Current Borrowings | (63,127.42) | (107,260.63) |
| | Proceeds/(Repayment) of Current Borrowings (net) | (190,842.34) | (6,357.84) |
| | Dividend Paid on Equity Share | (82,972.42) | (100,860.23) |
| | Tax paid on Dividend | (16,367.40) | (21,338.71) |
| | Interest Paid | (37,701.52) | (40,557.43) |
| | Payment of Lease Liabilities (net of interest) | (50,528.15) | - |
| | Interest expense on lease liabilities | (7,184.26) | - |
| | **Net Cash used in Financing Activities 'C'** | **(177,677.64)** | **(233,244.97)** |
| | **Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)** | **3,683.00** | **8,013.80** |
| | **Cash and Cash Equivalents as at the beginning of the year** | **9,561.01** | **(453.71)** |
| | Add: Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currency | 3,392.67 | 2,000.92 |
| | **Cash and Cash Equivalents as at the end of year** | **16,636.67** | **9,561.01** |

* Restated, refer Note no. 64

**1. Details of cash and cash equivalents at the end of the year:** **(₹ in million)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Balances with Banks | 16,912.03 | 13,567.82 |
| Cash on Hand | 27.49 | 99.33 |
| Bank Deposit with original maturity up to 3 month | 30,866.10 | 24,553.97 |
| | **47,805.62** | **38,221.12** |
| Less :Cash Credit/Bank OD | 31,168.95 | 28,660.11 |
| **Cash and cash equivalents at the end of the year** | **16,636.67** | **9,561.01** |

**2. Reconcilation of liabilities arising from financing activities:**

The table below details change in the Group's liabilities arising from financing activities, including both cash and non cash changes. Liabilities arising from financing activities are those for which cash flows where, or future cash flows will be, classified in the Groups statement of cash flows as cash flows from financing activities.

**(₹ in million)**

| Sl. No. | Particulars | As at March 31, 2019 | Financing cash Flows | Non-cash changes | As at March 31, 2020 |
|---|---|---|---|---|---|
| **I** | **Borrowing - Non Current *** | | | | |
| 1 | External commercial borrowing (ECB ) | 34,500.76 | (4,349.10) | 2,692.59 | 32,844.25 |
| 2 | Loan from Oil Industry Development Board (OIDB) | 9,603.75 | 25,098.12 | - | 34,701.87 |
| 3 | Non Convertible Debentures | 19,999.61 | 80,586.45 | (11.55) | 100,574.51 |

(₹ in million)

| Sl. No. | Particulars | As at March 31, 2019 | Financing cash Flows | Non-cash changes | As at March 31, 2020 |
|---|---|---|---|---|---|
| 4 | Compulsorily Convertible Debentures | - | 1,507.59 | - | 1,507.59 |
| 5 | Deferred payment liabilities - VAT Loan | 225.56 | 423.85 | (288.63) | 360.78 |
| 6 | Deferred payment liabilities - CST | 218.63 | (218.63) | - | - |
| 7 | Working capital loan from banks | 68.52 | 27,752.88 | 2,203.63 | 30,025.03 |
| 8 | Foreign Currency Bonds | 230,155.89 | 21,269.96 | 21,094.28 | 272,520.13 |
| 9 | Foreign Currency Term Loan (FCTL) | 267,248.92 | 62,066.39 | 28,017.21 | 357,332.52 |
| 10 | Rupee Term Loan | 11,999.70 | (5,142.98) | - | 6,856.72 |
| 11 | Other Loans | 3,002.11 | (265.59) | 26.29 | 2,762.81 |
| 12 | Other financial liabilities (Non current) - Net Derivative Contracts | 1,698.35 | (1,566.04) | 1,618.35 | 1,750.66 |
| | **Total** | **578,721.80** | **207,162.90** | **55,352.17** | **841,236.87** |
| **II** | **Borrowing - Current** | | | | |
| 1 | Working capital loan from banks | 172,066.07 | (119,643.94) | 240.68 | 52,662.81 |
| 2 | Commercial Papers | 71,464.22 | (37,397.45) | 264.58 | 34,331.35 |
| 3 | Non Convertible Debentures | 3,700.00 | (3,791.15) | 91.15 | - |
| 4 | Compulsorily Convertible Debentures | - | 688.87 | - | 688.87 |
| 5 | Loan repayable on demand | 370.00 | 4,362.16 | - | 4,732.16 |
| 6 | Other Loans | 13,897.33 | 99.40 | 2.69 | 13,999.42 |
| 7 | Foreign currency Terms Loans | 129,504.85 | (50,766.53) | 6,252.03 | 84,990.35 |
| 8 | Rupee Term Loans | 73,660.44 | 15,606.30 | 3,904.56 | 93,171.30 |
| | **Total** | **464,662.91** | **(190,842.34)** | **10,755.69** | **284,576.26** |

* includes current maturities of long term debt

**FOR AND ON BEHALF OF THE BOARD**

Sd/-
(M. E. V Selvamm)
Company Secretary
Place : New Delhi

Sd/-
(Subhash Kumar)
Director (Finance)
(DIN: 07905656)
Place : New Delhi

Sd/-
(Shashi Shanker)
Chairman & Managing Director
(DIN: 06447938)
Place : New Delhi

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

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

Sd/-
(Narendra Khandal)
Partner (M. No. 065025)
Place: Mumbai

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

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

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

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

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

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

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

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

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

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

June 30, 2020

## Notes to the Consolidated Financial Statements for the year ended March 31, 2020

### 1. Corporate information

Oil and Natural Gas Corporation Limited ("ONGC" or "the Company") is a public limited company domiciled and incorporated in India having its registered office at Deendayal Urja Bhawan, 5, Nelson Mandela Marg, Vasant Kunj, New Delhi – 110070. The Company's shares are listed and traded on Stock Exchanges in India. The Consolidated Financial Statements relate to the Company, its Subsidiaries, Joint Venture Entities and Associates. The Group (comprising of the Company and its subsidiaries), Joint Venture Entities and Associates are mainly engaged in exploration, development and production of crude oil, natural gas and value added products in India and acquisition of oil and Gas acreages outside India for exploration, development and production, downstream (Refining and marketing of petroleum products), Petrochemicals, Power Generation, LNG supply, Pipeline Transportation, SEZ development and Helicopter services.

### 2. Application of new Indian Accounting Standards (Ind AS)

All the Indian Accounting Standards issued under section 133 of the Companies Act, 2013 and notified by the Ministry of Corporate Affairs (MCA) under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are approved have been considered in preparation of these Financial Statements.

### 3. Significant Group Accounting Policies

#### 3.1. Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and Guidance Note on Accounting for Oil and Gas Producing Activities (Ind AS) issued by the Institute of Chartered Accountants of India.

#### 3.2. Basis of preparation

The Consolidated Financial Statements have been prepared on the historical cost convention except for certain assets and liabilities which are measured at fair value/amortised cost/ Net present value at the end of each reporting period, as explained in the accounting policies below:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Consolidated Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal million except otherwise stated.

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorizes assets and liabilities measured at fair value into one of the three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) inactive markets for identical assets or liabilities.
- Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the assets or liabilities.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

#### 3.3. Principles of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the

Company and its subsidiaries (collectively referred as "the Group"). The Group has investments in associates and joint ventures which are accounted using equity method in these consolidated financial statements. Refer note 3.7 for the accounting policy of investment in associates and joint ventures in the Consolidated Financial Statements.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date of their acquisition (except for Business Combinations under Common Control), being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.

The Consolidated financial statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's Standalone Financial Statements except otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's Significant Accounting Policies.

The Consolidated Financial Statements have been prepared by combining the financial statements of the company and its subsidiaries on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income, expenses and cash flow after eliminating in full intra-group assets, liabilities, equity, income, expenses and cash flow relating to intra-group transactions and unrealized profits. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Such unrealized profits/ losses are fully attributed to the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in the consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the consolidated statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or the cost on initial recognition as investment in an associate or a joint venture, when applicable.

### 3.4. Business Combination

Acquisitions of businesses (except for Business Combinations under Common Control) are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition related costs are generally recognized in consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 'Employee Benefits' respectively;
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained by the Group during the 'measurement period' about facts and circumstances that existed at the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognized in the consolidated statement of profit and loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognized in the consolidated statement of profit and loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to the consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period recognising additional assets or liabilities (if any) to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

**Business Combination under Common control**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C to Ind AS 103 and are accounted for using the pooling-of-interest method as follows:

- The assets and liabilities of the combining entities are reflected at the carrying amounts.
- No adjustments are made to reflect fair values, or recognize new assets or liabilities. Adjustments are made to harmonize significant accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination has occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

### 3.5. Non-controlling interests

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders.

Non-controlling interests are initially measured at the proportionate share of the recognized amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

### 3.6. Goodwill on consolidation

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the cash generating unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in Consolidated Statement of Profit and Loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the Profit and Loss.

### 3.7. Investments in Associates and Joint Ventures

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated in the Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. Under the equity method, an investment in an associate or a joint venture is initially recognized in the Consolidated Balance Sheet at cost and adjusted thereafter to recognize the Group's share of profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduces the carrying amount of investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has legal or constructive obligations or made payments on behalf of the associate or joint venture.

Loans advanced to Associate & Joint Venture and that have the characteristics of financing through equity are also included in the investment of the Group's consolidated balance sheet. The Group's share of amounts recognized directly in equity by Associate & Joint Venture is recognized in the Group's consolidated statement of changes in equity.

Unrealized gains on transactions between the group and its Associate & Joint Venture are eliminated to the extent of the Group's interest in Associate & Joint Venture. Unrealized losses are also eliminated to the extent of Group's interest unless the transaction provides evidence of an impairment of the asset transferred.

If an associate or a joint venture uses accounting policies other than those of the Group accounting policies for like transactions and events in similar circumstances, adjustments are made to make the associate's or joint venture's financial statements confirm to the Group's significant accounting policies before applying the equity method, unless, in case of an associate where it is impracticable do so.

An investment in an Associate or a Joint Venture is accounted for using the equity method from the date on which the investee becomes an Associate or a Joint Venture. On acquisition of the investment in an Associate or a Joint Venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then Group recognises impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109 'Financial Instruments'. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to the consolidated statement of profit and loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to the consolidated statement of profit and loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to the consolidated statement of profit and loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest as if that gain or loss would be reclassified to the consolidated statement of profit and loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

### 3.8. Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group has Joint Operations in the nature of Production Sharing Contracts (PSC) and Revenue Sharing Contracts (RSC) with the Government of India/other countries and various body corporates for exploration, development and production activities.

The Group's share in the assets and liabilities along with attributable income and expenditure of the Joint Operations is merged on line by line basis with the similar items in the Consolidated Financial Statements and adjusted for leases, depreciation, overlift/ underlift, depletion, survey, dry wells, decommissioning provision, impairment and sidetracking in accordance with the accounting policies of the Group.

The hydrocarbon reserves in such areas are taken in proportion to the participating interest of the Group.

With respect to use of leased assets in the joint operations, the Group recognizes lease liability and corresponding right-of-use asset in accordance with the terms of related joint operating agreement/production sharing contracts.

Gain or loss on sale of interest in a joint operation, is recognized in the Consolidated Statement of Profit and Loss, except that no gain is recognized at the time of such sale if substantial uncertainty exists about the recovery of the costs applicable to the retained interest or if the Group has substantial obligation for future performance. The gain in such situation is treated as recovery of cost related to that block.

In case of joint operations outside India, the long term employee benefits are recognised in accordance with the laws of the their respective jurisdiction.

### 3.9. Non-current assets held for sale

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, Plant and Equipment (PPE) and intangible assets are not depreciated or amortized once classified as held for sale.

### 3.10. Government Grant

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Monetary Government grants, whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets and the grants are recognized and disclosed as 'deferred income' under non-current liability in the Consolidated Balance Sheet and transferred to the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

All Non-monetary grants received are recognized for both asset and grant at nominal value.

The benefit of a government loan at a rate below the market rate of interest is treated as a government grant, and is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### 3.11. Property Plant and Equipment (other than Oil and Gas Assets) and Right of Use Assets

The Group (except for ONGC Videsh Ltd where due to change in functional currency, this exemption is not available as per para D7AA of Ind AS 101) has elected to continue with the carrying value of all of its Property Plant and Equipment recognized as of April 1, 2015 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning liabilities.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Freehold land and land under perpetual lease are not depreciated.

Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management and decommissioning cost as per note 3.17. It includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components. Expenditure on dry docking of rigs and vessels are accounted for as component of relevant assets.

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on subsequent expenditure on PPE arising on account of capital improvements or other factors is provided for prospectively over the remaining useful life.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/ deletions except low value items not exceeding ₹ 5,000/- which are fully depreciated at the time of addition of Assets related to operations in India and items not exceeding US$ 100 which are fully depreciated at the time of addition of Assets related to operations outside India. In case of a subsidiary HPCL, depreciation is charged on additions / deletions on pro-rata monthly basis including the month of addition / deletion.

Right-of-use assets are depreciated on a straight-line basis over the lease term or useful life of the underlying asset, whichever is less.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated Statement of Profit and Loss.

Depreciation of these PPE commences when the assets are ready for their intended use.

**The Group account for their depreciation on following basis:-**

**(a) Depreciation- PPE of Exploration & Production (E&P) (other than freehold land, Oil and Gas Assets and properties under construction)**

Depreciation is provided on the cost of PPE of E&P operations less their residual values, using the written down value method (except for components of dry docking capitalized) over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on technical assessment by the Company. In case of PPE pertaining to overseas blocks where the license period is less than the useful life of PPE, the company writes off the PPE in the financial year in which the license is expired or the block is surrendered, if no future economic benefits from the PPE are expected. Estimated useful lives of these assets are as under:

| Description | Useful life in years |
|---|---|
| Building & Bunk Houses | 3 to 60 |
| Plant & Equipment | 2 to 40 |
| Furniture and Fixtures | 3 to 25 |
| Vehicles | 5 to 20 |
| Office Equipment | 2 to 20 |

Depreciation on refurbished/revamped PPE which are capitalized separately is provided for over the reassessed useful life which is not more than the life specified in Schedule II to the Companies Act, 2013.

Depreciation on expenditure on dry docking of rigs and vessels capitalized as component of relevant rig / vessels is charged over the dry dock period on straight line basis.

Depreciation on PPE including support equipment and facilities used for exploratory/ development drilling is initially capitalised as part of drilling cost and expensed/depleted as per Note 3.15. Depreciation on equipment/ assets deployed for survey activities is charged to the Consolidated Statement of Profit and Loss.

**(b) Depreciation- PPE of Refining & Marketing, Crude oil Transportation business (other than freehold land and properties under construction)**

Depreciation is provided on the cost of PPE less their residual values of asset associated with Refinery, Petrochemical, Crude oil Transportation, using Straight Line Method, over the useful life as specified in Schedule II to the Companies Act, 2013, except in case of certain components of the Plant and Equipment whose useful lives are determined based on technical evaluation. Useful lives are as follows:-

| Asset categories | Useful life in years |
|---|---|
| Buildings | 1-60 |
| Plant & Machinery | 2-40 |
| Furniture | 3-10 |
| Office equipment | 3-15 |
| Vehicles | 4-8 |

In respect of refining & marketing business, the useful lives of following assets are based on internal technical assessment:

| Asset categories | Useful life in years |
|---|---|
| Plant and Machinery relating to Retail Outlets (other than Storage tanks and related equipment) | 15 years |
| Cavern Structure | 60 years |
| LPG cylinders & regulators (excluding cylinders held for sale) | 15 years |

In cases of LPG Cylinders & pressure regulators and Catalysts having Precious Metals, with due consideration to expected realization, a higher residual value is considered.

Expenditure on overhaul and repairs on account of planned shutdown which are of significant value (5% of the value of particular assets) is capitalized as component of relevant items of PPE and is depreciated over the period till next shutdown on straight line basis. Catalyst whose life is more than one year is capitalised as property, plant and equipment and depreciated over the guaranteed useful life as specified by the supplier when the catalyst is put to use.

### 3.12. Intangible Assets

#### (i) Intangible assets acquired separately

The Group (except for ONGC Videsh Ltd where due to change in functional currency this exemption is not available as per para D7AA of Ind AS 101 ) has elected to continue with the carrying value of all of its intangible assets recognized as of April 1, 2015 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning liabilities.

Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the asset and the costs can be measured reliably.

In cases where, the Group has constructed assets and the Group has only a preferential right to use, these assets are classified as intangible assets and are amortised (after retaining the residual value, if applicable) over their useful life or the period of the agreement, whichever is lower.

Intangible assets with finite useful lives that are acquired separately. amortized on a straight-line basis over their estimated useful life. Intangible assets in form of right to use is amortised on straight line basis over the useful life of underlying asset. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate being accounted for prospectively and tested for impairment.

Intangible assets with indefinite useful lives that are acquired separately are not subject to amortisation and are carried at cost less accumulated impairment losses, if any.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and recognized in the Consolidated Statement of Profit and Loss, when the asset is derecognized.

Technical know-how / license fee relating to production process and process design are recognized as Intangible Assets.

Estimated lives of intangible assets (acquired) are as follows:

- Software – 2 to 10 years
- Technical know-how/license fees – 2 to 10 years
- Right to use-wind mills : 22 years

#### (ii) Intangible assets under development - Exploratory Wells in Progress

All exploration and evaluation costs incurred in drilling and equipping exploratory and appraisal wells, are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets on completion as per note no. 3.15 or expensed as exploration and evaluation cost (including allocated depreciation) as and when determined to be dry or of no further use, as the case may be.

Cost of drilling exploratory type stratigraphic test wells are initially capitalized as Intangible assets under development - Exploratory Wells in Progress till the time these are either transferred to Oil and Gas Assets as per note no. 3.15 or expensed as exploration and evaluation cost (including allocated depreciation) as when determined to be dry or the petroleum exploration license/field/project is surrendered.

Costs of exploratory wells are not carried over unless it could be reasonably demonstrated that there are indications of sufficient quantity of reserves and sufficient progress has been made in assessing the reserves and the economic and operating viability of the project. All such carried over costs are subject to review for impairment as per the policy of the Group.

### 3.13. Impairment of tangible, intangible assets (other than goodwill) and right-of-use assets

The Group reviews the carrying amount of its tangible and intangible assets (Oil and Gas Assets, Development Wells in Progress (DWIP), Property, Plant and Equipment (including Capital Works in Progress) and Right–of use assets of a “Cash Generating Unit” (CGU) at the end of each reporting period to determine whether there is any significant indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives such as “Right of way” and intangible assets not yet available for use are tested for impairment at least annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Consolidated Statement of Profit and Loss.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset’s recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Consolidated Statement of Profit and Loss.

Exploration and Evaluation assets are tested for Impairment when further exploration activities are not planned in near future or when sufficient data exists to indicate that although a development is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or by sale. Impairment loss is reversed subsequently, to the extent that conditions for impairment are no longer present.

### 3.14. Exploration & Evaluation, Development and Production Costs

#### (i) Pre-acquisition cost

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

#### (ii) Acquisition cost

Acquisition costs of an Oil and Gas Asset are costs related to right to acquire mineral interest and are accounted as follows:-

**Exploration and development stage**

Acquisition cost relating to projects under exploration or development are initially accounted as Intangible Assets under development - exploratory wells in progress or Oil & Gas Assets under development - development wells in progress respectively. Such costs are capitalized by transferring to Oil and Gas Assets when a well is ready to commence commercial production. In case of abandonment / relinquishment of Intangible Assets under development - exploratory wells in progress, such costs are written off.

**Production stage**

Acquisition costs of a producing Oil and Gas Assets are capitalized as proved property acquisition cost under Oil and Gas Assets and amortized using the unit of production method over proved reserves of underlying assets.

#### (iii) Survey cost

Cost of Survey and prospecting activities conducted in the search of oil and gas are expensed as exploration cost in the year in which these are incurred.

#### (iv) Oil & Gas asset under development - Development Wells in Progress

All costs relating to Development Wells are initially capitalized as 'Development Wells in Progress' and transferred to 'Oil and Gas Assets' on "completion".

#### (v) Production costs

Production costs include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities.

#### (vi) Impairment of Acquisition costs relating to participating rights

For the purposes of impairment testing, acquisition cost is allocated to each of the Group's CGUs (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which acquisition cost has been allocated is tested for impairment annually when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any acquisition cost allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognized for acquisition cost is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable carrying amount of acquisition cost is included in the determination of the profit or loss on disposal.

### 3.15. Oil and Gas Assets

The Group (except for ONGC Videsh Ltd where due to change in functional currency this exemption is not available as per para D7AA of Ind AS 101 ) has elected to continue with the carrying value of all of its Oil and Gas assets recognized as of April 1, 2015 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date except adjustment related to decommissioning liabilities.

Oil and Gas Assets are stated at historical cost less accumulated depletion and impairment losses. These are created in respect of an area / field having proved developed oil and gas reserves, when the well in the area / field is ready to commence commercial production.

Cost of temporary occupation of land, successful exploratory wells, all development wells (including service wells), allied facilities, depreciation on support equipment used for drilling and estimated future decommissioning costs are capitalised and classified as Oil and Gas Assets

Oil and Gas Assets are depleted using the "Unit of Production Method". The rate of depletion is computed with reference to an area covered by individual lease / license / asset /field / project / amortization base by considering the proved developed reserves and related capital costs incurred including estimated future decommissioning / abandonment costs net of salvage value. Acquisition cost of Oil and Gas Assets is depleted by considering the proved reserves. These reserves are estimated annually by the Reserve Estimates Committee of the Company, which follows the International Reservoir Engineering Procedures.

### 3.16. Side tracking

In the case of an exploratory well, cost of side-tracking is treated in the same manner as the cost incurred on a new exploratory well. The cost of abandoned portion of side tracked exploratory wells is expensed as 'Exploration cost written off.'

In the case of development wells, the entire cost of abandoned portion and side tracking is capitalized.

In case of side tracking of producing wells and service wells which form part of the development schemes are treated as development wells and the cost incurred on the side tracking is capitalized.

In the case of side tracking of producing wells and service wells which do not form part of the development schemes and the side-tracking results in additional proved developed oil and gas reserves or increases the future economic benefits therefrom beyond previously assessed standard of performance, the cost incurred on side tracking is capitalised, whereas the cost of abandoned portion of the well is depleted in the normal way. Otherwise, the cost of side tracking is expensed as 'Work over Expenditure.'

### 3.17.Decommissioning costs

Decommissioning cost includes cost of restoration. Provision for decommissioning costs are recognized when the Group has a legal or constructive obligation to plug and abandon a well, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated provision towards costs relating to dismantling, abandoning and restoring well sites and allied facilities are recognized in respective assets when the well is complete / facilities or Property, Plant and Equipment are installed.

The amount recognized is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk free discount rate.

An amount equivalent to the decommissioning provision is recognized along with the cost of exploratory well or Property, Plant and Equipment. The decommissioning cost in respect of dry well is expensed as exploratory well cost.

Any change in the present value of the estimated decommissioning provision other than the periodic unwinding of discount is adjusted to the decommissioning provision and the carrying value of the related asset. In case reversal of decommissioning provision exceeds the carrying amount of the related asset including WDV of the capitalised portion of decommissioning provision in the carrying amount of related asset, the excess amount is recognized in the Consolidated Statement of Profit and Loss. The unwinding of discount on provision is charged in the Consolidated Statement of Profit and Loss as finance cost.

Provision for decommissioning cost in respect of assets under Joint Operations is considered as per participating interest of the Group on the basis of estimate approved by the respective operating committee. Wherever the same are not approved by the respective operating committee abandonment cost estimates of the company are considered.

### 3.18.Inventories

#### (a) Raw material and Stock in Process – Refinery & Petrochemicals

Raw material and Stock in Process is valued at lower of cost or net realizable value. Raw material is valued based on First in First Out (FIFO) basis. Cost of Stock in Process comprises of raw material cost and proportionate Conversion cost. Raw Materials are not written down below cost except in case where their prices have declined subsequently and it is estimated that the cost of the finished goods will exceed their net realizable value.

Raw materials for lubricants are valued at weighted average cost or at net realisable value, whichever is lower.

**(b) Finished Goods and semi-finished :-**

**(i) Exploration and Production Operation (E&P)**

Finished goods (other than Sulphur and carbon credits) including inventories in pipelines / tanks are valued at cost or net realisable value whichever is lower. Cost of finished goods is determined on absorption costing method. Sulphur and carbon credits are valued at net realisable value. The value of inventories includes excise duty, royalty (wherever applicable) but excludes Cess.

Crude oil in semi-finished condition at Group Gathering Stations (GGS) is valued at cost on absorption costing method or net realisable value whichever is lower.

Crude oil in unfinished condition in flow lines up to GGS / platform is not valued as the same is not measurable. Natural Gas is not valued as it is not stored.

**(ii) Refining & Petrochemicals**

Cost of finished goods (other than lubricants) is determined based on raw material cost, conversion cost and excise duty.

Finished products (lubricants) are valued at weighted average cost or at net realisable value, whichever is lower.

Stock in trade are valued on weighted average cost basis.

Empty packages are valued at weighted average cost.

Cost of semi-finished goods is determined based on raw material cost and proportionate conversion cost.

Customs duty on Raw materials/ Finished goods lying in bonded warehouse are provided for at the applicable rates except where liability to pay duty is transferred to consignee

Excise duty on finished stocks lying at manufacturing locations is provided for at the assessable value applicable at each of the locations based on applicable duty.

The net realizable value of finished goods and stock in trade are final selling prices for sales to oil marketing companies and depot prices applicable to the locations. For the purpose of stock valuation, the proportion of sales of oil marketing companies and consumer sales are determined on location wise and product wise sales of subsequent period.

**(c) Store & Spares**

Inventory of stores and spare parts is valued at weighted average cost or net realisable value, whichever is lower. Wherever, weighted average cost or net realisable value is not available, the cost made available by the operator is considered for valuation of Stores and Spares. Provisions are made for obsolete and non-moving inventories.

Unserviceable and scrap items, when determined, are valued at estimated net realisable value.

### 3.19. Revenue recognition

Revenue from contracts with customers is recognized at the point in time the Company satisfies a performance obligation by transferring control of a promised product or service to a customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the sale of products and service, net of discount, taxes or duties. The transfer of control on sale of crude oil, natural gas and value added products occurs at the point of delivery, where usually the title is passed and the customer takes physical possession, depending upon the contractual conditions. Any retrospective revision in prices is accounted for in the year of such revision.

Revenue from service is recognized in the accounting period in which the services are rendered at contractually agreed rates.

Sale of crude oil and natural gas (net of levies) produced from Intangible assets under development – Exploratory Wells in Progress / Oil and Gas assets under development –

Development Wells in Progress is deducted from expenditure on such wells.

Any payment received in respect of contractual short lifted gas quantity for which an obligation exists to make-up such gas in subsequent periods is recognized as Contract Liabilities in the year of receipt. Revenue in respect of such contractual short lifted quantity of gas is recognized when such gas is actually supplied or when the customer's right to make up is expired, whichever is earlier.

Revenues from the production of crude oil and natural gas properties, in which the Group has an interest with other producers, are recognized based on actual quantity lifted over the period. Any difference as of the reporting date between the entitlement quantity minus the quantities lifted in respect of crude oil, if positive (i.e. under lift quantity) the proportionate production expenditure is treated as prepaid expenses and, if negative (i.e. over lift quantity), a liability for the best estimate of the Group's proportionate share of production expenses as per the Joint Operating Agreement (JOA) / Production Sharing Agreement (PSA) is created in respect of the quantity of crude oil to be foregone in future period towards settlement of the overlift quantity of crude oil with corresponding charge to the Statement of Profit and Loss.

Revenue is allocated between loyalty programs and other components of the sale. The amount allocated to the loyalty program is deferred, and is recognized as revenue when the Group has fulfilled its obligation to supply the products under the terms of the program or when it is no longer probable that the points under the program will be redeemed. Where the Group acts as an agent on behalf of a third party, the associated income is recognized on a net basis.

Revenue in respect of the following is recognized when collectability of the receivable is reasonably assured:

(i) Contractual short lifted quantity of gas with no obligation for make-up.

(ii) Interest on delayed realization from customers and cash calls from JV partners.

(iii) Liquidated damages from contractors/ suppliers.

As per the Production Sharing Contracts for extracting the Oil and Gas Reserves with Government of India, out of the earnings from the exploitation of reserves after recovery of cost, a part of the revenue is paid to Government of India which is called Profit Petroleum. It is reduced from the revenue from Sale of Products as Government of India's Share in Profit Petroleum.

**Dividend and interest income**

Dividend income from investments is recognized when the shareholder's right to receive payment is established.

Interest income from financial assets is recognized, when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable on initial recognition.

**3.20 Leases**

Effective April 01, 2019, the Group adopted Ind AS 116 "Leases" using the modified prospective approach. Accordingly. the Group has not made restatement of comparative information, which are still presented in accordance with Ind AS 17. The new standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group has exercised the option not to apply this standard to perpetual leases of intangible assets.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves use of an identified assets.

(ii) the Group obtains substantially all of the economic benefits from the use of the asset through out the period of the lease and

(iii) the Group has the right to direct the use of the asset.

**Group as a lessee**

At the date of commencement of the lease, the Group recognizes a right-of-use asset (ROU asset) and a corresponding lease liability for all hiring contracts / arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and lease of low value assets. For these short-term and low value leases, the Group recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at present value of the future lease payments over the reasonably certain lease term. The lease payments are discounted using the interest rate implicit in the lease. if it is not readily determinable, using the incremental borrowing rate. For leases with similar characteristics, the Group, on a lease by lease basis. applies either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets, however, in case the ownership of such right-of-use asset transfers to the lessee at the end of the lease term, such assets are depreciated over the useful life of the underlying asset. The Group applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy above on “Impairment of tangible. intangible assets and right-of-use assets”.

In the case of unincorporated joint operations, the operator recognizes the entire lease liability, as, by signing the contract, it has primary responsibility for the liability towards the third party supplier. Therefore, if, based on the contractual provisions and any other relevant facts and circumstances, the group has primary responsibility, it recognizes in the balance sheet: (i) the entire lease liability and (ii) the entire right-of-use asset, unless there is a sublease with the joint operators. On the other hand, if the lease contract is signed by all the partners of the venture, the group recognises its share of the right-of-use asset and lease liability based on its working interest. If the group does not have primary responsibility for the lease liability, it does not recognise any right-of-use asset or lease liability related to the lease contract.

The interest cost on lease Liability (computed using effective interest method). is expensed in the Consolidated statement of profit and loss unless eligible for capitalization as per accounting policy below on “Borrowing costs”.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components except in case of subsidiary HPCL which has elected not to separate non-lease components in a contract and account as one unified lease contract covering all underlying assets by using the practical expedient prescribed in the Standard, and the same has immaterial impact on consolidated financial statements.

Lease liability and ROU asset have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows in the Consolidated Statement of Cash Flows.

**Group as Lessor:**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. In all other cases, it is treated as operating lease.

### 3.21.Foreign Exchange Transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Indian Rupees (₹), which is the Company's functional currency and the Group's presentation currency.

Transactions in currencies other than the respective entities' functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated using mean exchange rate prevailing on the last day of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of transaction.

Exchange differences on monetary items are recognized in the consolidated Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Exchange differences on monetary items are recognized in the consolidated statement of profit and loss in the period in which they arise except for exchange differences on monetary item that forms part of a Group's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items.

Exchange difference arising in respect of long term foreign currency monetary items is recognized in the statement of profit and loss except for the exchange difference related to long term foreign currency monetary items recognized as at March 31, 2016, in so far as, these related to the acquisition of depreciable assets, are adjusted against the cost of such assets and depreciate the said adjustment, over the balance life of asset and in other cases amortised over the balance period of the long term foreign currency monetary assets or liabilities.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the consolidated statement of profit and loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in the consolidated statement of profit and loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of foreign operation and translated at rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

Entities with functional currency other than presentation currency are translated to the presentation currency in Indian Rupees (₹). The Group has applied the following principles for translating its results and financial position from functional currency to presentation currency (₹):-

- Assets and liabilities (excluding equity share capital and other equity) for each balance sheet presented (i.e. including comparatives) has been translated at the closing rate at the date of that balance sheet;

- Equity share capital including equity component of compound financial instruments have been translated at exchange rates at the dates of transaction. Capital reserve has been translated at exchange rate at the dates of transaction. Other reserves have been translated using average exchange rates of the period to which it relates;
- Income and expenses for each consolidated statement of profit and loss presented have been translated at exchange rates at the dates of transaction except for certain items average rate for the period is used;

### 3.22. Employee Benefits

Employee benefits include salaries, wages, contributory provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits.

All short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.

#### Defined contribution plans

Employee Benefit under defined contribution plans comprising contributory provident fund, Post Retirement benefit scheme, Employee Pension Scheme - 1995, composite social security scheme etc. is recognized based on the undiscounted amount of obligations of the Group to contribute to the plan. The same is paid to a fund administered through a separate trust.

#### Defined benefit plans

Defined retirement benefit plans comprising of gratuity, post-retirement medical benefits and other terminal benefits, are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted.

Net interest on the net defined liability is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset and is recognized in the Statement of Profit and Loss except those included in cost of assets as permitted.

Remeasurement of defined retirement benefit plans except for leave encashment towards un-availed leave and compensated absences, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The Group contributes all ascertained liabilities with respect to gratuity to the respective Gratuity Fund Trust. All ascertained liabilities for un-availed leave are funded with Life Insurance Corporation of India (LIC) except in case of some subsidiaries. Other defined benefit schemes are unfunded.

The retirement benefit obligation recognized in the Consolidated Financial Statements represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

#### Other long term employee benefits

Other long term employee benefit comprises of leave encashment towards un-availed leave and compensated absences, these are recognized based on the present value of defined obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted for either as current employee cost or included in cost of assets as permitted.

Re-measurements of leave encashment towards un-availed leave and compensated absences are recognized in the Statement of profit and loss except those included in cost of assets as permitted in the period in which they occur.

### 3.23.Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Consolidated Statement of Profit and Loss when incurred.

### 3.24.General Administrative Expenses

General administrative expenses which are directly attributable are allocated to activities and the balance is charged to Consolidated Statement of Profit and Loss.

### 3.25. Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted to the extent that the amount recoverable can be measured reliably and it is virtually certain to expect ultimate collection.

### 3.26. Research and Development Expenditure

Expenditure of capital nature are capitalised and expenses of revenue nature are charged to the Consolidated Statement of Profit and Loss, as and when incurred.

### 3.27. Income Taxes

Income tax expense represents the sum of the current tax expense and deferred tax.

#### (i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and any adjustment to tax payable in repect of previous year.

#### (ii) Deferred tax

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are presented separately in Consolidated Balance sheet except where there is a right of set-off within fiscal jurisdictions and an intention to settle such balances on a net basis.

Deferred tax liabilities are recognized for taxable temporary differences associated with investment in subsidiaries and associate and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Consolidated Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realized.

**(iii) Current and deferred tax for the year**

Current and deferred tax expense is recognized in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### 3.28. Borrowing Costs

Borrowing costs including finance cost on lease liability specifically identified to the acquisition or construction of qualifying assets or development wells or exploratory wells is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss.

Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs i.e. equivalent to the extent to which the exchange loss does not exceed the difference between the cost of borrowing in functional currency (₹) when compared to the cost of borrowing in a foreign currency.

When there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

### 3.29. Rig Days Costs

Rig movement costs are booked to the next location drilled/planned for drilling. Abnormal Rig days' costs are considered as un-allocable and charged to the Consolidated Statement of Profit and Loss.

### 3.30. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent assets are disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Consolidated Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

### 3.31. Financial instruments

Financial assets and financial liabilities are recognized when Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Consolidated Statement of Profit and Loss.

### 3.32. Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

#### (i) Classification as debt or equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### (ii) Compound financial instruments

The component parts of compound financial instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognized as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to retained earnings. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

### 3.33. Financial assets

#### (i) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### (ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

**(iv) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

**(v) Impairment of financial assets**

The Group assesses at each Consolidated Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 'Financial Instruments' requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

**(vi) Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the Consolidated Statement of Profit and Loss.

## 3.34. Financial liabilities

**(i) Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**(ii) Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Consolidated Statement of Profit and Loss.

## 3.35. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 'Financial Instruments' are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit & Loss (FVTPL).

**Derivatives Contracts designated as hedging instruments:**

Wherever Hedge Accounting is undertaken, at the inception of a hedge relationship, the Group formally designates and documents a) the hedge relationship to which it wishes to apply hedge accounting and b) the risk management objective and strategy. In such cases, the derivative financial instruments are recognized at fair value with due assessment to effectiveness of the hedge instrument. By following Cash Flow Hedges, the effective portion of changes in the fair value is recognized in Other Comprehensive Income (OCI) and accumulated under Cash Flow Hedge Reserve within Other Equity whereas the ineffective portion, if any, is recognized immediately in the Statement of Profit and Loss and presented under Other Income or Other Expenses, as the case may be. The effective portion, previously recognized in OCI and accumulated as Cash Flow Hedge Reserve is reclassified to the Statement of Profit and Loss in the subsequent period, during which, the hedged expected future cash flows affect profit or loss and further guided to the same line item to which the underlying is accounted. Further, in case of previously recognized forecasted transaction, upon the knowledge of its non-occurrence, the effective portion of cumulative gain or loss is forthwith recognized by transferring from Cash Flow Hedge Reserve to the Statement of Profit and Loss. If the amount accumulated in Cash Flow Hedge Reserve is a loss and Corporation expects that all or a portion of that loss will not be recovered in one or more future period, the Corporation immediately reclassifies the amount that is not expected to be recovered into profit or loss as a reclassification adjustment. The hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

**Derivatives Contracts not designated as hedging instruments**

The derivative financial instruments are accounted at fair value through Profit or Loss and presented under Other Income or Other Expenses, as the case may be.

### 3.36. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### 3.37. Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model. Free hold Land and Properties under construction are not depreciated.

In case of a Subsidary Petronet MHB Ltd, building component of investment property is depreciated over 30 years from the date of original construction, based on the useful life prescribed in Schedule II to the Companies Act, 2013 using the straight-line method. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

### 3.38. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 3.39.Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

### 3.40.Segment Reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. The geographical segments are based on assets as primary segments and business segments as secondary segments.

4. The consolidated financial statements represents consolidation of accounts of "Oil and Natural Gas Corporation Limited", its subsidiaries, Joint venture entities and Associates as detailed below:

| S. No. | Name of the Company | Country of Incorporation | Proportion of ownership interest as at | | Status of Audit as on 31.03.2020 |
|---|---|---|---|---|---|
| | | | March 31, 2020 | March 31, 2019 | |
| A | **Subsidiaries** | | | | |
| 1 | ONGC Videsh Limited (OVL) | India | 100% | 100% | Audited |
| 1.1 | ONGC Nile Ganga B.V. | The Netherlands | Class A : 100%<br>Class B : 100%<br>Class C : 55% | Class A : 100%<br>Class B : 100%<br>Class C : 55% | Audited |
| 1.1 (i) | ONGC Campos Ltda. | Brazil | 100% | 100% | Audited |
| 1.1 (ii) | ONGC Nile Ganga (San Cristobal) B.V. | The Netherlands | 100% | 100% | Audited |
| 1.1 (iii) | ONGC Caspian E&P B.V. (liquidated on July 31, 2019) | The Netherlands | - | 100% | Audited |
| 1.2 | ONGC Narmada Limited | Nigeria | 100% | 100% | Unaudited |
| 1.3 | ONGC Amazon Alaknanda Limited | Bermuda | 100% | 100% | Audited |
| 1.4 | Imperial Energy Limited | Cyprus | 100% | 100% | Audited |
| 1.4 (i) | Imperial Energy Tomsk Limited | Cyprus | 100% | 100% | Audited |
| 1.4 (ii) | Imperial Energy (Cyprus) Limited | Cyprus | 100% | 100% | Audited |
| 1.4 (iii) | Imperial Energy Nord Limited | Cyprus | 100% | 100% | Audited |
| 1.4 (iv) | Biancus Holdings Limited | Cyprus | 100% | 100% | Audited |
| 1.4 (v) | Redcliffe Holdings Limited | Cyprus | 100% | 100% | Audited |
| 1.4 (vi) | Imperial Frac Services (Cyprus) Limited | Cyprus | 100% | 100% | Audited |
| 1.4 (vii) | San Agio Investments Limited | Cyprus | 100% | 100% | Audited |
| 1.4 (viii) | LLC Sibinterneft | Russia | 55.90% | 55.90% | Audited |
| 1.4 (ix) | LLC Allianceneftegaz | Russia | 100% | 100% | Audited |
| 1.4 (x) | LLC Nord Imperial | Russia | 100% | 100% | Audited |
| 1.4 (xi) | LLC Rus Imperial Group | Russia | 100% | 100% | Audited |
| 1.4 (xii) | LLC Imperial Frac Services* | Russia | 100% | 100% | Audited |
| 1.5 | Carabobo One AB | Sweden | 100% | 100% | Unaudited |
| 1.5 (i) | Petro Carabobo Ganga B.V. | The Netherlands | 100% | 100% | Unaudited |
| 1.6 | ONGC (BTC) Limited | Cayman Islands | 100% | 100% | Unaudited |
| 1.7 | Beas Rovuma Energy Mozambique Ltd. | Mauritius | 60% | 60% | Audited |
| 1.8 | ONGC Videsh Rovuma Ltd. (OVRL) (winding up procedure initiated) | Mauritius | 100% | 100% | Unaudited |
| 1.9 | ONGC Videsh Atlantic Inc. (OVAI) | Texas | 100% | 100% | Audited |
| 1.10 | ONGC Videsh Singapore Pte Ltd. | Singapore | 100% | 100% | Audited |
| 1.10 (i) | ONGC Videsh Vankorneft Pte Ltd. | Singapore | 100% | 100% | Audited |
| 1.11 | Indus East Mediterranean Exploration Ltd. | Israel | 100% | 100% | Unaudited |
| 1.12 | ONGC Videsh Rovuma Ltd. (OVRL India)*** | India | 100% | - | Audited |
| 2 | Mangalore Refinery and Petrochemicals Ltd. (MRPL)@@@ | India | 80.29% | 80.29% | Audited |

| S. No. | Name of the Company | Country of Incorporation | Proportion of ownership interest as at | | Status of Audit as on 31.03.2020 |
|---|---|---|---|---|---|
| | | | March 31, 2020 | March 31, 2019 | |
| 3 | Hindustan Petroleum Corporation Ltd (HPCL) | India | 51.11% | 51.11% | Audited |
| 3.1 | Prize Petroleum Company Ltd$ | India | 100% | 100% | Audited |
| 3.1.1 | Prize Petroleum International PTE Ltd. | India | 100% | 100% | Audited |
| 3.2 | HPCL Bio Fuels Ltd. | India | 100% | 100% | Audited |
| 3.3 | HPCL Middle East FZCO$$ | Dubai | 100% | 100% | Audited |
| 4 | ONGC Mangalore Petrochemicals Ltd. (OMPL) @@@ | India | 89.95% | 89.95% | Audited |
| 5 | Petronet MHB Ltd (PMHBL)**** | India | 75.55% | 49.44% | Audited |
| **B** | **Joint Ventures** | | | | |
| 1 | Mangalore SEZ Ltd (MSEZ) | India | 26.86% | 26.86% | Audited |
| 2 | ONGC Petro additions Ltd. (OPaL) | India | 49.36% | 49.36% | Audited |
| 3 | ONGC Tripura Power Company Ltd. (OTPC) | India | 50.00% | 50.00% | Audited |
| 4 | ONGC Teri Biotech Ltd. (OTBL) | India | 49.98% | 49.98% | Audited |
| 5 | Dahej SEZ Limited (DSEZ) | India | 50.00% | 50.00% | Unaudited |
| 6 | Indradhanush Gas Grid Ltd (IGGL) | India | 20.00% | 20.00% | Audited |
| 7 | ONGC Mittal Energy Limited (OMEL) (through OVL) | Cyprus | 49.98% | 49.98% | Unaudited |
| 8 | SUDD Petroleum Operating Company(through OVL) | Mauritius | 24.13% | 24.13% | Unaudited |
| 9 | Mansarovar Energy Colombia Ltd. (through OVL) | Colombia | 50.00% | 50.00% | Unaudited |
| 10 | Himalaya Energy Syria BV(through OVL) | Netherlands | 50.00% | 50.00% | Unaudited |
| 11 | Shell MRPL Aviation Fuels & Services Limited (SMASL) (through MRPL) | India | 50.00% | 50.00% | Audited |
| 12 | North East Transmission Company Ltd. (NETC) (through OTPC) | India | 13.00% | 13.00% | Audited |
| 13 | Mangalore STP Limited (through MSEZ) | India | 18.80% | 18.80% | Audited |
| 14 | MSEZ Power Ltd (through MSEZ) | India | 26.86% | 26.86% | Audited |
| 15 | Adani Petronet Dahej Port Pvt Ltd (APPPL) (through PLL) | India | 3.25% | 3.25% | Unaudited |
| 16 | India LNG Transport Co Pvt. Ltd(through PLL) | India | 3.25% | 3.25% | Unaudited |
| 17 | HPCL Rajasthan refinery Ltd. (through HPCL) | India | 74.00% | 74.00% | Audited |
| 18 | HPCL Mittal Energy Ltd. (through HPCL) | India | 48.99% | 48.99% | Audited |
| 19 | Hindustan Colas Pvt. Ltd. (through HPCL) | India | 50.00% | 50.00% | Audited |

| S. No. | Name of the Company | Country of Incorporation | Proportion of ownership interest as at | | Status of Audit as on 31.03.2020 |
|---|---|---|---|---|---|
| | | | March 31, 2020 | March 31, 2019 | |
| 20 | South Asia LPG Co. Private Ltd. (through HPCL) | India | 50.00% | 50.00% | Audited |
| 21 | Bhagyanagar Gas Ltd. (through HPCL)@@ | India | 24.99% | 24.99% | Audited |
| 22 | Godavari Gas Pvt Ltd. (through HPCL) | India | 26.00% | 26.00% | Unaudited |
| 23 | Petronet India Ltd. (through HPCL)@ | India | 16.00% | 16.00% | Audited |
| 24 | Aavantika Gas Ltd. (through HPCL) | India | 49.99% | 49.98% | Audited |
| 25 | Ratnagiri Refinery & Petrochemical Ltd. (through HPCL) | India | 25.00% | 25.00% | Audited |
| 26 | HPCL Shapoorji Energy Pvt. Ltd. (through HPCL) | India | 50.00% | 50.00% | Audited |
| 27 | Mumbai Aviation Fuel Farm Facility Pvt Ltd. (through HPCL) | India | 25.00% | 25.00% | Audited |
| 28 | HPOIL Gas Pvt Ltd (through HPCL) $$$ | India | 50.00% | 50.00% | Audited |
| 29 | IHB Pvt Ltd (through HPCL) | India | 25.00% | - | Audited |
| **C** | **Associates** | | | | |
| 1 | Pawan Hans Ltd. (PHL) | India | 49.00% | 49.00% | Unaudited |
| 2 | Petronet LNG Limited (PLL) | India | 12.50% | 12.50% | Unaudited |
| 3 | Rohini Heliport Limited | India | 49.00% | - | Unaudited |
| 4 | JSC Vankorneft (through OVL) | Russia | 26.00% | 26.00% | Audited |
| 5 | Tamba BV (through OVL) | Netherland | 27.00% | 27.00% | Unaudited |
| 6 | South East Asia Gas Pipeline Company Limited (through OVL) | Hong Kong | 8.35% | 8.35% | Unaudited |
| 7 | Petrolera Indovenezolana SA (through OVL) | Venezuela | 40.00% | 40.00% | Audited |
| 8 | Petro Carabobo SA (through OVL) | Venezuela | 11.00% | 11.00% | Unaudited |
| 9 | Carabobo Ingenieria Y Construcciones, S.A (through OVL) | Venezuela | 37.93% | 37.93% | Unaudited |
| 10 | Mozambiquae LNG I Co PTE Ltd. (through OVL)** | Singapore | - | 16.00% | Unaudited |
| 11 | Falcon Oil & Gas B.V. (through OVL) | Netherlands | 40.00% | 40.00% | Audited |
| 12 | Moz LNG I Holding Company Ltd (through OVL)** | Abu Dhabi | 16.00% | - | Unaudited |
| 13 | GSPL India Gasnet Ltd.(through HPCL) | India | 11.00% | 11.00% | Audited |
| 14 | GSPL India Transco Ltd. (through HPCL) | India | 11.00% | 11.00% | Audited |

* As at February 16, 2018 other shareholder has surrendered own shares to the Company LLC Imperial Frac Service. As of March 31, 2020, Imperial Frac Services (Cyprus) Limited continues to hold 50% of the shares in LLC Imperial Frac Service.

**Direct stake by ONGC Videsh in this associate was upto June 2019. This was subsequently restructured to bring in a new holding company Moz LNG1 Holding Company Limited which now holds Mozambique LNG I Company Pte Ltd.

*** ONGC Videsh Rovuma Limited (OVRL India) incorporated on April 15, 2019.

****Effective Group ownership interest in Petronet MHB Limited has increased to 75.55% (previous year 49.44%) on account of further acquisition of shares by the Company and its subsidiary HPCL. The number of shares acquired each by the company and its subsidiary HPCL were 94,822,632 shares at a price of Rs. 19.55 per share having face value of Rs. 10 per share.

$ Prize Petroleum Company Limited has wholly owned subsidiary namely Prize Petroleum International PTE Limited. HPCL – Mittal Energy Limited has a 100% subsidiary namely HPCL – Mittal Pipelines Limited.

$$ HPCL Middle East FZCO, a 100% Subsidiary of HPCL was incorporated as a Free Zone Company under Dubai Airport Free Zone for Trading in Lubricants & Grease, Petrochemicals and Refined Oil Products in Middle East and Africa.

$$$ HPOIL Gas Pvt. Ltd. was incorporated on 30th November 2018 with Oil India Ltd. (OIL) and Hindustan Petroleum Corporation Ltd (HPCL) holding equity in the ratio 50%: 50%.

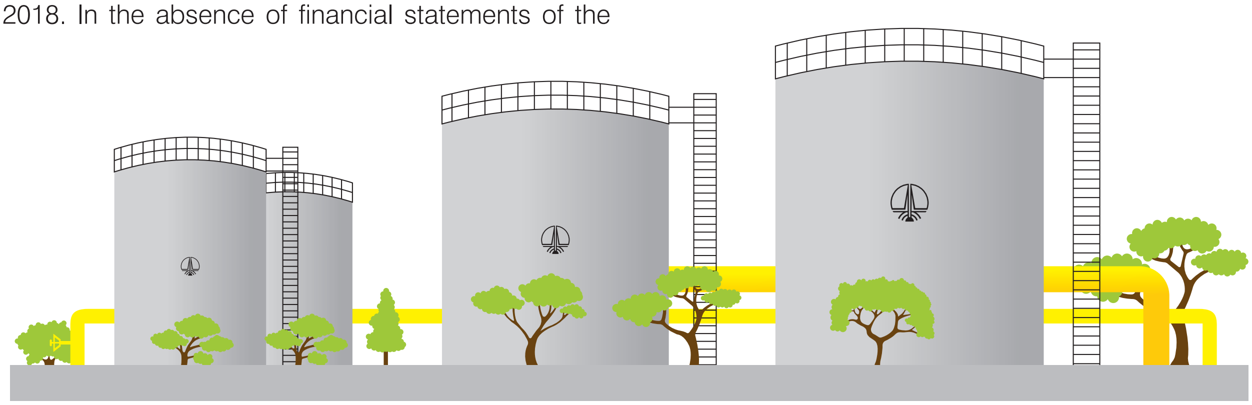
@ Petronet India Ltd. in which HPCL holds 16% stake has commenced voluntary winding up on 30th August 2018. In the absence of financial statements of the Company, PIL has not been considered for Group consolidation for FY 2019-20.

@@ As of 31st March 2014, paid up equity capital of BGL was ₹ 0.05 million, in which HPCL and GAIL were holding 24.99% each. Balance 50.02% of shares were held by Kakinada Seaports Ltd (KSPL) on warehousing basis. In addition, each one of HPCL and GAIL had paid ₹224.90 million as Advance against Equity / Share application money (totaling to ₹449.80 million) in earlier years. On 20th August 2014, BGL allotted 22,487,500 shares on preferential basis to each of HPCL and GAIL towards the money paid earlier. Meanwhile there are certain issues pending adjudication with another shareholder. Accordingly, keeping in view financial prudence, HPCL's share has been considered at 24.99% (considered as 24.99% in F.Y. 2018-19).

@@@ Increase in effective holding due to acquisition of HPCL by ONGC wherein HPCL holds 16.96% in MRPL.

^ IHB Pvt. Ltd., was incorporated on July 9, 2019 having shareholding in the ratio 50:25:25 between with Indian Oil Corporation Limited, Hindustan Petroleum Corporation Ltd and Bharat Petroleum Corporation Limited respectively to set-up LPG pipeline between Kandla-Gorakhpur

Ujjwala Plus Foundation, a joint venture of Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Ltd (HPCL) with fund contribution in the ratio 50%: 25%: 25%, respectively was incorporated on 21st July, 2017 as a not-for-profit Private Company Limited by Guarantee (without Share Capital) under Section 8 of the Companies Act 2013. Ujjwala Plus Foundation has not been considered for consolidation being a not-for-profit company.



## 5. Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

Inherent in the application of many of the accounting policies used in preparing the Consolidated Ind AS Financial Statements is the need for Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual outcomes could differ from the estimates and assumptions used.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of judgments, assumptions and estimation uncertainty in the preparation of the Consolidated Ind AS Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of functional currency, Oil and Gas reserves, impairment, useful lives of Property, Plant and Equipment, depletion of oil and gas assets, decommissioning provision, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities.

### 5.1. Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 5.2), that the Management have made in the process of applying the Group's accounting policies and that have the significant effect on the amounts recognized in the Consolidated Ind AS Financial Statements.

#### (a) Determination of functional currency

Currency of the primary economic environment in which the Group's entities operates ("the functional currency") is Indian Rupee (₹) in which the entities primarily generates and expends cash. However, primary economic environment in which OVL group (ONGC Videsh Ltd and its subsidiaries) is US Dollar which is the currency in which it primarily generates and expends cash and accordingly the functional currency of OVL group has been assessed as US Dollar.

#### (b) Classification of investment

Judgement is required in assessing the level of control obtained in a transaction to acquire an interest in another entity; depending upon the facts and circumstances in each case, the Company may obtain control, joint control or significant influence over the entity or arrangement. Transactions which give the Company control of a business are business combinations. If the Company obtains joint control of an arrangement, judgement is also required to assess whether the arrangement is a joint operation or a joint venture. If the Company has neither control nor joint control, it may be in a position to exercise significant influence over the entity, which is then classified as an associate.

#### (i) in ONGC Petro additions Limited as joint venture (OPaL)

The Company has 49.36% equity interest in OPaL. The Company has also subscribed for 2,558 million share warrants entitling the Company to exchange each warrant with an equity share of face value of ₹ 10 each against which ₹ 9.75 has been paid.

Further the Company has entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon of Compulsorily Convertible Debentures (CCDs) amounting to ₹ 77,780.00 million (previous year ₹ 77,780.00 million) issued by ONGC Petro additions Limited in three tranches. The cumulative interest till March 31, 2020 is amounting to ₹ 11,644.38 million (Previous year ₹ 5,117.73 million).

The Management has evaluated the interest in OPaL to be in the nature of joint venture as the shareholder agreement between all the shareholders provides for sharing of control of the decisions of relevant activities that require the unanimous consent of all the parties sharing control.

#### (ii) In associates despite participating share being less than 20%

Considering the power to participate in the financial and operating policy decisions of the investees exercised by the Group in accordance with the applicable agreements and /or otherwise, the following entities are considered associates of the Group despite the participating interest / shareholding percentage / right percentage being less than 20%:

- South East Asia Gas Pipeline (shareholding of the Group 8.347%)
- Petro Carabobo S.A., Venezuela (shareholding of the Group 11%)

The Company has 12.50% equity interest in PLL. It was classified as Joint Venture in Previous GAAP, however, in terms of Para 7 of Ind AS 111 "Joint Arrangements", unanimous consent of all promoters is not required in relevant activities in PLL and therefore PLL is not classified as Joint Venture. The Company has significant influence on PLL by way of having right to appoint a director in PLL and participate in its business decisions, therefore the same has been classified as an Associate of the Company.

**(c) In Joint venture despite participating share more than 50%**

In case of HPCL Rajasthan Refinery Ltd. (HRRL) wherein subsidiary company HPCL held majority voting rights (74% stake), other JV partner has substantive participative rights through its right to affirmative vote items. Accordingly, being a company with joint control, HRRL have been considered as Joint Venture company for the purpose of consolidation of financial statement under Ind AS. However, for the purpose of Companies Act 2013, HRRL has been classified as subsidiary as defined under section 2 therein.

**(d) Determining whether an arrangement contain leases and classification of leases**

The Group enters into hiring/service arrangements for various assets/services. The Group evaluates whether a contract contains a lease or not, in accordance with the principles of Ind AS 116. This requires significant judgements including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

**Determining lease term (including extension and termination options)**

The Group considers the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. Assessment of extension/termination options is made on lease by lease basis, on the basis of relevant facts and circumstances. The lease term is reassessed if an option is actually exercised. In case of contracts. where the Group has the option to hire and de-hire the underlying asset in some circumstances (such as operational requirements), the lease term is considered to be initial contract period.

**Identifying lease payments for computation of lease liability**

To identify fixed (including in-substance fixed) lease payments. the Group consider the non-operating day rate/standby as minimum fixed lease payments for the purpose of computation of lease liability and corresponding right of use asset.

**Low value leases**

Ind AS 116 requires assessment of whether an underlying asset is of low value. if lessee opts for the option of not to apply the recognition and measurement requirements of Ind AS 116 to leases where the underlying asset is of low value. For the purpose of determining low value, the Group has considered nature of assets and concept of materiality as defined in Ind AS 1 and the conceptual framework of Ind AS which involve significant judgement.

**Determining discount rate for computation of lease liability**

For computation of lease liability. Ind AS 116 requires lessee to use their incremental borrowing rate as discount rate if the rate implicit in the lease contract cannot be readily determined.

For leases denominated in Group functional currency, the Company considers the incremental borrowing rate to be risk free rate of government bond as adjusted with applicable credit risk spread and other lease specific adjustments like relevant lease term. For leases denominated in foreign currency, the Group considers the incremental borrowing rate as risk free rate based on US treasury bills as adjusted with applicable credit risk spread and other lease specific adjustments like relevant lease term and currency of the obligation.

**(e) Evaluation of indicators for impairment of Oil and Gas Assets**

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Oil and Gas Assets.

**(f) Oil & Gas Accounting**

The determination of whether potentially economic oil and natural gas reserves have been discovered by an exploration well is usually made within one year of well completion, but can take longer, depending on the complexity of the geological structure. Exploration wells that discover potentially economic quantities of oil and natural gas and are in areas where major capital expenditure (e.g. an offshore platform or a pipeline) would be required before production could begin, and where the economic viability of that major capital expenditure depends on the successful completion of further exploration work in the area, remain capitalized on the consolidated balance sheet as long as additional exploration or appraisal work is under way or firmly planned.

It is not unusual to have exploration wells and exploratory-type stratigraphic test wells remaining suspended on the consolidated balance sheet for several years while additional appraisal drilling and seismic work on the potential oil and natural gas field is performed or while the optimum development plans and timing are established. All such carried costs are subject to regular technical, commercial and management review on at least an annual basis to confirm the continued intent to develop, or otherwise extract value from, the discovery. Where this is no longer the case, the costs are immediately expensed.

**(g) Deferred tax liability / deferred tax asset in respect of undistributed profits/losses of subsidiaries, branches, investments in associates and joint ventures**

The management exercises judgement in accounting for d eferred tax liability / deferred tax asset in respect of Group's investments in respect of undistributed profits/losses of subsidiaries, branches, investments in associates and joint ventures. In the judgement of the management, in respect of undistributed profits/losses of subsidiaries, branches, investments in joint ventures, the management is able to control the timing of the reversal of the temporary differences and the temporary differences will not be reversed in the foreseeable future.

Accordingly, the Group does not recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and interests in joint ventures.

**5.2. Assumptions and key sources of estimation uncertainty**

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

**(a) Estimation of provision for decommissioning**

The Group estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil & Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future, the exact requirements that may have to be met when the removal events occur involve uncertainty. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed annually or when there is a material change, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows. The economic life of the Oil & Gas assets is estimated on the basis of long term production profile of the relevant Oil & Gas asset.

**(b) Determination of cash generating unit (CGU)**

The Group is engaged mainly in the business of oil and gas exploration and production in Onshore and Offshore. In case of onshore assets, the fields are using common production/ transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields in India is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

**(c) Impairment of assets**

Determination as to whether, and by how much, a CGU is impaired involves Management estimates on uncertain matters such as future prices, the effects of inflation on operating expenses, discount rates, production profiles for crude oil, natural gas and value added products. For Oil & Gas assets, the expected future cash flows are estimated using Management's best estimate of future crude oil and natural gas prices, production and reserves volumes.

The present values of cash flows are determined by applying pre tax-discount rates for crude oil and value added products revenue, which are measured in US$. Future cash inflows from sale of crude oil and value added products are estimated using Management's best estimate of future crude oil and natural gas prices and its co-relations with benchmark crudes and other petroleum products.

Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of the notification issued by the Government of India and discounted applying the rate applicable to the cash flows measured in US$ in view of the new pricing guidelines issued by GoI.

Further, the subsidiary company ONGC Videsh Ltd, present values of cash flows are determined by applying pre-tax discount rates that reflects current market assessments of time value of money and the risks specific to the liability in respect of each of the CGUs. Future cash inflows from sale of crude oil are computed using the future prices, on the basis of market-based forward prices of the Dated Brent crude oil as per assessment by Bloomberg or Brent crude oil forward/forecast prices by independent reputed third parties and its co-relations with benchmark crudes and other petroleum products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of the prices determined in accordance with the respective agreements and / or market forecast.

The discount rate used is based upon the cost of capital from an established model.

The Value in use of the producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under circumstances where the further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use. In assessing the production profile the group assesses its reserves through the full period, considering all contractually possible extensions, over which they are economically producible without restricting them to the term of license.

The discount rates applied in the assessment of impairment calculation are re-assessed each year.

**(d) Estimation of reserves**

Management estimates reserves in relation to all the Oil and Gas Assets based on the policies and procedures determined by the Reserves Estimation Committee of the Company (REC). The estimates so determined are used for the computation of depletion and impairment testing.

The year-end reserves of the Group are estimated by the REC which follows international reservoir engineering procedures consistently. For reporting its petroleum resources, group follows universally accepted Petroleum Resources Management System-PRMS (2018)) sponsored by Society of Petroleum Engineers (SPE), World Petroleum Council (WPC), American Association of Petroleum Geologists(AAPG), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE).

PRMS(2018) defines Proved Reserves under Reserves category as those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations. Further it defines Developed Reserves as expected quantities to be recovered from existing wells and facilities and Undeveloped Reserves as the Quantities expected to be recovered through future significant investments.

Volumetric estimation is the main procedure in estimation which uses reservoir rock and fluid properties to calculate hydrocarbons in-place and then estimate that portion which will be recovered from it. As the field gets matured and reasonably good production history is available, then performance methods such as material balance, simulation, decline curve analysis are applied to get more accurate assessments of Reserves.

The annual revision of estimates is based on the yearly exploratory and development activities and results thereof. New in-place Volume and Estimated Ultimatate Recovery(EUR) are estimated for new field discoveries or new pool discoveries in already discovered fields. Also, delineation/appraisal activities lead to revision in estimates due to new sub-surface data. Similarly, review /reinterpretation exercise is also carried out for old fields due to necessity of revision in petro-physical parameters, updating of static and dynamic models and performance analysis leading to change in reserves. Intervention of new technology, change in classifications and contractual provisions also necessitate revision in estimation of Reserves.

As per Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (revised June 2019), approved by the SPE Board on June 25, 2019

“The reliability of Reserves information is considerably affected by several factors. Initially, it should be noted that Reserves information is imprecise as a result of the inherent uncertainties in, and the limited nature of, the accumulation and interpretation of data upon which the estimating and auditing of Reserves information is predicated. Moreover, the methods and data used in estimating Reserves information are often necessarily indirect or analogical in character rather than direct or deductive...”

“the estimation of Reserves and other Reserves information is an imprecise science because of the many unknown geological and reservoir factors that can only be estimated through sampling techniques. Reserves are therefore only estimates, and they cannot be audited for the purpose of verifying exactness…”

The Group uses the services of third party agencies for due diligence and it gets the reserves of its assets audited periodically by third party internationally reputed consultants who adopt latest industry practices for their evaluation.

### (e) Defined benefit obligation (DBO)

Management’s estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**(f) Litigations**

From time to time, the Group is subject to legal proceedings and the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the liability to make a reasonable estimate of the amount of potential loss. Provision for litigations are reviewed at the end of each accounting period and revisions made for the changes in facts and circumstances.

Fire drills are regularly conducted at all installations of ONGC to prepare for any crisis. ONGC fire services also augment the state fire services in times of need

## 6. Oil and gas assets

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Gross Cost** | | |
| Opening Balance (Refer Note 6.1, 6.2 and 64) | **2,310,223.74** | **2,102,657.76** |
| Reclassified to ROU Asset pursuant to adoption of Ind AS 116 | (18,959.76) | - |
| **Opening Balance (Restated)** | **2,291,263.98** | **2,102,657.76** |
| Transfer from Intangible assets under development- Exploratory wells in progress | 9,158.45 | 11,318.66 |
| Transfer from Development Wells-in-Progress | 82,889.41 | 94,577.94 |
| Increase/(Decrease) in estimated decommissioning costs | (5,904.59) | 2,055.81 |
| Additions during the year | 77,410.23 | 82,210.94 |
| Acqusition Cost (refer note 52.1.10) | 2,870.50 | 823.09 |
| Deletion/Retirement during the year | (50,973.76) | (264.89) |
| Other Adjustments | 546.72 | (7,790.36) |
| Foreign currency translation adjustment (Refer Note 6.3) | 39,054.02 | 24,634.79 |
| **Total** | **2,446,314.96** | **2,310,223.74** |
| **Less: Accumulated Depletion & Impairment** | | |
| **Accumulated Depletion** | | |
| **Opening Balance (Refer Note 6.1 and 64)** | 831,300.53 | 668,669.55 |
| Reclassified to ROU Asset pursuant to adoption of Ind AS 116 | (12,615.17) | - |
| Opening Balance (Restated) | 818,685.36 | 668,669.55 |
| Depletion for the year (Refer Note 42) | 166,096.87 | 160,573.22 |
| Deletion / retirement during the year | (35,499.25) | (105.04) |
| Other Adjustments | 129.97 | (8,134.09) |
| Foreign currency translation adjustment (Refer Note 6.3) | 16,747.95 | 10,296.89 |
| **Total** | **966,160.90** | **831,300.53** |
| **Accumulated Impairment** | | |
| Opening Balance (Refer Note 6.1) | 35,129.34 | 22,295.82 |
| Impairment provided during the year (Refer Note 6.4) | 55,536.69 | 12,427.83 |
| Write back of Impairment | (16,744.05) | (500.31) |
| Reclassification | 3,731.28 | - |
| Foreign currency translation adjustment (Refer Note 6.3) | 2,059.42 | 906.00 |
| **Total** | **79,712.68** | **35,129.34** |
| **Carrying amount of Oil and Gas Assets** | **1,400,441.38** | **1,443,793.87** |

**6.1.** Except for the subsidiary OVL, theGroup has elected to continue with the carrying value of its Oil and Gas Assets recognized as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Oil and Gas Assets which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

**6.2.** During the year 2016-17, Tapti A series facilities which were part of the assets of PMT Joint Operation (JO) and surrendered by the JO to the Government of India (GoI) as per the terms of JO agreement were transferred by GoI to the Company free of cost as its nominee. The Company had assessed the fair value of said facilities at ₹ 4,310.30 million based on the valuation report by a third party agency, which was accounted as capital work in progress with a corresponding liability as deferred government grant in 2016-17 and transferred to Oil and Gas Assets from CWIP on commencement of commercial production during the year 2018-19.

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'), during the year 2019-20 the Company has 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 (refer note no. 64).

Ministry of Petroleum and Natural Gas, Government of India (GoI) vide letter dated May 31, 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.

Subsequent to assignment of Panna-Mukta field to the Company GoI has directed JV partners of the PMT (Panna Mukta & Tapti) field to transfer the existing SRF fund maintained for decommissioning obligation for Tapt Part A facility and Panna Mukta fields to the Company along with full financial and physical liability of site restoration and abandonment of Panna Mukta fields and Tapti Part A facilities. Accordingly, the Company has received SRF fund of $ 33.81 million (₹ 2,402.18 million) for Tapti Part-A facilities and $ 598.24 million (₹ 42,506.87 million) for Panna Mukta fields from JV partners (including the Company share of 40% in the fields) and the corresponding decommissioning obligation with conditions that Company will maintain separate dedicated SRF accounts under SRF scheme, 1999 and extent guideline of SRF, the Company will not utilise the fund of dedicated SRF fund of Panna- Mukta Fields and Tapti Part-A facilities for any other purpose, other than one defined under SRF scheme/guideline. Company will periodically carry out the re-estimation of cost of abandonment of Panna- Mukta Fields and Tapti Part-A facilities as per existing Company policy and contribute to SRF account as per Company policy in nomination fields. In case, final actual cost of abandonment of facilities of Panna-Mukta fields at the time of physical abandonment is higher than approved abandonment cost plus the accumulated amount, Company will contribute the additional amount required for abandonment. However, in case the actual cost at the time of abandonment is less than the accumulated amount, the balance amount will be transferred to the Government.

**6.3.** The subsidiary company OVL has determined its functional currency as US$. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited fromUS$ to Group's presentation currency"₹". Refer note 3.21and 5.1 (a).

**6.4.** Subsidiary OVL has 60% participating interest in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since April 29, 2012. In view of the same, impairment had been made in respect of Oil and Gas Assets amounting to ₹ nil (year ended March 31, 2019 ₹ nil).The cumulative impairment as at March 31, 2020 is ₹ 80.23 million (as at March 31, 2019 ₹ 73.57 million) in respect of the project.

## 7. Other Property, Plant and Equipment

( ₹ in million)

| Carrying amount of:(Note no. 7.1 and 64) | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Freehold Land (Refer note 7.3.1) | 19,383.07 | 17,742.35 |
| Perpetual Leasehold Land (Refer note 7.2) | - | 5,638.66 |
| Building & bunk Houses (Refer note 7.3.3) | 107,306.91 | 101,974.84 |
| Plant & equipment (Refer note 7.3.4, 7.4.1 and 7.4.2) | 582,676.83 | 557,012.01 |
| Furniture & fixtures | 4,294.21 | 4,972.47 |
| Office equipments | 22,479.79 | 20,010.09 |
| Vehicles, Ships & Boats | 5,133.16 | 5,031.96 |
| **Total** | **741,273.97** | **712,382.38** |


ONGC produced 48.25 MMTOE of hydrocarbon in FY'20

(₹ in million)

| Cost or deemed cost | Freehold Land | Perpetual Leasehold Land | Buildings & Bunk Houses | Plant & Equipments | Furniture & Fixtures | Office Equipments | Vehicles, Ships & Boats | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance at April 1, 2018 (Refer note no. 7.3.4)** | **16,615.84** | **5,418.30** | **117,335.31** | **700,483.30** | **14,157.31** | **34,632.61** | **10,747.53** | **899,390.20** |
| Additions | 1,126.12 | 24.63 | 15,844.00 | 64,405.34 | 1,641.83 | 9,451.90 | 2,795.70 | 95,289.52 |
| Disposals/adjustments | 0.12 | (0.63) | 647.04 | 3,324.15 | 120.05 | (1,055.70) | 215.78 | 3,250.81 |
| Effect of exchange difference (Refer note 7.5.1) | 0.27 | 196.36 | 759.79 | 2,915.11 | 365.18 | 485.00 | 47.48 | 4,769.19 |
| **Balance at March 31, 2019** | **17,742.35** | **5,638.66** | **134,586.14** | **771,127.89** | **16,284.37** | **43,513.81** | **13,806.49** | **1,002,699.71** |
| Additions | 1,648.17 | - | 13,248.44 | 73,686.65 | 1,075.05 | 8,629.17 | 1,906.21 | 100,193.69 |
| Disposals/adjustments | (7.82) | (5,638.66) | (205.17) | (4,297.86) | (1,143.76) | (1,278.51) | (1,310.77) | (13,882.55) |
| Effect of exchange difference (Refer note 7.5.1) | 0.37 | - | 1,118.89 | 4,231.16 | 494.52 | 699.87 | 80.06 | 6,624.87 |
| **Balance at March 31, 2020** | **19,383.07** | **-** | **148,748.30** | **844,747.84** | **16,710.18** | **51,564.34** | **14,481.99** | **1,095,635.72** |

| Accumulated depreciation and impairment | Freehold Land | Perpetual Leasehold Land | Buildings & Bunk Houses | Plant & Equipments | Furniture & Fixtures | Office Equipments | Vehicles, Ships & Boats | Total |
|---|---|---|---|---|---|---|---|---|
| **Balance at April 1, 2018** | **-** | **-** | **23,745.46** | **161,232.37** | **8,511.62** | **18,603.84** | **5,956.35** | **218,049.65** |
| Depreciation expense | - | - | 7,842.21 | 45,420.55 | 2,092.56 | 5,384.39 | 2,729.92 | 63,469.63 |
| Impairment loss recognised in profit or loss | - | - | - | 17.48 | 2.72 | 2.79 | 2.63 | 25.62 |
| Eliminated on disposal/adjustments of assets | - | - | 728.35 | 4,860.65 | 347.38 | (933.29) | 40.22 | 5,043.31 |
| Impairment loss recognized back during the year | - | - | 1.40 | (2.97) | 15.23 | 5.20 | 15.49 | 34.35 |
| Effect of exchange difference (Refer Note 7.5.1 & 7.4.3) | - | - | 293.88 | 2,587.80 | 342.39 | 440.79 | 29.92 | 3,694.78 |
| **Balance at March 31, 2019** | **-** | **-** | **32,611.30** | **214,115.88** | **11,311.90** | **23,503.71** | **8,774.53** | **290,317.32** |
| Depreciation expense | - | - | 8,344.26 | 46,841.63 | 1,549.63 | 6,072.47 | 1,826.49 | 64,634.48 |
| Impairment loss recognised in profit or loss | - | - | - | 277.27 | 0.83 | 62.77 | 7.18 | 348.05 |
| Eliminated on disposal/adjustments of assets | - | - | (66.63) | (3,091.62) | (925.80) | (1,193.28) | (1,291.66) | (6,568.99) |
| Impairment loss recognized back during the year | - | - | (1.42) | (1.54) | (15.47) | (5.98) | (15.70) | (40.11) |
| Effect of exchange difference (Refer Note 7.5.1 & 7.4.3) | - | - | 553.88 | 3,929.39 | 494.88 | 644.85 | 47.99 | 5,670.99 |
| **Balance at March 31, 2020** | **-** | **-** | **41,441.39** | **262,071.01** | **12,415.97** | **29,084.54** | **9,348.83** | **354,361.75** |

**7.1.** Except for subsidiary OVL, the Group has elected to continue with the carrying value of its other Property Plant and Equipment (PPE) recognized as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning provisions included in the cost of other PPE which has been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'. The deemed cost is further reduced for the unamortised transaction cost on borrowings as at April 1, 2015, which were earlier capitalised with PPE.

**7.2.** During the year the Group has adopted Ind AS 116 'Leases' effective April 1, 2019. This has resulted in reclassification of Leasehold Lands to Right-of-Use assets.

**7.3. In respect of the Company,**

**7.3.1.** Land includes 2 numbers (Previous year 3) amounting to ₹1,322.28 million (Previous year ₹ 58.17 million) for which execution of conveyance deeds is in process.

**7.3.2.** Registration of title deeds in respect of 6 numbers (Previous year 6) buildings is pending execution having carrying amount of ₹ 51.22 million (Previous year ₹ 54.34 million).

**7.3.3.** Building includes cost of undivided interest in land.

**7.3.4.** During the year 2016-17 Tapti A series facilities which were part of the assets of PMT Joint Operation (JO) and surrendered by the JO to the Government of India (GoI) as per the terms of JO agreement were transferred by GoI to the Company free of cost as its nominee. The Company had assessed the fair value of said facilities at ₹ 2,846.59 million based on the valuation report by a third party agency, which was accounted as capital work in progress with a corresponding liability as deferred government grant in 2016-17 and transferred to plant and machinery from CWIP on commencement of commercial production during the year 2018-19.

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'), during the year 2019-20 the Company has 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 (refer note no 64).

Ministry of Petroleum and Natural Gas, Government of India vide letter dated May 31, 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 (refer note no. 6.2).

**7.4.** In respect of subsidiary MRPL,

**7.4.1.** Plant and equipment includes ₹ 39.15 million (As at March 31, 2019: ₹ 39.15 million) being Company's share of an asset jointly owned with another company.

**7.4.2.** External commercial borrowing are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment (including but not limited to plant & machinery, spares, tools, furniture, fixtures, vehicles and all other movable property, plant & equipment) both present and future. Working capital borrowings from consortium banks are secured by way of first ranking pari passu charge by way of hypothecation of Company's stocks of Raw material, Finished goods, stock-in-process, stores, spares, components, trade receivables, outstanding money receivables, claims, bills, contract, engagements, securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property (all property, plant & equipment) both present and future.. [Refer Note 29.5].

**7.4.3.** Additions to property, plant and equipment includes ₹ 702.71 million (for the year ended March 31, 2019 ₹ 2147.04 million) in relation to foreign exchange differences as borrowing costs capitalized. Asset class wise addition details are disclosed below:

( ₹ in million)

| Year | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Asset class** | **Exchange differences** | **Exchange differences** |
| Buildings | - | 13.97 |
| Plant and equipment | 702.71 | 2,133.07 |
| **Total** | **702.71** | **2,147.04** |

7.4.4. The Company was eligible for certain economic benefits such as exemptions from entry tax, custom duty, etc. on import/local purchase of capital goods in earlier years. The Company has accounted benefits received for custom duty and entry tax on purchase of property, plant and equipment as government grants. In the current year, the Company has adjusted the cost of property, plant and equipment as at April 1, 2017 and credited deferred government grant amounting to ₹ 3,618.21 million. The deferred government grant is amortised over the remaining useful life of the property, plant and equipment. (Refer Note 34).

7.4.5. The Subsidiary Company OMPL has external commercial borrowings and Foreign Currency term loans, which are secured by first pari passu charge over immovable Property, Plant and Equipment. Working capital loan from a bank is secured by way of hypothecation of Company's current assets both present and future and second pari passu charge over immovable Property, Plant and Equipment.

**7.5. In respect of subsidiary, OVL,**

7.5.1. Subsidiary company ONGC Videsh Limited has determined its functional currency as US$. Adjustments includes net effect of exchange differences of ₹ 953.88 million (as at March 31, 2019: ₹ 1,074.41 million) on account of translation of the financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency "₹ ". Refer note 3.21and 5.1 (a).

7.5.2. The Company carries on its business in respect of exploration, development and production of hydrocarbons under agreements with host governments directly or in consortium with other partners (Consortium). Several of these agreements, governing Company's activities in the fields/projects, provide that the title to the property, plant and equipment and other ancillary installations shall pass to host Government or its nominated entities either upon acquisition/first use of such assets or upon 100% recovery of such costs through allocation of "Cost Oil" and "Cost Gas" or upon relinquishment of the relevant contract areas or termination of the relevant agreement. However, as per the terms of the agreements, the Consortium and/or operator have custody of all such assets and is entitled to use, free of charge all such assets for petroleum operations throughout the term of the respective agreements. The Consortium also has the custody and maintenance of such assets and bears all risks of accidental loss and damage and all costs necessary to maintain such assets and to replace or repair such damage or loss. Under the circumstances, such assets are kept in the records of the Company during the currency of the respective agreements.

7.5.3. ONGC Videsh Atlantic Inc. (OVAI) uses straight line method to charge depreciation on its Property, Plant and Equipment. The total depreciation charge of OVAI for the year ended March 31, 2020 ₹ 2.43 million (for the year ended March 31, 2019 ₹ 10.85 million) does not have material impact on financial statements.

7.5.4. The Property, Plant & Equipment acquired by the company in a currency other than the functional currency (including assets located in India, purchased in INR(₹)) is recognised in US$ at the exchange rate on the date of transaction, as US$ is the functional currency of the company. Subsequently, all property, plant and equipment balance are presented in INR (₹) by translating using the US$ to INR(₹) foreign exchange rate at the reporting date.

7.5.5. All items of other Property, plant & equipment are not directly related to production activities. Property, plant & equipment (including freehold land & building) include the company's share of assets in joint operations (located outside of India). Accordingly the title deed/ownership documents are in the possession of the operators.

7.6. **In respect of subsidiary, PMHBL,**

7.6.1. The Company is still in the process of getting registered its acquisition of Land at seven locations, acquired through KIADB for Sectionalized Valve Stations. Until registration of the 'lease cum sale agreement', amount paid towards acquisition is shown as 'Capital advance against land purchase' under Note 19 - Other Non-Current Assets.

7.6.2. In respect of land allotted by KIADB amounting to ₹ 2.96 million , lease cum sale agreement entered into and the absolute sale deed has not been executed as yet though the lease term has expired .

7.7. **In respect of subsidiary, HPCL,**

7.7.1. Includes assets costing ₹ 0.07 million (as on March 31, 2019: ₹ 0.07 million) of erstwhile Kosan Gas Company not handed over to the Corporation. In case of these assets, Kosan Gas Company was to give up their claim. However, in view of the tenancy right sought by third party, the matter is under litigation.

7.7.2. Includes ₹ 7,995.50 million (as on March 31, 2019: ₹ 4,651.50 million) towards Land, Building, Plant & Equipment, Furniture & Fixtures, Transport Equipments, Office Equipments, Pipelines, Railway Sidings, etc. representing Company's Share of Assets, jointly owned with other Companies.

7.7.3. Includes ₹ 323.50 million (as on March 31, 2019: ₹ 323.90 million) towards Roads & Culverts, Transformers & Transmission lines, Railway Sidings & Rolling Stock, ownership of which does not vest with the Corporation . The Corporation is having operational control over such assets. These assets are amortized at the rate of depreciation specified in Schedule II of Companies Act, 2013.

7.7.4. A) Includes following assets which are used for distribution of PDS Kerosene under Jana Kalyan Pariyojana against whichfinancial assistance is being provided by OIDB.

**( ₹ in million)**

| Description | Original Cost | |
|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 |
| Roads & culverts | 1.30 | 1.30 |
| Buildings | 16.20 | 16.20 |
| Plant & Equipment | 20.90 | 23.70 |
| **Total** | **38.40** | **41.20** |

B) Includes assets held under PAHAL (DBTL) scheme against which financial assistance is being provided by MOP&NG:

**( ₹ in million)**

| Description | Original Cost | |
|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 |
| Computer Software | 74.90 | 74.90 |
| Computers/ End use devices | 56.50 | 56.50 |
| Office Equipment | 0.10 | 0.10 |
| Automation, Servers & Networks | 15.50 | 15.50 |
| **Total** | **147.00** | **147.00** |

7.7.5. Assets held for sale consists of items such as Plant and equipment, office equipment, transport equipment, buildings, furnitures and fixtures and roads and culverts which have been identified for disposal due to replacement/ obsolescence of assets which happens in the normal course of business. These assets are expected to be disposed off within the next twelve months. On account of classification of these assets as 'Asset held for sale', a loss of ₹ 179.7 million during the year (2018-19: ₹ 300.00 million) has been recognised in the statement of profit and loss.

7.7.6. In accordance with Para 7AA of Ind AS 21 read with Para D13AA of Ind AS 101, the Corporation has adjusted the exchange differences arising on long term foreign currency monetary items to the cost of assets and depreciated over the balance useful life of the assets.

7.7.7. The Group has considered pipeline assets laid within the boundary limit of its premises as integral part of Tanks / Other Plant and Machinery and have been depreciating such assets based on the useful life of associated Plant & Equipment, in line with the Schedule II of the Companies Act, 2013.

7.7.8. Includes reduction in depreciation for the year by ₹ 376.50 million (2018-19: Nil) in respect of 'Catalysts having Precious Metals' (Plant & Equipment), arising pursuant to change in accounting estimate towards residual value of the precious metal content which is now estimated at the cost of precious metal less estimated allowance for extraction process as against 5% as per schedule II to Companies Act, 2013 followed hitherto, in the backdrop of these precious metals commanding high valuation even after retiring from active use, as established through an Industry experience factor. Further, depreciation is additionally charged for the year by ₹ 71.60 million (2018-19: Nil) in respect of 'Catalysts not having Precious Metals' (Plant & Equipment), arising pursuant to change in accounting estimate over revision in residual value to Nil.

Consequent to establishing the disposal procedures of certain catalysts having precious metals, such catalysts that had earlier been charged off to Statement of Profit and Loss on consumption, are now recognized in Balance sheet, basis original cost of precious metals or Net realizable value whichever is less, having an impact of ₹ 113.10million (2018-19: NIL) in the Financial Statement.

7.7.9. Includes reduction in depreciation for the year by ₹ 1,276.00 million (2018-19: Nil) in respect of LPG cylinders and pressure regulators, arising pursuant to change in accounting estimate over increase in residual value from 5% to 15% of Original Cost effective 01.04.2019. The revised estimate is based on historical data.

7.7.10. Includes assets having Net block of ₹ 12.00 million (as on March 31, 2019: ₹ 13.00 million) towards Plant & Equipment, Buildings & Roads, where Infrastructure Facilities were provided at Railway Premises. However, No sales transactions were entered into during current financial year with such customers.

7.7.11. Assets of ₹ 0.30 million (as on March 31, 2019: ₹ 2.90 million) comprising 4 number of properties (as on March 31, 2019: 6) towards which title deeds for freehold/ leasehold are not available and further for assets of ₹ 22.70 million (as on March 31, 2019: ₹ 25.00 million) comprising of 14 number of properties (as on March 31, 2019: 19) for which property tax receipts are available.

## 8. Right of use Assets:

(₹ in million)

| Carrying amount of: | As att March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| ROU Land | 46,754.82 | - |
| ROU Building & bunk Houses | 651.55 | - |
| ROU Plant & equipments | 82,163.91 | - |
| ROU Vehicles, Ships & Boats | 17,547.35 | - |
| **Total** | **147,117.63** | **-** |

| Cost | ROU Land | ROU Building & Bunk Houses | ROU Plant & Equipments* | ROU Vehicles, Ships & Boats | Total |
|---|---|---|---|---|---|
| **Balance at April 01, 2019 (Refer note 8.1)** | **37,912.62** | **713.60** | **101,742.04** | **14,250.26** | **154,618.52** |
| Additions | 10,370.72 | 217.88 | 39,096.34 | 10,643.88 | 60,328.82 |
| Disposals/adjustments | (10.11) | - | (6,741.86) | (11.57) | (6,763.54) |
| Effect of exchange difference | 287.03 | - | (3,701.03) | - | (3,414.00) |
| **Balance at March 31, 2020** | **48,560.26** | **931.48** | **130,395.49** | **24,882.57** | **204,769.80** |

| Accumulated depreciation and impairment | ROU Land | ROU Building & Bunk Houses | ROU Plant & Equip-ments* | ROU Vehicles, Ships & Boats | Total |
|---|---|---|---|---|---|
| **Balance at April 01, 2019** | **4.49** | **-** | **12,615.17** | **-** | **12,619.66** |
| Depreciation expense | 1,811.06 | 279.93 | 42,324.93 | 7,345.08 | 51,761.00 |
| Impairment loss recognised in profit or loss | - | - | - | - | - |
| Eliminated on disposal/adjustments of assets | (10.11) | - | (4,026.97) | (9.86) | (4,046.94) |
| Impairment loss recognized back during the year | - | - | - | - | - |
| Effect of exchange difference | - | - | (2,681.55) | - | (2,681.55) |
| **Balance at March 31, 2020** | **1,805.44** | **279.93** | **48,231.58** | **7,335.22** | **57,652.17** |

*ROUPlant & Equipment include right of way for pipelines ₹ 2,391.71 million as at April 1, 2019, and ₹ 2,439.52 million as at March 31, 2020. Similarly, Accumulated deprecition and impairment includes ₹ nil as at April 1, 2019, and ₹ 101.09 million as at March 31, 2020.

**8.1.** Effective April 1, 2019, the Group 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 new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 154,618.52 million with a corresponding lease liability of ₹ 124,755.91 million as at April 1, 2019 (refer note no. 30.1 & 47)

**8.2.** In respect of Company, execution of conveyance deeds is in process in respect of 14 numbers (Previous year 13 classified as prepayment in FY 2018-19) lease hold lands amounting to ₹ 389.98 million (Previous year ₹ 304.56 million classified as prepayment in FY 2018-19).

**8.3. In respect of subsidiary MRPL,**

**8.3.1.** ROU Land includes leasehold lands where the ownership will be transferred to the Company at the end of the lease period. These leasehold lands are not depreciated.

**8.3.2.** Right-of-Use Assets includes land amounting to ₹ 1,305.60 million, which is in possession of the Company towards which formal lease deeds are yet to be executed

**8.3.3.** An amount of ₹ 43.02 million (As at March 31, 2019 ₹ Nil) for depreciation charged to Right-of-Use Asset has been capitalized as component of cost of Capital Work-in-Progress (CWIP).

**8.4. In respect of subsidiary HPCL,**

**8.4.1.** ROU land includes Include Right of Use Assets having Gross value ₹ 275.70 million (31.03.2019: ₹ 275.70 million) for land acquired on lease-cum-sale basis from Karnataka Industrial Area Development Board (KIADB), that has not been amortized over the period of lease in view of freehold title that would vest upon fulfilment of certain terms and conditions, as per allotment letter.

**8.5. In respect of subsidiary OVL,**

**8.5.1.** The Company has taken leased land located at Vasant Kunj, New Delhi which has been classified as lease. The lease term is till perpetuity. Interest rate applied to lease liability under leases is 8.38% per annum.

8.5.2. Under the lease agreement, the group is required to pay annual lease rental of ₹ 31.65 million till perpetuity. The Company has recognised a right of use asset (land) based on perpetual lease term. No depreciation is being charged on such right of use asset as the lease term extends till perpetuity.

The lease obligations represents the perpetuity value of annualized lease payment, which is ₹ 377.69 million and will remain same till perpetuity. The undiscounted value of the contractual maturity of lease liability for a perpetual lease is not determinable. However, the present value of such liability has been recognised by the company. The finance charge will be ₹ 31.65 million on annual basis till perpetuity.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

8.5.3. The initial term of the FPSO lease contract of BC-10, Brazil is 15 years with priced extension options for more years according to the production lifetime. The interest rate implicit in the lease for the FPSO amounts to 13.74% per year.

8.5.4. BC-10, Brazil (an un-incorporated joint operation of the Group) has a concession to exploit, develop and produce at the BC-10 block. In order to be able to perform its development/production activities, Shell, the operator, requires certain equipments, more specifically, a Floating Production, Storage and Offloading Vessels (FPSO). BC-10, Brazil has long-term lease agreement with Tamba BV. Netherlands (a joint venture company of the group), wherein the later is providing these equipments to the former. Tamba BV (related party) leased these assets from a third party called Brazilian Deepwater and re-leased these finance leases to BC-10, Brazil.

The foreign exchange gain/loss arising on account of revaluation of non-current lease liability is capitalized to Oil and gas assets and depleted using unit of production method.

The details of Oil and gas assets remaining to be amortised in respect of the long-term finance lease agreement is as below:

**Exchange Difference arriving on reporting of long term foreign currency monetary items relating to depreciable assets:**

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Amount remaining to be amortised at the beginning of the year** | **3,164.80** | **2,473.42** |
| Add: Exchange loss/(gain) arising during the year | 1,522.93 | 2,445.79 |
| Less: Depletion charged to the statement of profit and loss for the year | 1,484.93 | 1,330.65 |
| Add: Effect of exchange differences | (860.14) | (423.76) |
| **Amount remaining to be amortised at the end of the year** | **2,342.66** | **3,164.80** |

## 9. Capital Work in Progress

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **A) Oil and Gas Assets** | | |
| **(i) Development Wells in progress (Refer note 13.1)** | | |
| Opening Balance (Refer note 9.1) | 46,427.83 | 27,487.63 |
| Expenditure during the year | 79,204.70 | 110,213.81 |

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Depreciation during the year | 17,129.46 | 2,947.00 |
| Transfer to Oil and Gas Assets | (82,889.41) | (94,577.94) |
| Foreign currency translation adjustment (Refer note 9.9) | (102.66) | 357.33 |
| Other adjustments | - | - |
| **Total** | **59,769.92** | **46,427.83** |
| **Less: Accumulated Impairment** | | |
| Opening balance (Refer note 9.7) | 2,590.35 | 968.60 |
| Provided for the year | 1,880.08 | 1,619.18 |
| Write back during the year | (620.93) | - |
| Foreign currency translation adjustment (Refer note 9.9) | 21.02 | 2.57 |
| Other adjustments | - | - |
| **Total** | **3,870.52** | **2,590.35** |
| **Carrying amount of Development wells in progress** | **55,899.40** | **43,837.48** |
| **(ii) Oil and Gas facilities in progress** | | |
| Oil and gas facilities (Refer note 9.1 ) | 173,823.52 | 133,061.80 |
| Expenditure during the year | 23,948.64 | - |
| Acquisition Costs- Exploration and Production Asset ( refer note 52.1.10) | 1,957.25 | 4,261.40 |
| **Total** | **199,729.41** | **137,323.20** |
| **Less: Accumulated Impairment** | | |
| Opening Balance | 5,014.66 | 3,076.47 |
| Provided for the year | 6,154.41 | 993.31 |
| Write back during the year | (514.22) | - |
| Foreign currency translation adjustment (Refer note 9.9) | (4,695.25) | 2.41 |
| Other adjustments | (3,731.28) | 942.47 |
| | **2,228.32** | **5,014.66** |
| **Carrying amount of Oil and gas facilities in progress** | **197,501.09** | **132,308.54** |
| **B) Other Capital Works-in-Progress** | | |
| Land and Buildings | 1,692.50 | 4,467.34 |
| Plant and equipment (Refer note 25.1) | 202,176.67 | 117,522.02 |
| Software | 15.48 | 27.47 |
| Capital stores (including in transit) (Refer note 6.2 and 7.3.4) | 3,694.68 | 2,351.82 |
| Less: Impairment for Non-Moving Items | (45.61) | (43.28) |
| **Total** | **207,533.72** | **124,325.37** |
| **Less: Accumulated Impairment** | | |
| Opening Balance | 1,510.39 | 2,419.75 |
| Provided for the year | 135.19 | 33.12 |
| Other adjustments | (10.68) | (942.47) |
| Written back during the year | (24.53) | - |
| **Carrying amount of capital work in progress** | **205,923.35** | **122,814.97** |

9.1. The Group (Except for OVL) has elected to continue with the carrying value of its Capital Works-in-Progress recognized as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 except for decommissioning and restoration provision included in the cost of Capital Works-in-Progress which have been adjusted in terms of para D21 of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

9.2. In respect of subsidiary MRPL, additions to CWIP includes borrowing costs amounting to ₹ 366.61million (for the year ended March 31, 2019 ₹ 232.47 million) and allocated to different class of assets. The rate used to determine the amount of borrowing costs eligible for capitalization was 7.80% (For the year ended March 31, 2019 was 7.69%) which is the effective interest rate on borrowings.

**9.3.** In respect of subsidiary MRPL, leasehold lands of previous year includes land which is in possession of the Company towards which formal lease deeds are yet to be executed.The same has been reclassified as Right-of-Use Assets.

**9.4.** In respect of subsidiary MRPL, loan availed against OIDB, is secured by way of first ranking pari passu charge by way of hypothecation / mortgage only on property, plant & equipment / projects financed out of loan proceeds of OIDB. (Refer note 28.10).

**9.5.** In respect of subsidiary MRPL, an amount of ₹ 101.60 million (As at March 31, 2019 ₹ Nil) towards Finance cost on lease liability has been capitalized as a component of cost of Capital Work-in-Progress (CWIP).

**9.6.** In respect of subsidiary MRPL, an amount of ₹ 43.02 million (As at March 31, 2019 ₹ Nil) towards depreciation charged to Right-of-Use Asset has been capitalized as a component of cost of Capital Work-in-Progress (CWIP).

**9.7.** In respect of subsidiary OVL, the company has 60% participating interest in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since April 29, 2012. In view of the same, impairment had been made in respect of development wells in progress amounting to ₹ Nil(for the year ended March 31, 2019 ₹ Nil). The cumulative impairment as at March 31, 2020 is ₹ 125.56 million (as at March 31, 2019 ₹ 115.13 million) in respect ofthe project.

**9.8.** In respect of subsidiary OVL,borrowing cost amounting to ₹ 168 million has been capitalised under the Oil and Gas facilities in progress during the year ended March 31, 2020 (for the year ended March 31, 2019 ₹ 172.28 million). The weighted average capitalization rate on funds borrowed is3.45% per annum (during the year ended March 31, 2019, 4.74% per annum).

**9.9.** Group's subsidiary ONGC Videsh Limited has determined its functional currency as US$. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency"₹ ". Refer note 3.21 and 5.1 (a).

## 10 Goodwill (including Goodwill on consolidation)

**10.1** Goodwill on asset purchased

( ₹ in million )

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Cost or deemed cost (Refer note 10.2) | 4.04 | 4.04 |
| Accumulated impairment losses | - | - |
| **Carrying amount of goodwill (A)** | **4.04** | **4.04** |

**10.2** Goodwill represents excess of consideration paid over net assets acquired for acquisition of nitrogen plant. Goodwill on consolidation

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Cost or deemed cost** | | |
| Opening balance | 218,562.21 | 205,586.19 |
| Additions during the year | - | - |
| Effect of exchange differences | 18,964.96 | 12,976.02 |
| **Total** | **237,527.17** | **218,562.21** |

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Less: Accumulated amortisation** | | |
| Opening balance | 77,682.72 | 63,564.77 |
| Additions during the year | 9,812.74 | 10,022.94 |
| Effect of exchange differences | 7,669.25 | 4,095.01 |
| **Total** | **95,164.71** | **77,682.72** |
| **Carrying amount of goodwill on consolidation (B)** | **142,362.46** | **140,879.49** |
| **Carrying amount of total goodwill (A+B)** | **142,366.50** | **140,883.53** |

**10.3** Allocation of goodwill on consolidation to cash generating units is carried out in accordance with the accounting policy mentioned at note 3.6.

**10.4** Group's subsidiary ONGC Videsh Limited has determined its functional currency as US$. Above foreign exchange difference represents differences on account of translation of the financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency " ₹ ". Refer note 3.21 and 5.1 (a).

## 11 Investment Property

**( ₹ in million)**

| Carrying amount of : | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Freehold Land | 78.48 | 78.48 |
| Building | 0.24 | 0.25 |
| **Total** | **78.72** | **78.73** |

| Gross Carrying Amount | Amount (₹ ) |
|---|---|
| **Balance as at April 1, 2018** | **78.78** |
| Additions during the year | - |
| Disposals/ Adjustment/ Transfer | - |
| **Balance as at March 31, 2019** | **78.78** |
| Additions during the year | - |
| Disposals/ Adjustment/ Transfer | - |
| **Balance as at March 31, 2020** | **78.78** |

| Accumulated Depreciation and Impairment | Amount (₹ ) |
|---|---|
| **Balance as at April 1, 2018** | **0.04** |
| Add: Depreciation Expense | 0.01 |
| Less: Eliminated on Disposal/ Adjustment/ Transfer | - |
| **Balance as at March 31, 2019** | **0.05** |
| Add: Depreciation Expense | 0.01 |
| Less: Eliminated on Disposal/ Adjustment/ Transfer | - |
| **Balance as at March 31, 2020** | **0.06** |

**11.1 In respect of subsidiary, MRPL,**

**11.1.1** Freehold land includes land measuring 102.31 acres held for capital appreciation.

**11.1.2** There is no contractual obligation to purchase, construct or develop investment property.

**11.1.3** The group has considered the fair value of the freehold land amounting to ₹ 255.80 million as at March 31, 2020 (as at March 31, 2019 ₹ 255.80 million) based on the valuation carried out by independent valuer report dated April 30, 2018. Taking the present condition due to COVID-19 the fair valuation of the Investment property couldn't be carried out and thus the fair value considered on April 30, 2018 will be considered for March 31, 2020.

**11.2 In respect of subsidiary, PMHBL,**

**11.2.1** Assets pledged as security:- Nil (previous year : Nil)

**11.2.2** There were no Income earned or expenditure incurred on the above Investment Property other than land revenue tax of ₹ 0.01 million during the current year (Previous year ₹ 0.00 million) and depreciation mentioned above. The fair value of the Property as per Valuation report dated 04-04-2019 issued by Mr. Feroz N Raaj, Government Approved Valuer is ₹ 2.21 million.

## 12 Other intangible assets

( ₹ in million)

| Particulars | Software | Right of Way | Technical / Process Licenses | Wind Energy Equipments | License and Franchise | Total |
|---|---|---|---|---|---|---|
| **Balance at April 01, 2018 (Refer note 12.1)** | **4,146.75** | **2,169.61** | **621.97** | **1,885.55** | **-** | **8,823.88** |
| Additions during the year | 1,397.25 | 271.00 | - | - | - | 1,668.25 |
| Disposal/adjustments | (4.43) | - | - | - | - | (4.43) |
| Foreign currency translation adjustment (Refer note 12.2) | 79.50 | - | - | - | - | 79.50 |
| **Balance at March 31, 2019** | **5,619.07** | **2,440.61** | **621.97** | **1,885.55** | **-** | **10,567.20** |
| Additions during the year | 785.13 | 1,114.90 | 51.80 | - | 49.53 | 2,001.36 |
| Disposal/adjustments | (33.82) | - | - | - | - | (33.82) |
| Foreign currency translation adjustment (Refer note 12.2) | 118.34 | - | - | - | - | 118.34 |
| **Balance at March 31, 2020** | **6,488.72** | **3,555.51** | **673.77** | **1,885.55** | **49.53** | **12,653.08** |
| **Less: Accumulated amortisation and impairment** | | | | | | |
| Accumulated amortisation (Refer note 12.1) | | | | | | |
| Balance at April 01, 2018 | 2,001.23 | - | 256.20 | 306.49 | - | 2,563.92 |
| Provision for the year | 966.68 | - | 118.60 | 103.50 | - | 1,188.78 |
| Disposal/adjustments | (3.52) | - | - | - | - | (3.52) |
| Foreign currency translation adjustment (Refer note 12.2) | 46.94 | - | - | - | - | 46.94 |
| **Balance at March 31, 2019** | **3,011.33** | **-** | **374.80** | **409.99** | **-** | **3,796.12** |
| Provision for the year | 961.56 | 0.50 | 66.00 | 104.10 | 12.68 | 1,144.84 |
| Disposal/adjustments | (31.98) | - | - | - | - | (31.98) |
| Foreign currency translation adjustment (Refer note 12.2) | 98.73 | - | - | - | - | 98.73 |
| **Balance at March 31, 2020** | **4,039.64** | **0.50** | **440.80** | **514.09** | **12.68** | **5,007.71** |
| Accumulated Impairment | | | | | | |
| Balance at April 01, 2018 | 5.58 | - | - | - | - | 5.58 |
| Provision for the year | - | - | - | - | - | - |
| Disposal/adjustments | (2.94) | - | - | - | - | (2.94) |
| Balance at March 31, 2019 | 2.64 | - | - | - | - | 2.64 |
| Provision for the year | 1.36 | - | - | - | - | 1.36 |
| Disposal/adjustments | (0.04) | - | - | - | - | (0.04) |
| Balance at March 31, 2020 | 3.96 | - | - | - | - | 3.96 |

(₹ in million)

| Particulars | Software | Right of Way | Technical / Process Licenses | Wind Energy Equipments | License and Franchise | Total |
|---|---|---|---|---|---|---|
| **Carrying amount at March 31, 2019** | **2,605.09** | **2,440.61** | **247.18** | **1,475.56** | **-** | **6,768.44** |
| **Carrying amount at March 31, 2020** | **2,445.11** | **3,555.01** | **232.98** | **1,371.46** | **36.85** | **7,641.41** |

**12.1** Except for OVL, the Group has elected to continue with the carrying value of its other intangible assets, recognized as of April 1, 2015 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101 'First –time Adoption of Indian Accounting Standards'.

**12.2** Group's subsidiary OVL has determined its functional currency as US$. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency "₹ ". Refer note 3.21 and 5.1 (a).

**12.3** The Group holds a Right of Way for laying Pipeline between Mangalore and Bangalore via Hassan. The cost of acquiring the right has been capitalised as Intangible Assets. The right is an indefinite (perpetual) right with no stipulation over the period of validity. Hence, the same is not amortised.

**12.4** In respect of subsidiary HPCL, Includes ₹ 771.40 million (as at March 31, 2019: ₹ 738.50 million) towards Right of Way representing Company's Share of Assets, jointly owned with other Companies.

## 13 Intangible assets under development

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **(i) Exploratory wells in progress (Refer note 13.1)** | | |
| **Cost or deemed cost** | | |
| Opening balance | 242,629.66 | 258,007.22 |
| Expenditure during the year (Refer note 13.2.4) | 50,843.70 | 61,108.59 |
| Sale proceeds of Oil and Gas (net of levies) | (287.15) | (32.77) |
| Depreciation during the year (Refer note 42) | 15,421.09 | 2,646.30 |
| **Total (A)** | **308,607.30** | **321,729.34** |
| Less: | | |
| Transfer to Oil and Gas Assets | 9,158.45 | 11,318.66 |
| Wells written off during the year | 70,875.27 | 70,509.30 |
| Other adjustments | - | - |
| Effect of exchange differences (Refer note 13.2.6) | (3,245.27) | (2,728.28) |
| **Total (B)** | **76,788.45** | **79,099.68** |
| **Sub-total (A-B)** | **231,818.85** | **242,629.66** |
| Less: Accumulated Impairment | | |
| Opening Balance | 24,724.31 | 15,380.01 |
| Provided during the year | 16,915.56 | 9,249.75 |
| Write back during the year | (4,323.78) | (223.58) |
| Effect of exchange differences (Refer note 13.2.6) | 481.27 | 318.13 |
| **Total** | **37,797.36** | **24,724.31** |
| **Carrying amount of Exploratory wells in progress** | **194,021.49** | **217,905.35** |
| (ii) Acquisition Cost | | |
| Cost or deemed cost | | |
| Opening balance | 191,428.01 | 175,308.17 |
| Addition during the year (Refer note 13.2.5) | 5,127.15 | 5,443.72 |
| Acquisition cost written off during the period | - | - |

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Effect of exchange differences (Refer note 13.2.6) | 16,481.57 | 10,676.12 |
| **Total** | **213,036.73** | **191,428.01** |
| **Less : Accumulated Impairment** | | |
| Opening balance | 17,729.96 | 16,630.12 |
| Provided during the year (Refer note 42) | 8,010.51 | - |
| Effect of exchange differences (Refer note 13.2.6) | 2,317.62 | 1,099.84 |
| **Total** | **28,058.09** | **17,729.96** |
| **Carrying amount of Acquisition Cost** | **184,978.64** | **173,698.05** |
| **Carrying amount of Intangible assets under development** | **379,000.13** | **391,603.40** |

**13.1** During 2004-05, the Company had acquired, 90% Participating Interest in Exploration Block KG-DWN-98/2 from Cairn Energy India Limited for a lump sum consideration of ₹ 3,711.22 million which, together with subsequent exploratory drilling costs of wells had been capitalized under exploratory wells in progress. During 2012-13, the Company had acquired the remaining 10% participating interest in the block from Cairn Energy India Limited on actual past cost basis for a consideration of ₹ 2,124.44 million. Initial in-place reserves were established in this block and adhering to original PSC time lines, a Declaration of commerciality (DOC) with a conceptual cluster development plan was submitted on December 21, 2009 for Southern Discovery Area and on July 15, 2010 for Northern Discovery Area. Thereafter, in the revised DOC submitted in December, 2013, Cluster-wise development of the Block had been envisaged by division of entire development area into three clusters. The DOC in respect of Cluster II had been reviewed by the Management Committee (MC) of the block on September 25, 2014. Field Development Plan (FDP) for Cluster-II was submitted on September 8, 2015 which included cost of all exploratory wells drilled in the Contract Area and the same had been approved by the Company Board on March 28, 2016 and by MC on March 31, 2016. Investment decision has been approved by the Company. Contracts for Subsea umbilical risers, flow lines, Subsea production system, Central processing platform – living quarter utility platform and Onshore Terminal have been awarded during 2018-19. Sixteen (16) Oil wells, Seven (7) Gas wells and Six (6) Water injector wells were drilled upto March 31, 2020. Towards early monetization, it was planned to produce Gas from U-field utilizing Vashishta and S1 Project facilities. One Gas well-U3B was completed in the month of March 2020 and test production commenced on March 5, 2020. In line with the Accounting Policy of the Company, Oil and Gas assets has been created for the well U3B on establishment of proved developed reserves during the year. The cost of development wells in progress, Capital work in progress and Oil & gas assets as at March 31, 2020 is ₹ 23,567.70 million, ₹ 37,826.42 million and ₹ 10,487.02 million respectively.

During the year FDP in respect of Cluster-I was approved for development of Gas discoveries in E1 and integrated development of Oil discoveries in F1 field along with nominated field GS-29 by the Management Committee.

In respect of Cluster III, in line with the approval of Management Committee, three (3) appraisal wells are planned to be drilled during 2020-21 and one (1) appraisal well during 2021-22. Further, Directorate General of Hydrocarbon (DGH) vide letter dated December 24, 2019 has extended the timeline for submission of FDP by 25 months.

In view of the definite plan for development of all the clusters, the cost of exploratory wells in the block i.e. ₹ 52,998.53 million has been carried over.

**13.2 In respect of subsidiaryOVL,**

**13.2.1** The company has 60% Participating Interest in Block XXIV, Syria. In view of deteriorating law and order situation in Syria, operations of the project are temporarily suspended since April 29, 2012. In view of the same provision had been made in respect of exploratory wells in progress. The impairment as at March 31, 2020 is ₹ 3,099.97million (as at March 31, 2019:₹ 2,842.46 million) in respect of the project.

13.2.2 In respect of Block Farsi, Iran, the Company in consortium with other partners entered into an Exploration Service Contract (ESC) with National Iranian Oil Company (NIOC) on December 25, 2002. After exploratory drilling, FB area of the block proved to be a gas discovery and was later rechristened as Farzad-B. NIOC announced the Date of Commerciality for Farzad-B as August 18, 2008. However, the contractual arrangement with respect to development has not been finalized, so far. Impairment has been made in respect of the Company's investment in exploration in the Farsi Block. The impairment as at March 31, 2020 ₹ 2,573.32 million (as at March 31, 2019 ₹ 2,359.56 million).

13.2.3 Acquisition cost relates to the cost for acquiring property or mineral rights of proved or unproved oil and gas properties which are currently under Exploration / Development stage; such cost will be transferred to Oil and Gas Assets on commencement of commercial production from the project or written off in case of relinquishment of exploration project.

13.2.4 Borrowing cost amounting to ₹ 398.08million has been capitalised during the year ended March 31, 2020 (for the year ended March 31, 2019 ₹ 408.20 million) in Exploratory wells in progress. The weighted average capitalization rate on funds borrowed is3.45% per annum (during the year ended March 31, 2019: 4.74% per annum).

13.2.5 Borrowing cost amounting to ₹ 5,099.68 million has been capitalised during the year ended March 31, 2020 (for the year ended March 31, 2019 ₹ 5231.19 million) in Acquisition cost. The weighted average capitalization rate on funds borrowed is 3.45% per annum (during the year ended March 31, 2019: 4.74% per annum).

13.2.6 Company has determined its functional currency as US$. Above foreign exchange difference represents differences on account of translation of the financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency "₹ ". Refer note 3.21 and 5.1 (a).

## 14 Investments

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **14.1 Investment in Joint Ventures and Associates** | | |
| (i) Associates | 196,925.14 | 225,010.80 |
| (ii) Joint Ventures | 95,447.61 | 105,480.04 |
| **Sub-Total** | **292,372.75** | **330,490.84** |
| **14.2 Other Investments** | | |
| (i) Investment in Other Equity Instruments (Refer note 14.2.(i)) | 128,070.12 | 260,586.17 |
| (ii) Investment in securities (Refer note 14.2.(ii)) | 32,203.80 | 27,057.79 |
| (iii) Investment in Compulsorily Convertible Preference Shares (Refer note 14.2.(iii)) | 307.48 | 116.72 |
| **Sub-Total** | **160,581.40** | **287,760.68** |
| **Total investments** | **452,954.15** | **618,251.52** |

## 14.1 Investment in Joint Ventures and Associates

( ₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. (in million) | Amount | No. (in million) | Amount |
| **Investment in Equity instruments** | | | | |
| **(i) Associates(Refer note 14.1.10)** | | | | |
| (a) Pawan Hans Limited | | | | |
| (Unquoted– Fully paid up) | 0.27 | 4,871.06 | 0.27 | 5,106.45 |
| (Face Value ₹ 10,000 per share)(refer note 14.1.5) | | | | |
| (b) Petronet LNG Limited | 187.50 | 13,976.55 | 187.50 | 12,788.23 |
| (Quoted– Fully paid up) | | | | |
| (Face Value ₹ 10 per share) | | | | |
| (c) Rohini Heliport Limited | 0.00 | 0.05 | - | - |
| (Unquoted– Fully paid up) | | | | |
| (Face Value ₹ 10 per share)(refer note 14.1.6) | | | | |
| (d) Petro Carabobo S.A | | | | |
| (Unquoted– Fully paid up) | 1.13 | 4,449.55 | 1.13 | 7,331.02 |
| (Face Value Bolivar 10 per share) | | | | |
| (e) Carabobo Ingenieria Y Construcciones, S.A | | | | |
| (Unquoted– Fully paid up) *** | 0.00 | 0.32 | 0.00 | 0.29 |
| (Face Value Boliver 1 per share) | | | | |
| (f) Petrolera Indovenezolana SA | | | | |
| (Unquoted– Fully paid up) | 0.04 | 31,105.7 | 0.04 | 28,749.77 |
| (Face Value $ 4.65 per share) | | | | |
| (g) South East Asia Gas Pipeline Ltd | | | | |
| (Unquoted– Fully paid up) | 0.02 | 1,844.90 | 0.02 | 1,140.17 |
| (Face Value $ 1 per share) | | | | |
| (h) Tamba BV | | | | |
| (Unquoted– Fully paid up) *** | 0.00 | 9,023.35 | 0.00 | 8,805.72 |
| (Face Value Euro 10 per share) | | | | |
| (i) JSC Vankorneft, Russia | | | | |
| (Unquoted– Fully paid up) | 3.09 | 112,329.02 | 3.09 | 141,362.84 |
| (Face Value Rouble 1 per share) | | | | |
| (j) Mozambiqiue LNGI | | | | |
| (Unquoted– Fully paid up) *** | - | - | 0.00 | 29.94 |
| (Face Value $ 1000 per share) | | | | |
| (k) Moz LNG1 Holding Company Limited | | | | |
| (Unquoted– Fully paid up) | 0.70 | 67.72 | - | - |
| (Face Value $ 1 per share) | | | | |
| (l) Falcon Oil & Gas BV | | | | |
| (Unquoted– Fully paid up) *** | 0.00 | 22,119.75 | 0.00 | 18,784.00 |
| (Face Value $ 1 per share) | | | | |
| (m) GSPL India Transco Ltd | | | | |
| (Unquoted – Fully paid up) | 54.12 | 501.88 | 41.91 | 427.68 |

( ₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. (in million) | Amount | No. (in million) | Amount |
| (Face Value ₹ 10 per share) | | | | |
| (n) GSPL India Gasnet Ltd | | | | |
| (Unquoted – Fully paid up) | 103.62 | 972.93 | 50.82 | 484.69 |
| (Face Value ₹ 10 per share) | | | | |
| **Less: Aggregate amount of impairment** | | (4,337.66) | | |
| **Total Investments in Associates** | | **196,925.14** | | **225,010.80** |

( ₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. (in million)t | Amount | No. (in million) | Amount |
| **(ii) Joint Ventures (Refer Note 14.1.11)** | | | | |
| (a) Mangalore SEZ Limited | | | | |
| (Unquoted – Fully paid up) | 13.48 | 118.09 | 13.48 | 203.23 |
| (Face Value ₹ 10 per share) | | | | |
| (b) ONGC Petro Additions Limited | | | | |
| (Unquoted – Fully paid up) | 997.98 | - | 997.98 | 11,210.13 |
| (Face Value ₹ 10 per share) | | | | |
| (Refer note 14.1.3 & 14.1.4) | | | | |
| (c) ONGC Teri Biotech Limited | | | | |
| (Unquoted– Fully paid up) | 0.02 | 312.19 | 0.02 | 274.73 |
| (Face Value ₹ 10 per share) | | | | |
| (d) ONGC Tripura Power Company Limited | | | | |
| (Unquoted – Fully paid up) | 560.00 | 6,389.02 | 560.00 | 6,644.61 |
| (Face Value ₹ 10 per share) | | | | |
| (e) Dahej SEZ Limited | | | | |
| (Unquoted– Fully paid up) | 23.02 | 930.23 | 23.02 | 1,172.29 |
| (Face Value ₹ 10 per share) | | | | |
| (f) Indradhanush Gas Grid Limited | | | | |
| (Unquoted– Fully paid up) | 12.00 | 85.13 | 5.00 | 25.76 |
| (Face Value ₹ 10 per share)(Refer note 14.1.2) | | | | |
| (g) Shell MRPL Aviation Fuels and Services Limited | | | | |
| (Unquoted–Fully paid up ) | 15.00 | 287.87 | 15.00 | 282.50 |
| (Face Value ₹ 10 per share) | | | | |
| (h) ONGC Mittal Energy Limited | | | | |
| (Unquoted– Fully paid up) | 24.99 | 1,886.25 | 24.99 | 1,729.56 |
| (Face Value $ 1 per share) | | | | |
| (i) Mansarovar Energy Colombia Limited | | | | |
| (Unquoted– Fully paid up) | 0.01 | 15,945.40 | 0.01 | 18,661.68 |

( ₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. (in million)t | Amount | No. (in million) | Amount |
| (Face Value $ 1 per share) | | | | |
| (j) Himalaya Energy Syria BV | | | | |
| (Unquoted– Fully paid up) | 0.05 | 207.73 | 0.05 | 216.74 |
| (Face Value Euro 1 per share) | | | | |
| (k) HPCL-Mittal Energy Limited | | | | |
| (Unquoted– Fully paid up) | 3,939.56 | 48,491.59 | 3,939.56 | 51,526.21 |
| (Face Value ₹ 10 per share) | | | | |
| (l) Hindustan Colas Pvt. Ltd. | | | | |
| (Unquoted– Fully paid up) | 4.73 | 1,948.10 | 4.73 | 1,485.34 |
| (Face Value ₹ 10 per share) | | | | |
| (m) HPCL Rajasthan Refinery Ltd. | | | | |
| (Unquoted– Fully paid up) | 1,298.74 | 12,897.21 | 890.41 | 8,800.53 |
| (Face Value ₹ 10 per share)(refer note 14.1.8) | | | | |
| (n) Petronet India Ltd. | | | | |
| (Unquoted– Fully paid up) | 16.00 | 4.19 | 16.00 | 4.19 |
| (Face Value ₹ 0.10 per share)( refer note 14.1.9) | | | | |
| (o) South Asia LPG Co. Pvt. Ltd. | | | | |
| (Unquoted– Fully paid up) | 50.00 | 1,207.45 | 50.00 | 1,251.70 |
| (Face Value ₹ 10 per share) | | | | |
| (p) Bhagyanagar Gas Ltd. | | | | |
| (Unquoted– Fully paid up) | 43.65 | 1,503.39 | 43.65 | 1,455.63 |
| (Face Value ₹ 10 per share) | | | | |
| (q) Aavantika Gas Ltd. | | | | |
| (Unquoted– Fully paid up) | 29.56 | 1,174.99 | 29.56 | 980.10 |
| (Face Value ₹ 10 per share) | | | | |
| (r) HPCL Shapoorji Energy Pvt. Ltd. | | | | |
| (Unquoted– Fully paid up) | 175.00 | 1,729.30 | 24.00 | 227.07 |
| (Face Value ₹ 10 per share) | | | | |
| (s) Mumbai Aviation Fuel Farm Facility Pvt. Ltd. | | | | |
| (Unquoted– Fully paid up) | 48.29 | 870.52 | 48.29 | 770.22 |
| (Face Value ₹ 10 per share) | | | | |
| (t) Ratnagiri Refinery & Petrochemical Limited. | | | | |
| (Unquoted– Fully paid up) | 50.00 | 362.76 | 25.00 | 162.71 |
| (Face Value ₹ 10 per share) | | | | |
| (u) Godavari Gas Pvt. Ltd. | | | | |
| (Unquoted– Fully paid up) | 16.07 | 149.32 | 8.19 | 76.99 |
| (Face Value ₹ 10 per share) | | | | |
| (v) HPOIL Gas Pvt. Ltd. | | | | |
| (Unquoted– Fully paid up) | 60.00 | 583.64 | 5.00 | 47.68 |

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. (in million)t | Amount | No. (in million) | Amount |
| (Face Value ₹ 10 per share) | | | | |
| (w) IHB Pvt. Ltd. | | | | |
| (Unquoted– Fully paid up) | 26.25 | 249.49 | - | - |
| (Face Value ₹ 10 per share) | | | | |
| (x) Sudd Petroleum Operating Company*** | | | | |
| (Unquoted– Fully paid up) | 0.00 | - | 0.00 | - |
| (Face Value $ 1 per share) | | | | |
| **Less: Aggregate amount of impairment** | | **(1,886.25)** | | **(1,729.56)** |
| **Total Investment in Joint ventures** | | **95,447.61** | | **105,480.04** |
| **Total Investment in Joint Ventures and Associates** | **-** | **292,372.75** | **-** | **330,490.84** |

*** Number of shares

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| | No of share | No of share |
| Tamba B.V. | 1,620 | 1,620 |
| Carabobo Ingeniería y Construcciones, S.A. | 275 | 275 |
| Mozambique LNG1 Co. Pte. Ltd. | - | 500 |
| Falcon Oil & Gas BV | 40 | 40 |
| Sudd Petroleum Operating Company | 241.25 | 241.25 |

**14.1.1** The Company is restrained from diluting the investment in the respective companies till the sponsored loans are fully repaid as per the covenants in the respective loan agreements of the respective companies.

**14.1.2** During the year, the Company has subscribed additional 7,000,000 nos. equity shares of Indradhanush Gas Grid Ltd. (IGGL), having face value of ₹ 10 per share. During the year 2018-19, the Company had subscribed 5,000,000 nos. equity shares of Indradhanush Gas Grid Ltd.(IGGL), a Joint Venture Company, having face value of ₹ 10 per share..

**14.1.3** During the year 2018-19, the Company had acquired 24,993 nos. of equity shares of ONGC Petro additions Ltd (OPaL) at the face value from other individual shareholders of the Company.

**14.1.4** During the year 2018-19, the Company had subscribed to additional 636,000,000 nos. Share Warrants of ONGC Petro additions Limited @ ₹ 9.75 per share warrant, entitling the Company to exchange each warrant with Equity Share of Face Value of ₹ 10/- each after a balance payment of ₹ 0.25 for each share within thirty six months of subscription of the Share warrants issued on December 12, 2018. During 2015-16, the Company had subscribed to 1,922,000,000 Share Warrants of ONGC Petro additions Limited, entitling the Company to exchange each warrant with Equity Share of Face Value of ₹ 10/- each after a balance payment of ₹ 0.25 per equity share within forty eight months of subscription of the Share warrants issued on August 25, 2015. During the year the date of balance payment of ₹ 0.25 per equity share has been further extended by twenty four months.

Further, the Company has entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon of Compulsorily Convertible Debentures (CCDs) amounting to ₹ 77,780.00 million (previous year ₹ 77,780.00 million) issued by ONGC Petro additions Limited in three tranches. The cumulative interest till March 31, 2020 is amounting to ₹ 11,644.38 million (Previous year ₹ 5,117.73 million).

The first tranche and second tranche of CCDs amounting to ₹ 56,150.00 million and ₹ 16,710 million have been extended for a period of 18 months and due for maturity in January 2021 and November 2021 respectively while the third tranche of CCD amounting to ₹ 4,920 million will be due for maturity in March 2021.

**14.1.5** During the year 2018-19, the Company has exercised option to exit Pawan Hans Limited by offloading entire 49% stake holdings of the Company as a preferred option, along with the strategic sale proposal being persued by the Government of India. As at March 31, 2020, the proposed strategic sale transaction is yet to be consummated as the buyer has not been identified. In view of the uncertainty in the completion of the transaction, the investment in Pawan Hans Limited has not been classified as Non-current Asset Held for Sale and accordingly the Company continues to classify Pawan Hans Limited as an Associate Company and carry the investment at Cost.

**14.1.6** During the year, the Company has subscribed 4899 nos. equity shares of Rohini Heliport Limited having face value ₹ 10 per share for an aggregate consideration of ₹ 0.05 million, classified as an Associate.

**14.1.7** Movement of Impairment in value of equity accounted Joint Venture

( ₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Balance at beginning of the year | 1,729.56 | 1,622.35 |
| Recognised during the year | 4,337.66 | - |
| Effect of exchange differences (refer note 14.1.7.1) | 156.69 | 107.21 |
| **Balance at end of the year** | **6,223.91** | **1,729.56** |

**14.1.7.1** Group's subsidiary ONGC Videsh Limited has determined its functional currency as US$. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency "₹ ". Refer note 3.21 and 5.1 (a).

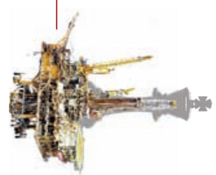
**In respect of Subsidiary HPCL,**

**14.1.8** As per the guidelines issued by Department of Public Enterprises (DPE) in August, 2005, the Board of Directors of Navratna Public Sector Enterprises (PSEs) can invest in joint ventures and wholly owned subsidiaries subject to an overall ceiling of 30% of the net worth of the PSE. The company has requested Ministry of Petroleum & Natural Gas (MOP&NG) to confirm its understanding that for calculating this ceiling limit, the amount of investments specifically approved by Government of India (i.e. investment in HPCL Mittal Energy Ltd (HMEL) and HPCL Rajasthan Refinery Limited (HRRL) ) are to be excluded. The Company has calculated the limit of 30% investment in joint ventures and wholly owned subsidiaries, by excluding the investments specifically approved by Government of India. As per financial position as on 31st March 2020, the investments in joint ventures and wholly owned subsidiaries are well within 30% limit.

**14.1.9** Petronet India Ltd. is in the process of voluntary winding up w.e.f. August 30,2018.

### 14.1.10 Details of Associates

| Name of associate | Principal activity | Place of incorporation and principal place of business | Proportion of ownership interest/ voting rights held by the Company | |
|---|---|---|---|---|
| | | | As at March 31, 2020 | As at March 31, 2019 |
| (i) Pawan Hans Limited | Helicopter services | India | 49.00% | 49.00% |
| (ii) Petronet LNG Limited | Liquefied Natural Gas supply | India | 12.50% | 12.50% |
| (iii) Rohini Heliport Limited | Helicopter services | India | 48.99% | - |
| (iv) Caraboto Ingenieria Y construcciones, S.A | Service provider | Venezuela | 37.93% | 37.93% |
| (v) Petrolera Indovenezolana S.A. | Exploration and Production of hydrocarbons | Venezuela | 40.00% | 40.00% |
| (vi) South- East Asia Gas Pipeline Company Limited | Exploration and Production of hydrocarbons | Incorporated in Hong Kong, operations in Myanmar | 8.35% | 8.35% |
| (vii) Tamba BV | Equipment Lease | Incorporated in Netherland for BC-10 Project, Brazil | 27.00% | 27.00% |
| (viii) Petro Carabobo S.A. | Exploration and Production of hydrocarbons | Venezuela | 11.00% | 11.00% |
| (ix) JSC Vankorneft | Exploration and Production of hydrocarbons | Russia | 26.00% | 26.00% |
| (x) Mozambiqiue LNG I Company Pte Ltd. | Marketing and shipping of liquefied natural gas | Incorporated in Singapore having operations in Singapore and Mozambique | - | 16.00% |
| (xi) Moz LNG I Holding Company Ltd. | Holding company for entities undertaking Marketing and shipping of liquified natural gas | Abu Dhabi | 16.00% | - |
| (xii) GSPL India Transco Ltd (through HPCL) | Design, construct, develop and operate gas pipeline | India | 11.00% | 11.00% |
| (xiii) GSPL India Gasnet Ltd. (through HPCL) | Design, construct, develop and operate gas pipeline | India | 11.00% | 11.00% |
| (xiv) Falcon Oil & Gas BV | Exploration and Production of hydrocarbons | Incorporated in Netherlands, operations in Abu Dhabi | 40.00% | 40.00% |



### 14.1.11 Details and financial information of Joint Ventures

| Name of joint venture | Principal activity | Place of incorporation and principal place of business | Proportion of ownership interest/ voting rights held by the Company | |
|---|---|---|---|---|
| | | | As at March 31, 2020 | As at March 31, 2019 |
| Mangalore SEZ Limited | Special Economic Zone | India | 26.86% | 26.86% |
| Sudd Petroleum Operating Company | Exploration and Production of hydrocarbons | Incorporated in Mauritius having operations in South Sudan | 24.13% | 24.13% |
| ONGC Petro Additions Limited | Petrochemicals | India | 49.36% | 49.36% |
| ONGC Teri Biotech Limited | Bioremediation | India | 49.98% | 49.98% |
| ONGC Tripura Power Company Limited | Power Generation | India | 50.00% | 50.00% |
| Dahej SEZ Limited | Special Economic Zone | India | 50.00% | 50.00% |
| Indradhanush Gas Grid Limited (refer note 14.1.2) | Pipeline | India | 20.00% | 20.00% |
| Shell MRPL Aviation Fuels and Services Limited | Trading of aviation fuels | India | 50.00% | 50.00% |
| ONGC Mittal Energy Limited | Exploration and Production of hydrocarbons | Incorporated in Cyprus having operations in Syria and Nigeria | 49.98% | 49.98% |
| Mansarovar Energy Colombia Limited | Exploration and Production of hydrocarbons | Colombia | 50% | 50% |
| Himalaya Energy Syria BV | Exploration and Production of hydrocarbons | Incorporated in The Netherlands, having operations in Syria | 50% | 50% |
| HPCL Rajasthan refinery Ltd. (through HPCL) | Refinery | India | 74.00% | 74.00% |
| HPCL Mittal Energy Ltd. (through HPCL) | Refining of crude oil and manufacturing of petroleum products. | India | 48.99% | 48.99% |
| Hindustan Colas Pvt. Ltd. (through HPCL) | Manufacture and marketing of Bitumen Emulsions & Modified Bitumen. | India | 50.00% | 50.00% |
| South Asia LPG Co. Private Ltd. (through HPCL) | Storage of LPG in underground cavern and associated receiving and dispatch facilities at Visakhapatnam. | India | 50.00% | 50.00% |
| Bhagyanagar Gas Ltd. (through HPCL) | Distribution and marketing of CNG and Auto LPG in the state of Andhra Pradesh/ Telangana | India | 24.99% | 24.99% |
| Godavari Gas Pvt Ltd. (through HPCL) | Distribution and marketing of CNG in East Godavari and West Godavari Districts of Andhra Pradesh | India | 26% | 26% |
| Petronet India Ltd. (through HPCL) (refer to note 14.1.7) | To act as nodal agency for developing identified and prioritized petroleum product pipelines in the country. The company is in the process of closure | India | 16% | 16% |

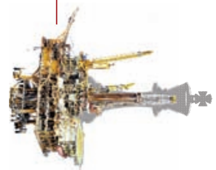
| Name of joint venture | Principal activity | Place of incorporation and principal place of business | Proportion of ownership interest/ voting rights held by the Company | |
|---|---|---|---|---|
| | | | As at March 31, 2020 | As at March 31, 2019 |
| Aavantika Gas Ltd. (through HPCL) | Distribution and marketing of CNG in the state of Madhya Pradesh. | India | 49.99% | 49.99% |
| Ratnagiri Refinery & Petrochemical Ltd. (through HPCL) | To set up a refinery and petrochemical complex of 60 MMTPA (Approx..) along the west coast of India in the State of Maharashtra | India | 25.00% | 25.00% |
| HPCL Shapoorji Energy Pvt. Ltd. (through HPCL) | To set up and operate an LNG Re-gasification Terminal at the greenfield port at Chhara (Gujarat) | India | 50.00% | 50.00% |
| Mumbai Aviation Fuel Farm Facility Pvt Ltd. (through HPCL) | To design, develop, construct and operate the aviation fuel facility at Chhatrapati Shivaji International Airport, Mumbai | India | 25.00% | 25.00% |
| HPOIL Gas Pvt Ltd (through HPCL) | To develop City Gas Distribution network in Ambala and Kurukshetra in the state of Haryana and Kolhapur in the state of Maharashtra. | India | 50.00% | 50.00% |
| IHB Pvt Ltd (through HPCL) | To set-up LPG pipeline between Kandla-Gorakhpur | India | 25.00% | - |

**a) Summarized financial information of Group's Joint Ventures:**

Summarized financial information in respect of each of the Group's joint venture is set out below. The summarized financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purpose.

**( ₹ in million)**

| Particulars | MSEZ | | OPaL | | IGGL | |
|---|---|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Non-current assets | 14,671.76 | 14,678.60 | 290,096.52 | 284,017.32 | 194.19 | 9.56 |
| Current assets | 2,280.05 | 2,504.97 | 23,660.57 | 20,914.46 | 341.12 | 203.80 |
| Non-current liabilities | 15,068.24 | 15,186.56 | 191,518.42 | 179,240.87 | 12.21 | - |
| Current liabilities | 1,443.98 | 1,240.45 | 74,520.87 | 58,922.85 | 97.43 | 84.59 |
| The above amounts of assets and liabilities includes the following: | | | | | | |
| Cash and cash equivalents | 53.15 | 180.16 | 168.25 | 154.50 | 136.61 | 41.63 |
| Current financials liabilities (Excluding trade payables and provisions) | 806.29 | 611.05 | 66,151.34 | 48,663.20 | 72.44 | 67.47 |
| Non-current financials liabilities (Excluding trade payables and provisions) | 5,586.22 | 5,506.29 | 191,518.42 | 179,240.87 | 7.90 | - |



( ₹ in million)

| Particulars | MSEZ | | OPaL | | IGGL | |
|---|---|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Revenue | 1,740.65 | 2,068.09 | 101,828.69 | 97,387.20 | 16.85 | - |
| Profit or (loss) from continuing operations | (316.34) | 24.12 | (20,896.82) | (14,203.00) | (53.10) | (121.22) |
| Post-tax profit (loss) from discontinued operations | - | - | - | - | - | - |
| Other comprehensive income | (0.62) | (0.21) | (20.39) | 6.65 | - | - |
| Total comprehensive income | (316.96) | 23.91 | (20,917.21) | (14,196.35) | (53.10) | (121.22) |
| The above profit (loss) for the year include the following: | | | | | | |
| Depreciation and amortisation | 439.10 | 449.74 | 12,453.77 | 11,987.06 | 5.80 | 0.01 |
| Interest income | 14.33 | 16.30 | 44.76 | 115.49 | 16.79 | 5.77 |
| Interest expense | 506.74 | 473.62 | 20,575.36 | 18,409.76 | 1.57 | - |
| Income tax expense or income | 17.72 | (14.31) | (9,659.89) | (7,520.62) | (18.66) | - |

**Reconciliation of the above summarized financial information to the carrying amount of the interest in JVs recognized in the consolidated financial statements:**

( ₹ in million)

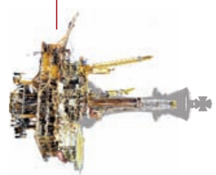
| Particulars | MSEZ | | OPaL | | IGGL | |
|---|---|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Net assets of the joint venture | | | 47,717.80 | 66,768.06 | 425.67 | 128.78 |
| Equity Portion of Compulsorily convertible debentures | 439.59 | 756.56 | (73,628.74) | (65,550.31) | - | - |
| Net assets of the joint venture attributable to group | - | - | (25,910.94) | 1,217.75 | 425.67 | 128.78 |
| Proportion of the Group's ownership interest in JVs (%) | 439.59 | 756.56 | 49.36% | 49.36% | 20.00% | 20.00% |
| Proportion of the Group's ownership interest in JVs (INR) | 26.86% | 26.86% | (12,789.07) | 601.06 | 85.13 | 25.76 |
| Add: Additional subscription of share warrant | 118.09 | 203.23 | 12,630.41 | 12,630.41 | - | - |
| Add: Adjustment for restriction of loss | - | - | 1,212.97 | - | - | - |
| Less: Unrealised profit | - | - | (1,054.31) | (2,021.34) | - | - |
| **Group's share in net assets of the joint venture** | **118.09** | **203.23** | **-** | **11,210.13** | **85.13** | **25.76** |
| **Carrying amount of the Group's interest in JVs** | **118.09** | **203.23** | **-** | **11,210.13** | **85.13** | **25.76** |

(₹ in million)

| Particulars | DSL | | OTPC | | OTBL | |
|---|---|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Non-current assets | 6,203.99 | 6,898.15 | 28,786.77 | 31,307.01 | 23.29 | 22.49 |
| current assets | 3,110.43 | 3,302.94 | 5,281.96 | 5,730.08 | 655.26 | 598.25 |
| Non-current liabilities | 6,752.39 | 6,682.75 | 17,772.55 | 19,447.97 | 1.62 | 1.18 |
| Current liabilities | 701.57 | 1,173.76 | 3,518.14 | 4,299.90 | 52.30 | 69.89 |
| **The above amounts of assets and liabilities includes the following:** | | | | | | |
| Cash and cash equivalents | 23.30 | 2,531.38 | 45.78 | 1.72 | 5.45 | 2.70 |
| Current financials liabilities (Excluding trade payables and provisions) | 484.19 | 483.54 | 2,967.77 | 3,751.38 | - | - |
| Non-current financials liabilities (Excluding trade payables and provisions) | - | - | 16,693.94 | 18,370.45 | - | - |

(₹ in million)

| Particulars | DSL | | OTPC | | OTBL | |
|---|---|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Revenue | 649.44 | 578.03 | 12,483.33 | 14,099.74 | 223.99 | 215.60 |
| Profit or (loss) from continuing operations | 461.06 | 327.66 | 704.88 | 2,139.38 | 75.10 | 66.59 |
| Post-tax profit (loss) from discontinued operations | - | - | - | - | - | - |
| Other comprehensive income | - | - | (0.87) | 0.44 | (0.14) | (0.02) |
| Total comprehensive income | 461.06 | 327.66 | 704.01 | 2,139.82 | 74.96 | 66.57 |
| The above profit (loss) for the year include the following: | | | | | | |
| Depreciation and amortisation | 168.35 | 178.56 | 1,967.35 | 1,949.22 | 0.53 | 0.55 |
| Interest income | 196.08 | 180.56 | 177.84 | 207.08 | 37.67 | 27.97 |
| Interest expense | 47.12 | 43.07 | 1,595.24 | 1,733.15 | - | - |
| Income tax expense or income | 70.99 | 101.41 | 317.41 | 393.86 | 26.82 | 27.24 |



**Reconciliation of the above summarised financial information to the carrying amount of the interest in JVs recognized in the consolidated financial statements:**

( ₹ in million)

| Particulars | DSL | | OTPC | | OTBL | |
|---|---|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Net assets of the joint venture | 1,860.46 | 2,344.58 | 12,778.04 | 13,289.22 | 624.63 | 549.67 |
| Proportion of the Group's ownership interest in JVs (%) | 50.00% | 50.00% | 50.00% | 50.00% | 49.98% | 49.98% |
| Proportion of the Group's ownership interest in JVs (INR) | 930.23 | 1,172.29 | 6,389.02 | 6,644.61 | 312.19 | 274.73 |
| Add: Additional advance against equity | | | | | | |
| Group's share in net assets of the joint venture | 930.23 | 1,172.29 | 6,389.02 | 6,644.61 | 312.19 | 274.73 |
| Carrying amount of the Group's interest in JVs | 930.23 | 1,172.29 | 6,389.02 | 6,644.61 | 312.19 | 274.73 |

**b) Summarized financial information of Group's associates:**

Summarized financial information in respect of each of the Group's associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purpose.

(₹ in million)

| Particulars | PLL | | PHL | | RHL | |
|---|---|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Non-current assets | 117,739.44 | 92,875.41 | 7,965.04 | 8,773.94 | - | - |
| current assets | 71,471.86 | 59,618.00 | 5,316.15 | 5,530.27 | 0.11 | - |
| Non-current liabilities | 53,838.01 | 25,344.00 | 1,565.95 | 2,363.93 | - | - |
| Current liabilities | 23,560.92 | 24,843.61 | 1,774.30 | 1,518.96 | 0.01 | - |

| Particulars | PLL | | PHL | | RHL | |
|---|---|---|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Revenue | 355,619.96 | 383,954.30 | 3,483.02 | 3,804.08 | - | - |
| Profit or (loss) from continuing operations | 27,609.13 | 22,305.60 | (545.39) | (724.17) | - | - |
| Post-tax profit (loss) from discontinued operations | - | - | - | - | - | - |
| Other comprehensive income | (0.80) | (20.30) | - | - | - | - |
| Total comprehensive income | 27,608.33 | 22,285.30 | (545.39) | (724.17) | - | - |

**Reconciliation of the above summarised financial information to the carrying amount of the interest in associates recognized in the consolidated financial statements:**

(₹ in million)

| Particulars | PLL | | PHL | | RHL | |
|---|---|---|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| Net assets of the associates | 111,812.37 | 102,305.80 | 9,940.94 | 10,421.32 | 0.10 | - |
| Proportion of the Group's ownership interest in associates (%) | 12.50% | 12.50% | 49.00% | 49.00% | 48.99% | - |
| Proportion of the Group's ownership interest in associates (INR) | 13,976.55 | 12,788.23 | 4,871.06 | 5,106.45 | 0.05 | - |
| Group's share in net assets of the associates | 13,976.55 | 12,788.23 | 4,871.06 | 5,106.45 | 0.05 | - |
| Carrying amount of the Group's interest in associates | 13,976.55 | 12,788.23 | 4,871.06 | 5,106.45 | 0.05 | - |

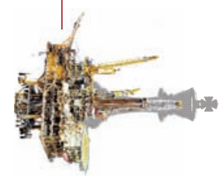
**c) Details of financial position of subsidiary company, MRPL's Joint ventures:**

(₹ in million)

| Particulars (As at March 31, 2020) | Current Assets | Non-Current Assets | Current Liabilities | Non-Current Liabilities | Total Revenue | Profit or Loss from continuing operations | Profit or Loss from discontinued operations | Other Comprehensive Income | Total Comprehensive Income |
|---|---|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 2,405.41 | 98.63 | 1,921.35 | 9.12 | 8,307.54 | 15.19 | - | (0.43) | 14.76 |
| **Total** | **2,405.41** | **98.63** | **1,921.35** | **9.12** | **8,307.54** | **15.19** | **-** | **(0.43)** | **14.76** |

(₹ in million)

| Particulars (As at March 31,2019) | Current Assets | Non-Current Assets | Current Liabilities | Non-Current Liabilities | Total Revenue | Profit or Loss from continuing operations | Profit or Loss from discontinued operations | Other Comprehensive Income | Total Comprehensive Income |
|---|---|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 3,083.44 | 96.06 | 2,602.38 | 3.36 | 7,277.44 | 15.94 | - | (0.48) | 15.46 |
| **Total** | **3,083.44** | **96.06** | **2,602.38** | **3.36** | **7,277.44** | **15.94** | **-** | **(0.48)** | **15.46** |



**d) Additional Financial information related to Joint venture are as under:**

(₹ in million)

| Particulars (As at March 31, 2020) | Cash and Cash Equivalents | Current Financial Liabilities | Non-Current Financial Liabilities | Depreciation and Amortisation | Interest Income | Interest Expense | Income Tax Expense or Income |
|---|---|---|---|---|---|---|---|
| Shell MRPL Aviation Fuels and Services Limited | 533.12 | 1,836.11 | 9.12 | 15.31 | 41.50 | 12.04 | 1.60 |
| **Total** | **533.12** | **1,836.11** | **9.12** | **15.31** | **41.50** | **12.04** | **1.60** |
| **Particulars (As at March 31, 2019)** | **Cash and Cash Equivalents** | **Current Financial Liabilities** | **Non-Current Financial Liabilities** | **Depreciation and Amortisation** | **Interest Income** | **Interest Expense** | **Income Tax Expense or Income** |
| Shell MRPL Aviation Fuels and Services Limited | 203.48 | 2487.63 | - | 11.36 | 43.99 | 13.68 | 14.06 |
| **Total** | **203.48** | **2487.63** | **-** | **11.36** | **43.99** | **13.68** | **14.06** |

View of C2-C3 plant at Dahej. ONGC produced 3.55 MMT of Value Added Products in FY'20

**e) Details of financial position of subsidiary company OVL's Joint ventures and associates:**

( ₹ in million)

| (i) Mansarovar Energy Colombia Limited | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-current assets | 27,888.57 | 38,685.43 |
| Current assets | 9,038.65 | 10,465.89 |
| Non-current liabilities | 7,681.82 | 9,061.84 |
| Current liabilities | 3,778.58 | 4,818.14 |
| **The above amounts of assets and liabilities includes the following:** | | |
| Cash and cash equivalents | 4,178.25 | 3,314.42 |
| Current financials liabilities (Excluding trade payables and provisions) | 1,693.46 | 1,741.05 |
| Non-current financials liabilities (Excluding trade payables and provisions) | 7,280.80 | 8,823.09 |
| **Mansarovar Energy Colombia Limited** | **For the year ended March 31, 2020** | **For the year ended March 31, 2019** |
| Revenue | 18,982.02 | 21,973.55 |
| Profit or loss from continuing operations | 1,292.76 | 1,399.42 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 1,292.76 | 1,399.42 |
| Dividends received from the joint venture during the year | 4,786.76 | 5,140.85 |
| **The above profit (loss) for the year include the following:** | | |
| Depreciation and amortisation | 7,420.24 | 8,304.20 |
| Interest income | 666.94 | 757.70 |
| Interest expense | 6.52 | 5.96 |
| Income tax expense (income) | (316.90) | 2,969.48 |
| **(ii) JSC Vankorneft** | **As at March 31, 2020** | **As at March 31, 2019** |
| Non-current assets | 185,943.15 | 1,98,485.03 |
| Current assets | 103,294.60 | 1,78,293.68 |
| Non-current liabilities | 29,442.67 | 25,728.81 |
| Current liabilities | 29,319.88 | 48,440.23 |
| **The above amounts of assets and liabilities includes the following:** | | |
| Cash and cash equivalents | 0.37 | 0.40 |
| Current financials liabilities (Excluding trade payables and provisions) | 15,739.44 | 15,042.24 |
| Non-current financials liabilities (Excluding trade payables and provisions) | 29,442.67 | 25,688.17 |
| **JSC Vankorneft** | **For the year ended March 31, 2020** | **For the year ended March 31, 2019** |
| Revenue | 386,151.77 | 4,79,998.26 |
| Profit or loss from continuing operations | 50,852.38 | 74,913.22 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 50,852.38 | 74,913.22 |
| Dividends received from the associate during the year | 3,956.60 | 20,082.46 |
| **The above profit (loss) for the year include the following:** | | |
| Depreciation and amortisation | 11,080.68 | 40,153.89 |
| Interest income | - | 4,991.48 |
| Interest expense | (342.15) | - |
| Income tax expense (income) | 12,515.63 | 22,894.47 |

| Petrolera Indovenezolana SA | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-current assets | 31,801.35 | 31,493.35 |
| Current assets | 266,115.06 | 2,39,015.19 |
| Non-current liabilities | 3,468.45 | 3,127.42 |
| Current liabilities | 210,892.52 | 1,92,892.31 |
| **The above amounts of assets and liabilities includes the following:** | | |
| Cash and cash equivalents | 167.99 | 176.63 |
| Current financials liabilities (Excluding trade payables and provisions) | 26,262.02 | 24,870.66 |
| Non-current financials liabilities (Excluding trade payables and provisions) | 3,468.45 | 1,976.30 |
| **Petrolera Indovenezolana SA** | **For the year ended March 31, 2020** | **For the year ended March 31, 2019** |
| Revenue | 8,494.76 | 18,056.16 |
| Profit or loss from continuing operations | (583.92) | 13,714.75 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | (583.92) | 13,714.75 |
| Dividends received from the associate during the year | - | - |
| **The above profit (loss) for the year include the following:** | | |
| Depreciation and amortisation | 1,869.45 | 5,061.68 |
| Interest income | 0.01 | 0.01 |
| Interest expense | - | - |
| Income tax expense (income) | 1,286.75 | (2,476.72) |
| **(iv) Tamba BV** | **As at March 31, 2020** | **As at March 31, 2019** |
| Non-current assets | 16,925.11 | 19,112.06 |
| Current assets | 9,219.20 | 10,581.45 |
| Non-current liabilities | 4,850.65 | 5,666.15 |
| Current liabilities | 4,227.79 | 6,408.98 |
| **The above amounts of assets and liabilities includes the following:** | | |
| Cash and cash equivalents | 3,296.06 | 4,728.36 |
| Current financials liabilities (Excluding trade payables and provisions) | 2,085.44 | 1,851.09 |
| Non-current financials liabilities (Excluding trade payables and provisions) | 4,850.65 | 5,666.15 |
| **Tamba BV** | **For the year ended March 31, 2020** | **For the year ended March 31, 2019** |
| Revenue | 3,464.77 | 11,722.22 |
| Profit or loss from continuing operations | 3,654.53 | 8,716.37 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 3,654.53 | 8,716.37 |
| Dividends received from the associate during the year | 5,673.20 | 18,526.71 |
| **The above profit (loss) for the year include the following:** | | |
| Depreciation and amortisation | - | - |
| Interest income | 3,464.77 | 11,722.22 |
| Interest expense | 653.84 | 844.81 |
| Income tax expense (income) | 859.49 | 2,457.41 |

f) Details of financial position of subsidiary company HPCL's Joint ventures:

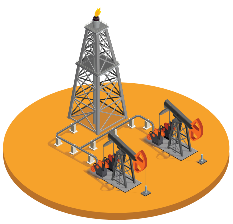
( ₹ in million)

| Particulars | HMEL | |
|---|---|---|
| | 31.03.2020 | 31.03.2019 |
| **Assets:** | | |
| **Non-Current Assets** | 397,908.80 | 318,962.80 |
| **Current Assets** | | |
| Cash and Cash equivalents | 16,813.00 | 1,476.00 |
| Other Current Assets (excluding cash and cash equivalents) | 73,299.30 | 96,925.60 |
| **Total (A)** | **488,021.10** | **417,364.40** |
| **Liabilities:** | | |
| **Non-Current Liabilities** | | |
| Non-Current Financial Liabilities (excluding Trade / Other Payables and Provisions) | 279,907.00 | 211,722.14 |
| Other Non-Current Liabilities | 29,118.70 | 7,989.26 |
| Current Liabilities | | |
| Current Financial Liabilities (excluding Trade / Other Payables and Provisions) | 22,921.00 | 27,019.91 |
| Other Current Liabilities | 57,096.60 | 65,461.90 |
| **Total (B)** | **389,043.30** | **312,193.21** |
| **Net Assets included in Financial Statement of Joint Venture / Associate** | **98,977.70** | **105,171.19** |
| Ownership Interest | 48.99% | 48.99% |
| **Carrying amount of Interest in Joint Venture/Associate** | **48,491.60** | **51,526.01** |
| Quoted Market Value of Shares | N.A. | N.A. |

| Other Information: | 2019-20 | 2018-19 |
|---|---|---|
| Revenue | 580,052.90 | 623,780.31 |
| Dividend Income | - | - |
| Interest Income | 540.00 | 88.00 |
| Interest Expenses | 13,051.00 | 13,399.00 |
| Depreciation | 11,316.70 | 12,110.00 |
| Income tax expenses | (3,619.00) | 4,558.94 |
| Profit / Loss for the year | (1,482.90) | 14,245.83 |
| Other Comprehensive Income (Net of Tax) | (3,478.10) | (49.00) |
| Total Comprehensive Income for the year | (4,961.00) | 14,196.83 |

**Details of all individually immaterial equity accounted investees of subsidary company HPCL:**

| Particulars | Other immaterial Joint Ventures | | Other immaterial Associates | |
|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| Carrying amount of Investment in equity accounted investees | 27,456.10 | 17,881.52 | 1,474.80 | 912.37 |
| Group's Share of Profit or Loss from Continuing Operations | 1,891.10 | 1,759.22 | (87.20) | (29.50) |
| Group's share in other comprehensive income | (0.70) | 1.38 | (0.50) | (0.08) |
| Group's share in Total Comprehensive Income | 1,890.40 | 1,760.60 | (87.70) | (29.58) |



**14.2 Other Investments**

**(i) Investment in other Equity Instruments**

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. (in million) | Amount | No. (in million) | Amount |
| **A. Financial assets measured at FVTOCI** | | | | |
| (a) Indian Oil Corporation Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share) | 1,337.22 | 109,183.62 | 1,337.22 | 217,765.50 |
| (b) GAIL(India) Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share)(Refer note no. 14.2.4) | 217.81 | 16,673.43 | 108.91 | 37,860.99 |
| (c) Oil India Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share) | 26.75 | 2,212.27 | 26.75 | 4,958.21 |
| (d) Scooters India Limited (Quoted – Fully paid up) (Face Value ₹ 10 per share) | 0.01 | 0.16 | 0.01 | 0.33 |
| **B. Financial assets measured at FVTPL** | | | | |
| (a) Petroleum India International (Association of Persons) (Contribution towards Seed Capital) | | - | | 0.50 |
| (b) Oil Spill Response Limited (Unquoted – Fully paid up) (Face Value ₹ 10 per share)(refer note no. 14.2.1) | 0.00 | 0.01 | 0.00 | 0.01 |
| (c) Planys Technologies Private Limited (Unquoted– Fully paid up) (Face Value ₹ 10 per share)(Refer note 14.2.2) | - | 0.32 | - | 0.32 |
| (d) String Bio Private Limited (Unquoted – Fully paid up) (Face Value ₹ 10 per share)(Note no. 14.2.3) | 0.00 | - | 0.00 | - |
| (e) Woodlands Multispeciality Hospital Limited (Unquoted – Fully paid up) (Face Value ₹ 10 per share) | 0.00 | 0.02 | 0.00 | 0.02 |
| (f) Mangalam Retail Services Limited (Unquoted– Fully paid up) (Face Value ₹ 10 per share) | 0.02 | 0.28 | 0.02 | 0.28 |
| (g) Shushrusha Citizen Co-operative Hospital Limited (Unquoted – Fully paid up) (Face Value ₹ 100 per share) | 0.00 | 0.01 | 0.00 | 0.01 |
| **Total Investment in other equity instruments** | | **128,070.12** | | **260,586.17** |

**14.2.1** 100 Equity Shares of Oil Spill Response Limited valued at GBP one each at the time of issuance. Total value in ₹ at the time of issuance of shares was ₹ 6,885/-, further 200 equity shares have also been allotted to the Company without any consideration thereby the Company holds total 300 equity shares.

**14.2.2** During the year 2017-18, the Company has subscribed 10 nos. equity shares of Planys Technologies Private Limited a startup Company, having face value ₹ 10 per share at a premium of ₹ 25,430/- per share. The equity shares have been fair valued in 2017-18 at the rate ₹ 32,450.55 per equity share.

**14.2.3** During the year 2018-19, the company has subscribed 1 no. equity shares of String Bio Private Limited a startup Company, having face value ₹ 10 per share at a premium of ₹ 267.30/- per share.

**14.2.4** During the year Company has received 108,905,462 nos. equity shares from GAIL (India) Limited as bonus shares in the ratio of 1:1.

**(ii) Investment in securities**

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. (in million) | Amount | No. (in million) | Amount |
| **A. Financial assets carried at amortized cost** | | | | |
| **(a) Investment in Government securities** | | | | |
| -8.40% Oil Co. GOI Special Bonds 2025 (Unquoted – Fully paid up) | 0.20 | 1,975.08 | 0.20 | 1,975.08 |
| **B. Financial assets measured at FVTPL** | | | | |
| (a) Investment in mutual funds | | | | |
| - For site restoration fund | | 30,228.72 | | 25,082.71 |
| **Total Investment in Securities** | | **32,203.80** | | **27,057.79** |
| Aggregate carrying value of unquoted investments | | 32,203.80 | | 27,057.79 |
| Aggregate amount of impairment in value of investments | | - | | - |

**14.2.5** In respect of subsidiary OVL, The investments for site restoration in respect of Sakhalin-1, Russia are invested by J P Morgan Chase Bank N.A., the Foreign Party Administrator (FPA) in accordance with the portfolio investment guidelines provided under the Sakhalin-1 Decommissioning funding agreement entered into between the FPA and the foreign parties to the Consortium in accordance with the related production sharing agreement (PSA). The proceeds from the investment will be utilized for decommissioning liability to the Russian State as per the PSA.

**(iii) Investment in Compulsory Convertible Preference Share**

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. (in million) | Amount | No. (in million) | Amount |
| **A. Financial assets measured at FVTPL** | | | | |
| (a) Planys Technologies Private Limited (Unquoted– Fully paid up) (Face Value ₹ 1500 per share)(Note no. 14.2.6) | - | 50.69 | - | 50.69 |
| (b) String Bio Private Limited (Unquoted – Fully paid up) (Face Value ₹ 10 per share)(Note no.14.2.7) | 0.16 | 45.00 | 0.16 | 45.00 |
| (c) Chakar Innovation Pvt. Ltd. (Unquoted – Fully paid up) (Face Value ₹ 100 per share)(Note no.14.2.8) | - | 30.00 | - | - |
| (d) Logicladder Technologies Pvt. Ltd. (Unquoted – Fully paid up) (Face Value ₹ 100 per share)(Note no.14.2.9) | 0.02 | 50.00 | - | - |

( ₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. (in million) | Amount | No. (in million) | Amount |
| (e) Sagar Defence Engineering Pvt. Ltd. (Unquoted – Fully paid up) (Face Value ₹ 10 per share)(Note no.14.2.10) | 0.01 | 45.00 | - | - |
| (f) Investments in Start - Ups(Note no. 14.2.11) | | 86.79 | - | 21.03 |
| **Total Investment in Preference Share** | | 307.48 | | 116.72 |
| Aggregate carrying value of unquoted investments | | 307.48 | | 116.72 |
| Aggregate market value of unquoted investments | | - | | - |

**14.2.6** During the year 2018-19, the Company has subscribed for additional 1179 nos. Compulsorily Convertible Preference Shares (CCPS) of Planys Technologies Private Limited (PTPL), a startup Company, having face value of ₹ 1,500 per share at a premium of ₹ 23,940/- per share. The total number of CCPS subscribed by the company as at March 31, 2019 is 1562 CCPS. The CCPS have been fair valued during the year at the rate ₹ 32,450.55 per CCPS. The total investment as at March 31, 2019 is ₹ 50.69 million.

The CCPS are compulsorily convertible into equity shares upon the expiry of 19 years from the date of issue. The Company may, at any time, prior to the expiry of 19 years from the date of issue, irrespective of either the Qualified IPO or Exit takes place or not, issue a notice to the PTPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, PTPL shall issue one Equity Share) (“Conversion Ratio”) at a pre-money valuation of ₹ 360 million subject to anti-dilution protection and upon receipt of such notice, PTPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion Ratio without the need to receive any further consideration therefor.

The CCPS bears a cumulative dividend, at the fixed rate of 0.0001% or dividend that would have been payable in a financial year on Equity Shares that the holders of CCPS would have been entitled to on as-if-converted basis i.e. Equity Shares arising from conversion of CCPS, whichever is higher. The dividend amount on as-if-converted basis shall be payable to holders of CCPS only if dividend has been declared on Equity Shares.

**14.2.7** During the year 2018-19, the Company has subscribed 162,275 nos. Compulsorily Convertible Preference Shares (CCPS) of String Bio Private Limited (SBPL), a startup Company, having face value of ₹ 10 per share at a premium of ₹ 267.30/- per share. The CCPS are compulsorily convertible into equity shares upon the expiry of 20 years from the date of issue. The Company may, at any time, prior to the expiry of 20 years from the date of issue, issue a notice to the SBPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, SBPL shall issue one Equity Share) (“Conversion Ratio”) subject to anti-dilution protection and upon receipt of such notice, SBPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion Ratio without the need to receive any further consideration therefor.

The CCPS bears a dividend, at the fixed rate of 0.001% of original issue price per CCPS on a cumulative basis compounded annually. In addition if a dividend is declared or paid on Equity Shares, an additional dividend shall be declared or paid with respect that the holders of CCPS.

**14.2.8** During the year, the Company has subscribed 888 nos. Compulsorily Convertible Preference Shares (CCPS) of Chakr Innovation Private Limited (CIPL) a startup Company, having face value of ₹ 100 per share at a premium of ₹ 33,683.78 per share. The CCPS are compulsorily convertible into equity shares upon the expiry of 20 years from the date of issue, a notice to the CIPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, CIPL shall issue one Equity Share) ("Conversion Ratio") subject to anti-dilution protection and upon receipt of such notice, CIPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion ratio without the need to receive any further consideration therefor. The CCPS bears a dividend, at the cumulative coupon rate of 0.001%.

**14.2.9** During the year, the Company has subscribed 19,149 nos Compulsorily Convertible Preference Shares (CCPS) of Logicladder Technologies Pvt. Ltd. (LTPL) a startup Company, having face value of ₹ 100 per share at a premium of ₹ 2,511/- per share. The CCPS are compulsorily convertible into equity shares upon the expiry of 20 years from the date of issue a notice to the LTPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, LTPL shall issue one Equity Share) ("Conversion Ratio") subject to anti-dilution protection and upon receipt of such notice, LTPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion Ratio without the need to receive any further consideration therefor.

The CCPS bears a dividend, at the fixed rate of 0.01% of original issue price per CCPS on a cumulative basis compounded annually. In addition if a dividend is declared or paid on Equity Shares, an additional dividend shall be declared or paid with respect that the holders of CCPS.

**14.2.10** During the year, the Company has subscribed 12,658 nos Compulsorily Convertible Preference Shares (CCPS) of Sagar Defence Engineering Pvt. Ltd. (SDEPL) a startup Company, having face value of ₹ 10 per share at a premium of ₹ 3,545/- per share. The CCPS are compulsorily convertible into equity shares upon the expiry of 20 years from the date of issue, a notice to the SDEPL for conversion of any CCPS into Equity Shares on 1:1 basis (i.e. for one CCPS, SDEPL shall issue one Equity Share) ("Conversion Ratio") subject to anti-dilution protection and upon receipt of such notice, SDEPL shall be under an obligation to convert such CCPS to the Equity Shares in accordance with the conversion Ratio without the need to receive any further consideration therefor.

The CCPS bears a dividend, at the fixed rate of 0.01% of original issue price per CCPS on a cumulative basis compounded annually. In addition if a dividend is declared or paid on Equity Shares, an additional dividend shall be declared or paid with respect that the holders of CCPS.

**14.2.11** In respect of subsidiary HPCL, in view that the start-up are in the stage of their development and are mostly in traction and refinement stages, the carrying value of these start-ups is considered as a reasonable approximation of their fair value.

**14.2.12 Disclosure on carrying value and market value of investment**

**( ₹ in million)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Aggregate carrying value of quoted investments | 142,046.03 | 273,373.26 |
| Aggregate carrying value of unquoted investments | 310,908.12 | 344,878.26 |
| Aggregate market value of quoted investments | 165,513.56 | 307,753.02 |
| Aggregate amount of impairment in value of investments | (6,223.91) | (1,729.56) |

## 15 Trade receivables

( ₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| (a) Considered good - Secured | - | 1,543.82 | - | 3,745.27 |
| (b) Considered good - Unsecured | - | 89,013.36 | - | 148,055.54 |
| (c) Having significant increase in credit risk | 23,740.97 | 1,176.89 | 20,572.16 | 2,163.74 |
| (d) Trade Receivables - Credit Impaired | 8,160.60 | 4,601.69 | 7,252.35 | 4,409.95 |
| Less: Impairment for doubtful receivables | 8,160.60 | 4,601.69 | 7,252.35 | 4,409.95 |
| **Total** | **23,740.97** | **91,734.07** | **20,572.16** | **153,964.55** |

**15.1** In respect of the Company,the Company generally enters into long-term crude oil and gas sales arrangement with its customers. The normal credit period on sales of crude, gas and value added products is 7 - 30 days. No interest is charged during this credit period. Thereafter,interest on delayed payments is charged at SBI Base rate plus 4% - 6% per annum compounded each quarter on the outstanding balance. Out of the gross trade receivables as at March 31, 2020, an amount of ₹ 39,268.01 million (as at March 31, 2019 ₹ 72,589.33 million) is due from Oil and Gas Marketing companies, the Company's largest customers. There are no other customers who represent more than 5% of total balance of trade receivables. Accordingly, the Company assesses impairment loss on dues from Oil Marketing Companies on facts and circumstances relevant to each transaction.

The Company has concentration of credit risk due to the fact that the Company has significant receivables from Oil and Gas Marketing Companies (refer note no, 50.3.2 &51.4). However, these companies are reputed and creditworthy public sector undertakings (PSUs).

**15.2** In respect of subsidiary OVL, the company generally enters into Crude oil sales contracts with reputed Oil Marketing Companies (OMCs) / International Oil Companies (IOCs)/ National Oil Companies (NOCs) on the basis of tendering process for each of its cargo's. However, the Company has also entered into some long-term sales arrangement with International Oil Companies (IOCs) / National Oil Companies (NOCs) for Crude oil sales and domestic supply of Natural Gas.The company has concentration of credit risk due to the fact that the company has significant receivables from Oil Marketing Companies and International Oil Companies (IOCs). However these are reputed National Oil Companies (NOCs).

**15.3** In respect of subsidiary OVL,the trade receivables breakup between customers having outstanding more than 5% and other customers is-

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Customers with outstanding balance of more than 5% of Trade receivables | 38,761.08 | 41,110.08 |
| Other customers | 1,274.79 | 425.64 |
| **Total** | **40,035.87** | **41,535.72** |

**15.4** In respect of subsidiary OVL, during the year, trade receivables in respect of Sudan amounting to ₹ 31,748.82 million has been assessed for lifetime expected credit loss method and a charge of ₹ 236.04 million has been made. The total outstanding provision against these receivables stands at ₹ 8,007.85 million.

**15.5** In respect of subsidiary MRPL, the Company generally enters into long-term sales arrangement with

Oil Marketing Companies for domestic sales besides export of products through term contracts and spot international tenders and supplies to SEZ customers. The average credit period on sales ranges from 7 to 45 days (Year ended March 31, 2019 ranges from 7 to 45 days). Interest is not charged on trade receivables for the applicable credit period from the date of invoice. For delayed period of payments, interest is charged as per respective arrangements, which is upto 2% per annum (Year ended March 31, 2019 upto 3% per annum) over the applicable bank rate on the outstanding balance.

15.6 Above includes ₹ 243.54million (as at March 31, 2019 of ₹ 2,142.00 million) backed by bank guaranteesand letter of credit received from customers in case of MRPL.

15.7 Subsidiary Company OMPL does export sales through short-term tender arrangements and also through B2B arrangements. Company does domestic sales through long term sales arrangement with Holding Company and short term arrangement with others. The average credit period ranges from 7 to 30 days (Year ended March 31, 2019 ranges from 7 to 15 days). Interest is not charged on trade receivables for the applicable credit period from the date of invoice. For delayed period of payments, interest is charged as per respective arrangements.

**15.8 Movement of Impairment for doubtful receivables**

**( ₹ in million)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Balance at beginning of the year | 11,662.30 | 7,296.36 |
| Addition in expected credit loss allowance | 522.89 | 5,807.74 |
| Write back during the year | (100.96) | (1,447.53) |
| Reclassification/Other Adjustments | 678.06 | 5.73 |
| **Balance at end of the year** | **12,762.29** | **11,662.30** |

15.8.1 Group's subsidiary OVL has determined its functional currency as US$. Adjustments includes net effect of exchange differences of ₹ 678.06 million for the year ended March 31, 2020 (for the year ended March 31, 2019 ₹ 5.73 million) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency "₹ ". Refer note 3.21 and 5.1 (a).

## 16. Loans

**( ₹ in million)**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| **(Unsecured, Considered Good unless otherwise Stated)** | | | | |
| **A. Deposits** | | | | |
| With Customs/Port Trusts etc. | - | - | - | - |
| Others | | | | |
| - Considered Good | 3,401.08 | 1,379.03 | 2,860.03 | 2,667.94 |
| - Credit Impaired | 14.42 | - | 14.51 | - |
| Less: Impairment for doubtful deposits | 14.42 | - | 14.51 | - |
| **Total** | **3,401.08** | **1,379.03** | **2,860.03** | **2,667.94** |
| **B. Loans to Related Parties** | | | | |
| - Considered Good | 4,892.65 | 2,389.34 | 5,492.99 | 2,190.86 |
| - Credit Impaired | 66.80 | - | 61.25 | - |
| Less: Impairment for doubtful loans | 66.80 | - | 61.25 | - |
| **Total** | **4,892.65** | **2,389.34** | **5,492.99** | **2,190.86** |
| **C. Loans to Public Sector Undertakings** | | | | |
| - Considered Good | - | - | - | - |

( ₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| - Credit Impaired | 170.50 | - | 170.50 | - |
| Less: Impairment for doubtful loans | 170.50 | - | 170.50 | - |
| **Total** | **-** | **-** | **-** | **-** |
| D. Loans to Employees (Refer note 16.1) | | | | |
| - Secured and Considered Good | 14,575.22 | 2,679.10 | 11,917.07 | 2,642.40 |
| - Unsecured and Considered Good | 122.06 | 1,727.04 | 1,099.88 | 1,331.81 |
| - Credit Impaired | - | 10.37 | - | 12.23 |
| Less: Impairment for doubtful loans | - | 10.37 | - | 12.23 |
| **Total** | **14,697.28** | **4,406.14** | **13,016.95** | **3,974.21** |
| E. Loans to Others | | | | |
| - Considered Good | 9,119.12 | 3,628.83 | 6,923.96 | 7,929.37 |
| - Having significant increase in credit risk | 1,535.43 | 614.17 | 625.35 | 750.42 |
| - Credit Impaired | 133.44 | 173.38 | 19.98 | 143.98 |
| Less: Impairment for doubtful loans | 1,624.30 | 769.72 | 435.04 | 642.05 |
| **Total** | **9,163.69** | **3,646.66** | **7,134.25** | **8,181.72** |
| **Total Loans** | **32,154.70** | **11,821.17** | **28,504.22** | **17,014.73** |

**16.1** Loans to employees include an amount of ₹ 8.35 million (as at March 31, 2019 ₹ 10.93 million) outstanding from Key Managerial Personnel.

**16.2** In respect of subsidiary HPCL, Non current loan includes Loan to Pradhan Mantri Ujjwala Yojana (PMUY) customers amounting to ₹ 10,271.00 million (as at March 31, 2019: ₹ 7,089.50 million) before impairment and provision towards the same amounting to ₹ 1,624.30 million (as at March 31, 2019: ₹ 435.00 million). Similarly, Current loan includes Loan given to Pradhan Mantri Ujjwala Yojana (PMUY) consumers of ₹ 4,108.40 million (as at March 31, 2019: ₹ 8,507.40 million) before impairment and provision towards the same amounting to ₹ 649.70 million (as at March 31, 2019: ₹ 522.00 million).

**16.3** In respect of subsidiary MRPL, Company has policy of providing financial assistance to Schedule Caste / Schedule Tribe category dealers for Retail Outlets under the Corpus Fund Scheme (CFS). Under this scheme upon written request seeking working capital loan / assistance by dealer, the company provides working capital loan for a full cycle of operation (equivalent to seven days sales volume) of the dealer. This working capital loan as well as the interest at the specified rate thereon will be recovered in hundred equal monthly installments from the thirteenth month of commissioning of the dealer operated Retail Outlet.

**16.4** In respect of subsidiary PMHBL, Security Deposits of amounting to ₹ 5.30 million given towards rental of Head office & Guest house premises are regrouped for previous year from current to Non-Current as amount is expected to be recovered more than 12 month from balance sheet date.

**16.5 Movement of Impairment**

( ₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Balance at beginning of the year | 1,335.58 | 198.06 |
| Recognized during the year | 1,323.19 | 1,138.71 |
| Reversed during the year | (2.58) | (1.19) |
| Reclassification/Other Adjustments | (0.08) | - |
| **Balance at end of the year** | **2,656.11** | **1,335.58** |

## 17 Deposits under Site Restoration Fund

( ₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Deposit under site restoration fund scheme | 222,836.06 | 181,884.30 |
| **Total** | **222,836.06** | **181,884.30** |

**17.1** The above amount has been deposited with banks under section 33ABA of the Income Tax Act, 1961 and can be withdrawn only for the purposes specified in the Scheme i.e. towards removal of equipment's and installations in a manner agreed with Central Government pursuant to an abandonment plan. This amount is considered as restricted cash and hence not considered as 'Cash and cash equivalents'.

**17.2** Includes ₹ 2,402.18 million (Previous year Nil) towards Tapti A Facilities and ₹ 42,506.87 million (Previous year Nil) towards Panna Mukta Fields (refer note no. 6.2, 7.3.4 and 32.5).

**17.3** In respect of subsidiary OVL, Deposit for site restoration (decommissioning) in respect of Block 06.1, Vietnam is made in a separate bank account maintained for funding of decommissioning in accordance with the decision of the Government of Vietnam dated March 21, 2007 and Agreement dated December 10, 2014 for decommissioning fund security between Vietnam Oil and Gas Group, TNK Vietnam B.V. and ONGC Videsh Limited.

## 18 Finance lease receivables

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Finance lease receivables (Refer note 18.2) | | |
| Unsecured, Considered Doubtful | 5,641.71 | 5,219.59 |
| Less: Impairment for uncollectible lease payments (Refer note 18.1) | 5,641.71 | 5,219.59 |
| | - | - |

**18.1** Movement of Impairment for doubtful finance lease receivables

( ₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Balance at beginning of the year | 5,219.59 | 4,840.47 |
| Recognized during the year | (47.68) | 59.89 |
| Effect of exchange differences (Refer note 18.1.1) | 469.80 | 319.23 |
| **Balance at end of the year** | **5,641.71** | **5,219.59** |

**18.1.1** Group's subsidiary OVL has determined its functional currency as US$. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency (₹ ). Refer note 3.21 and 5.1 (a).

**18.2** The subsidiary company OVLhad completed the 12" X 741 Kms multi-product pipeline from Khartoum refinery to Port Sudan for the Ministry of Energy and Mining of the Government of Sudan (GOS) on Build, Own, Lease and Transfer (BOLT) basis and handed over the same for operation to GOS during the financial year 2005-06. The project was implemented in consortium with Oil India Limited, Company's share being 90%. Non-current finance lease amount shows the non-receipted lease payments against which 100% allowance has been recognized.

## 19 Financial assets - Others

( ₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| **A. Derivative asset (Refer note 19.5.1)** | 44.44 | 297.71 | 113.10 | 1,244.99 |
| **B. Interest accrued on loans to employees** | | | | |
| Secured considered good | 198.57 | 3.04 | - | 1.72 |
| Unsecured - considered good | - | - | 135.04 | - |
| | **198.57** | **3.04** | **135.04** | **1.72** |
| **C. Interest Accrued on deposits and loans** | | | | |
| - Considered Good | - | 2,402.78 | - | 1,325.05 |
| - Credit Impaired (Refer Note 19.6) | 22.87 | - | 22.87 | - |
| Less: Impairment for doubtful interest accrued | 22.87 | - | 22.87 | - |
| Interest accrued on | | | | |
| Deposit under site restoration fund | - | 0.61 | - | 0.56 |
| Others | | 1.84 | | 3.86 |
| | **-** | **2,405.23** | **-** | **1,329.47** |
| **D. Cash Call Receivable from JV Partners** | | | | |
| - Considered Good (Refer Note 19.4) | - | 7,789.13 | - | 12,011.28 |
| - Credit Impaired | 5,696.71 | 214.56 | 3,865.09 | 0.69 |
| Less: Impairment for doubtful claims / advances | 5,696.71 | 214.56 | 3,865.09 | 0.69 |
| | **-** | **7,789.13** | **-** | **12,011.28** |
| **E. Advance Recoverable in cash** | | | | |
| - Considered Good (Refer Note 19.1) | 6,721.37 | 24,120.47 | 7,726.64 | 38,817.01 |
| - Credit Impaired (Refer Note 19.2 & 19.3) | 267.45 | 21,225.89 | 411.16 | 17,428.17 |
| Less: Impairment for doubtful claims / advances | 267.45 | 21,225.89 | 411.16 | 17,428.17 |
| | **6,721.37** | **24,120.47** | **7,726.64** | **38,817.01** |
| **F. Deposit with Banks** | 3,084.36 | 39,361.42 | 721.72 | 11,083.98 |
| **G. Receivable from Operators** | - | 740.13 | - | 579.16 |
| Less: Impairment for doubtful claims / advances | - | 4.88 | - | 78.87 |
| | **-** | **735.25** | **-** | **500.29** |
| **H. Receivables from Govt of India towards Pradhan Mantri Ujjwala Yojana (PMUY)** | - | 3,713.48 | - | 10,709.23 |
| Less: Impairment for doubtful claims / advances | - | - | - | 642.92 |
| | **-** | **3,713.48** | **-** | **10,066.31** |
| **I. Receivables from Govt of India towards Direct Benefit Transfer of LPG (DBTL)** | - | 55,763.50 | - | 70,496.28 |
| **J. Others** | | | | |
| - Considered Good | 31,172.68 | 20,997.54 | 28,578.13 | 23,736.30 |
| - Credit Impaired | - | 1,332.68 | - | 1,306.86 |
| Less: Impairment for doubtful claims / advances | - | 1,332.68 | - | 1,306.86 |
| | **31,172.68** | **20,997.54** | **28,578.13** | **23,736.30** |
| **Total Other financial assets** | **41,221.42** | **155,186.77** | **37,274.63** | **169,287.63** |

**19.1** In respect of the Company, during the financial year 2010-11, the Oil Marketing Companies, nominees of the Government of India (GoI) recovered US$ 32.07 million (equivalent to ₹ 2,420.64 million) Company's share 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 the Director General of Hydrocarbons (DGH) under the two PSCs for the period 2002-03 to 2005-06 in respect of cost and profit petroleum share payable to GoI. BG Exploration and Production India Limited (BGEPIL) along with Reliance Industries Limited (RIL) ("Claimants") have served a notice of arbitration on the GoI in respect of dispute, differences and claims arisen in connection with the terms of Panna, Mukta and Tapti PSCs. Since the Company is not a party to the arbitration proceedings, it had requested Ministry of Petroleum and Natural Gas (MoP&NG), GoI that in case of an arbitral award, the same be made applicable to the Company also, as a constituent of contractor for both the PSCs. Subsequently, vide letter dated July 4, 2011 MoP&NG has advised the Company not to participate in the arbitration initiated by RIL and BGEPIL under Panna Mukta and Tapti PSCs. 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. A Final Partial Award (FPA) was pronounced by the Tribunal in the arbitration matter between RIL, BGEPIL and Union of India.

RIL and BGEPIL the Joint Operating partners have challenged the FPA before the English Commercial Court. Pending final quantification of liabilities by the Arbitration Tribunal and decision of English Commercial Court, the same has been shown as Receivable from GoI under 'Advance Recoverable in Cash'. (Figures in ₹ are restated).

**19.2** In Ravva Joint Operation,.In Ravva Joint Operation, the demand towards additional profit petroleum raised by Government of India (GoI), due to differences in interpretation of the provisions of the Production Sharing Contract (PSC) in respect of computation of Post Tax Rate of Return (PTRR), based on the decision of the Malaysian High Court setting aside an earlierarbitral tribunal award in favor of operator, was disputed by the operator Vedanta Limited (erstwhile Cairn India Limited). The Company is not a party to the dispute but has agreed to abide by the decision applicable to the operator. The Company is carrying an amount of US$ 167.84 million (equivalent to ₹ 12,668.92 million) after adjustments for interest and exchange rate fluctuations which has been recovered by GoI, this includes interest amounting to US$ 54.88 million (₹ 4,142.34 million). The Company has made impairment provision towards this recovery made by the GoI.

In subsequent legal proceedings, the Appellate Authority of the Honorable Malaysian High Court of Kuala Lumpur had set aside the decision of the Malaysian High Court and the earlier decision of arbitral tribunal in favour of operator was restored, against which the GoI has preferred an appeal before the Federal Court of Malaysia. The Federal Court of Malaysia, vide its order dated October 11, 2011, has dismissed the said appeal of the GoI.

The Company has taken up the matter regarding refund of the recoveries made in view of the favorable judgment of the Federal Court of Malaysia with Ministry of Petroleum and Natural Gas (MoP&NG), GoI. However, according to a communication dated January 13, 2012, MoP&NG expressed the view that the Company's proposal would be examined when the issue of carry in Ravva PSC is decided in its entirety by the Government along with other partners.

In view of the perceived uncertainties in obtaining the refund at this stage, the impairment made in the books as above has been retained and netted off against the amount recoverable as above in the

Financial Statements for the year ending March 31, 2020. (Figures in ₹ are restated).

**19.3** The Ravva PSC stipulates Base Development Cost of Ravva JV to be at US$ 188.98 million with a cap of 5% increase. Accordingly the development cost stated in the PSC is US$ 198.43 million. However, actual cost incurred by JV is more than amount stipulated in the PSC. Director General of Hydrocarbons did not approve the increase in base development cost for cost recovery and demanded additional profit petroleum vide letter dated August 8, 2006 from the contractor / JV for an amount of US$ 166 million as short paid on account of cost recovery of Development cost in excess of Base Development Cost.

In August 2008 three JV partners excluding ONGC had invoked arbitration against Government of India (GoI) on the issue. The contention of claim as operator was that it should be allowed 100% Cost recovery of the Base Development cost. The issue was argued at various levels including court of Appeals and Malaysian Federal Court. The decision of court was in favour of JV partners. After Federal court of Malaysia decision, the case was filed with Delhi High court for enforcement of award in India. Delhi High Court vide order datedFebruary 19, 2020 allowed enforcement of the Arbitration Award including declaratory relief. GoI has filed an SLP in Honorable Supreme Court of India against the said order and the matter pending with Honorable Supreme Court of India.

Ministry of Petroleum and Natural Gas (MoPNG), GoI vide letter dated October 10, 2018 issued a recovery notice to Oil Marketing companies (OMCs) for US$ 52 million plus applicable interest towards short payment of Government share of Profit Petroleum on account of dispute of Cost recovery of Base Development costfrom the payments made to the Company towards the sales proceeds of Crude Oil and Natural Gas. During the year OMCs deducted and deposited the sales proceeds of Crude Oil and Natural Gas to MoPNG and the entire amount of US$ 83 million ($ 52 million along with interest of $31 million) (` 6264.84 million) has been recovered. In view of the uncertainties in obtaining the refund at this stage, provision has been created against the said receivables from OMC's.

**19.4** Farm Out Agreements (FOA) was signed between the Company and Petrobras International Braspetro B.V (PIB- BV) for the 3 Blocks KG-DWN – 98/2 (15% PI); MN-DWN-98/3 (40% PI) & CY- DWN-2001/1(25% PI) in India effective from June 04, 2007. The conditions precedents were satisfied in the Blocks. Government of India approval for assignment of PI to PIB-BV was granted in the year 2008-09 in respect of Blocks KG-DWN-98/2, CY-DWN-2001/1 and MN-DWN-98/3. Subsequently, PIB-BV separately notified its intention to withdraw from KG-DWN-98/2 and MN-DWN-98/3. PIB-BV resolved the issues with the Company and re-assigned its Participating Interest (PI) to ONGC in KG-DWN-98/2.

However, PIB-BV's attempted withdrawal in respect of MN-DWN-98/3 Block could not materialise, due to unresolved issues with PIB-BV in respect of Interim Period costs and pending cash calls in the Block. As regards CY-DWN-2001/1 Block, cash calls were also not paid by PIB-BV.

The Company invoked Arbitration against Petrobras Petroleo Brasileiro S.A (Petrobras) and PIB-BV in respect of outstanding dues in the Blocks MN-DWN-98/3 and CY-DWN-2001/1. London Court of International Arbitration (LCIA) passed the First Partial Award on 6th March, 2017, whereby it was held that Petrobras is neither a party to the FOA nor to the arbitration agreement contained in Article 10.2 thereof; hence the Tribunal opined that it lacks substantive jurisdiction over Petrobras. Accordingly, it was decided to accept the First Partial Award and persue the arbitration against PIB-BV only. The Company made a total claim of US$ 60.57 million (Block MN-DWN-98/3 – US$ 46.84 million & Block CY-DWN-2001/1 – US$ 13.73 million). LCIA in its Final Award of December 26, 2018 passed order in favour of the Company for US$ 46.84 million in respect of block MN-DWN-98/3 and US$ 4.13 million in respect of block CY-DWN-2001/1 along with interest till the date of payment at the Reference Interest Rate specified in Article 1.12 of the FOA. Consequently provision against cash call amounting to ₹ 3,207.62 million was written back during the Previous year. An amount of US$ 54.20 million (Equivalent ₹ 3,722.23 million) has been remitted to the Company by PIB-BV in April 2019.

**19.5 In case of subsidiary OVL,**

**19.5.1** ONGC Videsh has entered into options contract covering Euro 52.5 million (₹ 4,341.53 million) (in previous year covering Euro 35 million (₹ 2,721.51 million)) out of the principal amount of 2.75% Euro 525 million Bonds (₹ 43,415.34 million). There is MTM gain position of ₹ 44.44 million as on March 31, 2020 (MTM gain of ₹ 113.10 million as on March 31, 2019) for these options contracts.

ONGC Videsh Vankorneft Pte Ltd, a step-down subsidiary, has entered into options contract covering JPY 5.7 billion (₹ 3,979.91 million) (in previous period JPY 5.7 billion (₹ 3,559.32 million)) out of the principal amount of 38 Billion JPY Facility Agreement (₹ 26,532.72 million) for which the first tranche of Principal payment is to be made in April 2022. There is MTM gain position of ₹ 137.34 million as on March 31, 2020 (₹ 169.17 million as on March 31, 2019) for these options contracts.

**19.5.2** The Company has 25% participating interest (PI) in the Satpayev Exploration BlockKazakhstan. As per the carry agreement, the Company is financing the expenditure (25% own PI plus 75% PI of KMG) in the exploration blocks during the exploration and appraisal period. During the financial year 2018-19, the company has written off the carried interest in the block, as the amount is not recoverable.

**19.6 Movement of Impairment**

**( ₹ in million)**

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Balance at beginning of the year | **23,756.63** | **37,490.23** |
| Recognized during the year | 4,130.41 | 4,530.96 |
| Write back during the year | (67.02) | (14,960.24) |
| Other adjustments | 945.02 | (3,304.32) |
| **Balance at end of the year** | **28,765.04** | **23,756.63** |

**19.6.1** Group's subsidiary OVL has determined its functional currency as US$. Adjustments includes net effect of exchange differencesas at March 31, 2020of ₹ 15.24 million(as at March 31, 2019 ₹ 4024.43 million) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency (₹ ). Refer note 3.21 and 5.1 (a).

**19.7** Other financial assets include receivables of ONGC San Cristobal BV from its associate Petrolera Indovenezolana SA (PIVSA) on account of outstanding dividend as at March 31, 2020 is ₹ 31,159.50 million (as at March 31, 2019₹ 28,571.13 million). The underlying trade receivables in PIVSA books have been provided for as per lifetime expected credit loss method.

## 20 Other assets

( ₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| **A. Capital advances** | | | | |
| - Considered Good | 11,088.90 | - | 12,170.89 | - |
| - Credit Impaired | 25.44 | - | 25.44 | - |
| Less: Impairment (Refer Note 20.10) | 25.44 | - | 25.44 | - |
| | **11,088.90** | **-** | **12,170.89** | **-** |
| **B. Other receivables** | | | | |
| - Considered Good | 1.49 | - | 9.09 | - |
| - Credit Impaired | 469.45 | - | 416.31 | - |
| Less: Impairment | 469.45 | - | 416.31 | - |
| | **1.49** | **-** | **9.09** | **-** |
| **C. Deposits** | | | | |
| With Customs/Port Trusts etc. | 5,178.83 | 4,893.92 | 7,835.81 | 3,389.90 |
| Others | | | | |
| - Considered Good | 7,807.17 | 77,319.96 | 3,294.01 | 51,126.21 |
| - Credit Impaired | 1,528.68 | 680.53 | 1,252.71 | 260.37 |
| Less: Impairment | 1,528.68 | 680.53 | 1,252.71 | 260.37 |
| | **12,986.00** | **82,213.88** | **11,129.82** | **54,516.11** |
| **D. Advance recoverable** | | | | |
| - Considered Good | 686.65 | 17,959.95 | 258.22 | 13,422.50 |
| - Credit Impaired | 589.62 | 1,335.96 | 593.01 | 1,138.16 |
| Less: Impairment | 589.62 | 1,335.96 | 593.01 | 1,138.16 |
| | **686.65** | **17,959.95** | **258.22** | **13,422.50** |
| **E. Carried interest (Refer Note 20.1, 20.2 and 20.7)** | | | | |
| - Considered Good | 18,973.75 | - | 15,199.29 | - |
| - Credit Impaired | 227.83 | - | 193.59 | - |
| Less: Impairment | 227.83 | - | 193.59 | - |
| | **18,973.75** | **-** | **15,199.29** | **-** |
| **F. Prepaid Expenses** | | | | |
| Prepayments - Mobilisation Charges | - | 8.97 | 461.63 | 1,457.41 |
| Prepayments - Leasehold Land (Refer note 7.3.2) | 187.27 | 118.91 | 13,582.93 | 670.28 |
| Other prepaid expenses | 3,422.69 | 3,853.20 | 4,316.70 | 3,984.49 |
| Prepaid expenses for underlift quantity | - | 101.29 | - | 118.09 |
| | **3,609.96** | **4,082.37** | **18,361.26** | **6,230.27** |
| **G.Other Assets** | | | | |
| - Considered Good | 5.34 | 1,096.71 | 3.90 | 4,343.43 |
| - Credit Impaired | - | 41.39 | - | 41.39 |
| Less: Impairment | - | 41.39 | - | 41.39 |
| | 5.34 | 1,096.71 | 3.90 | 4,343.43 |
| **Total Other assets** | **47,352.09** | **105,352.91** | **57,132.47** | **78,512.31** |

**20.1** In respect of subsidiary OVL, the Company has participating interest (PI) in development project Area -1, Mozambique. As per the carry agreement, the Company is financing expenditure in the project for the national oil company ("carried interest"), which is shown under category Unsecured, Considered Good.

The Company also has participating interest (PI) in Blocks 5A South Sudan, SS-04 Bangladesh, SS-09 Bangladesh, EP-3 Myanmar and B-2 Myanmar. As per the carry agreements in respect of these exploratory blocks the carried interest during the exploratory period will be refunded in the event of commercial production from the project. The same is shown above as unsecured, considered as credit impaired.

20.2 In respect of subsidiary OVL, Impairment has been made towards the amount of carried interest as of March 31, 2020 is ₹ 227.83 million (as at March 31, 2019 ₹ 193.59 million) with respect to Blocks 5A South Sudan, Blocks SS-04 Bangladesh, SS-09 Bangladesh, EP-3 Myanmar and B-2 Myanmar being under exploration period, as there was no certainty of commercial discovery in the exploration stage.

20.3 In respect of subsidiary MRPL, An amount of ₹ 223.65 million paid during previous years as Capital Advance has now been reclassified as Right-of-Use Asset.

20.4 In respect of subsidiary MRPL, Deposits includes ₹ 2,125.25 million relating to appeal in the matter of classification of Reformate import pending before Hon'ble CESTAT wherein application for early out of turn hearing in the matter is also admitted by Hon'ble CESTAT during the year. The Company has considered it as current, as the same is expected to be settled within a year.

20.5 In respect of subsidiary MRPL, Deposits includes ₹ 2.31 million pre-deposit relating to Central Excise and Service Tax matters in appeal and submitted for closure under the "Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019" announced under "Finance Act 2019" which was effected from 1st September 2019 to 15th January 2020. Out of which ₹ 2.07 million had already been provided as liability and will be set-off against the pre- deposit, when the same will be approved by the Designated Authorities and discharge certificate is issued for the same as per the scheme. The balance ₹ 0.24 million (shown as contingent liability) will be charged to Statement of Profit and Loss once the matters submitted for closure are approved by the Designated Authorities and discharge certificate is issued for the same as per the scheme.

20.6 An amount of ₹ 1,338.78 million classified under Prepayments in previous year has now been reclassified as Right-of-Use Assets

20.7 Subsidiary OMPL - Mangalore SEZ Limited ('the Developer') is constructing the Corridor pipeline and allied facilities ('the Facilities'). The contribution paid by the Company for the said Facilities is shown under Prepayment of ROW Charges net of value amortized over the useful life of asset. The same has been reclassified as Right-of-Use Asset

20.8 In respect of subsidiary PMHBL, upon Payment of Allottment Consideration the Company has been given possession of land at 7 different locations. The Company is yet to enter into lease cum sale Agreement with KIADB for these lands. Hence the amount is not yet capitalised as freehold land.

20.9 In respect of subsidiary HPCL, deposits with Customs includes an amount of ₹ 805.60 million which has been carried in the books as receivable towards Custom Duty refund claims filed relating to the period 1992-1997. As per the assessment made by the management, the refund is legally tenable; management is continuing to pursue the matter with Authorities for early settlement of these claims.

20.10 Movement of Impairment

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Balance at beginning of the year | 3,920.98 | 3,702.19 |
| Recognized during the year | 1,008.86 | 477.82 |
| Write back during the year | (217.89) | (268.88) |
| Other adjustments | 186.95 | 9.85 |
| **Balance at end of the year** | **4,898.90** | **3,920.98** |

20.10.1 Group's subsidiary ONGC Videsh Limited has determined its functional currency as US$. Adjustments includes net effect of exchange differencesas at March 31, 2020of ₹ 18.55 million (as at March 31, 2019 ₹ 9.97 million) on account of translation of the consolidated financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency "₹ ". Refer note 3.21 and 5.1 (a).

## 21 Inventories (valued as per accounting policy no. 3.18)

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Raw Materials (Including Condensate)** | | |
| -on hand | 27,614.98 | 38,087.39 |
| -in Transit | 17,050.08 | 18,260.80 |
| | 44,665.06 | 56,348.19 |
| **Finished Goods (Including Carbon Credits) (Refer Note 21.1, 21.2, 21.3 and 64)** | **85,489.42** | **104,248.70** |
| Less : Impairment for Stock Loss | 5.91 | 5.91 |
| | 85,483.51 | 104,242.79 |
| **Traded Goods** | **87,555.60** | **86,980.10** |
| **Stores and spare parts (Refer note 34.1 & 64)** | | |
| -on hand | 98,609.75 | 86,028.86 |
| -in transit (including inter-project transfers) | 9,171.65 | 7,558.56 |
| Less: Impairment for non-moving items | 10,133.28 | 8,147.49 |
| | 97,648.12 | 85,439.93 |
| **Stock in process (Refer note 64)** | 14,587.04 | 17,922.58 |
| **Unservicable Items** | 572.70 | 407.07 |
| **Total** | **330,512.03** | **351,340.66** |

21.1 In respect of the company, this includes an amount of ₹ 5.50 million (as at March 31, 2019 ₹ 1.79 million) in respect of 330,484 nos. (Previous year 115,093 nos.) Carbon Credits which are valued at net realisable value. There are no CERs under certification. During the year ₹ 82.20 million (Previous year ₹ 98.62 million) and ₹ 32.12 million (Previous year ₹ 36.38 million) has been expensed towards Operating & maintenance cost and depreciation respectively for emission reduction equipment.

21.2 Inventory costing ₹ 6,581.24 million (as at March 31, 2019 ₹ 646.74 million) have been valued at net realisable value of ₹ 4,046.04 million (as at March 31, 2019 ₹ 181.23 million). Consequently, an amount of ₹ 2,535.45 million (as at march 31, 2019 ₹ 465.51 million) has been recognised as expense in the Statement of Profit and Loss under note no. 39.

21.3 COVID-19 outbreak was the condition existing on the reporting date March 31, 2020. Price realized of inventory post reporting period provides evidence of the Net realisable value of inventories at the end of the period. Accordingly, subsequent reduction in selling prices are considered in arriving at the net realisable value at the balance sheet date as condition of COVID-19 existed at the balance sheet date which has caused reduction in the selling prices, this has resulted in reduction in the value by ₹ 1,272.19 million.

21.4 In respect of subsidiary MRPL, The cost of inventories recognized as an expense includes ₹ 11,212.40 million (Previous Year ₹ 84.46 million) in respect of write down of inventories to net realisable value. There has been no reversal of such write down in current year and previous year. The outbreak of COVID-19 Pandemic globally and the nationwide lockdown from March 25, 2020 along with other normal factors has resulted in a steep fall in crude prices and lower product margins for the petroleum products and consequently the Company inventories held were written down to their net realisable value.

**21.5** In respect of subsidiary HPCL, the write-down including reversals, if any, of Inventories to net realisable value during the financial year amounted to ₹ 10,029.30 million (as at March 31, 2019: ₹ 790.50 million) for the Corporation. The write downs and reversal are included in cost of materials consumed, changes in Inventories of finished goods, stock-in-trade and work in progress. For the write down of inventories considered as exceptional items - refer Note 44.

**21.6** In respect of subsidiary OVL, In case of joint operators where the property in crude oil produced does not pass on upto a specific delivery point, the stock of crude oil till such delivery point is not recognized by the Company.

**21.7** In respect of subsidiary OVL, Stores and spares (net of provisions) includes ₹ 8,451.96 million (as at March 31, 2019 ₹ 8,980.75 million) which represents the company's share appearing in the books of Joint Operators.

## 22 Investments – Current

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Financial assets carried at fair value through profit or loss** | | |
| (a) Investments in GOI Bonds (Refer Note 22.1) | 53,448.62 | 50,837.67 |
| **Total** | **53,448.62** | **50,837.67** |

**22.1** In respect of Subsidiary HPCL 7.59 % G - Sec Bonds 2026 of ₹ 1,850million, 8.15 % G - Sec Bonds 2026 of ₹ 2,750million, 8.33 % G - Sec Bonds 2026 of ₹ 1,800million and 7.72 % G - Sec Bonds 2025 of ₹ 8,360million are pledged with Clearing Corporation of India Limited against Triparty Repo Dealing System Loan.

**22.2** **Disclosure towards Cost / Market Value**

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| (a) Aggregate amount of Quoted Investments (Market Value) | 53,448.62 | 50,837.67 |
| (b) Aggregate amount of Quoted Investments (Cost) | 52,672.57 | 52,672.57 |
| (c) Aggregate amount of Unquoted Investments (Cost) | - | - |

## 23 Cash and Cash Equivalents

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Balances with Banks | 16,912.03 | 13,567.82 |
| Cash on Hand | 27.49 | 99.33 |
| Bank Deposit with original maturity up to 3 month | 30,866.10 | 24,553.97 |
| **Total Cash and cash equivalents** | **47,805.62** | **38,221.12** |

**23.1** In respect of subsidiary OVL, cash on hand represents cash balances held by overseas branches in respective local currencies and includes ₹ 1.42million held by imprest holders (as at March 31, 2019 ₹ 1.19 million).

**23.2** In respect of subsidiaryOVL, the deposits maintained by the Company with banks comprise of short term deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

**23.3** In respect of subsidiary OVL, balances with bank includes amount held by overseas branches in Libya which are restricted for use as at 31 March 2020 ₹ 10.25 million (as at March 31, 2019 ₹ 9.40 million).

**23.4** In respect of subsidiary OVL, cash and cash equivalents include ₹ 5,927.26 million (as at March 31, 2019 ₹ 348.39 million) which represents the company's share appearing in the books of Joint Operators.

**23.5** In respect of subsidiary OVL, balance with bank includes remittances in transit which represent amounts transferred from the books of ONGC Videsh and not received by subsidiary's bank account as at year end. This amount was received by the subsidiary subsequent to the year end.

## 24 Other Bank Balances

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Bank deposits under lien for original maturity more than 3 months upto 12 months | 259.41 | 4,820.49 |
| Other bank deposits for original maturity more than 3 months upto 12 months (Refer Note 24.1) | 6,934.11 | 34.16 |
| Unclaimed dividend account (Refer Note 24.2) | 514.29 | 558.31 |
| Bank balance towards Dividend payment (Note no. 24.3) | 83.31 | 3,202.31 |
| Deposits in escrow account (Refer Note 24.4) | 1,444.20 | 1,360.18 |
| **Total Other bank balances** | **9,235.32** | **9,975.45** |

**24.1** The deposits maintained by the Group with banks comprise time deposit, which can be withdrawn by the Group at any point without prior notice or penalty on the principal. It includes ₹ 6,934.11 million (as at March 31, 2019: ₹ 34.16 million) Earmarked for project purposes/various authorities.

**24.2** Amount deposited in unclaimed dividend account is earmarked for payment of dividend and cannot be used for any other purpose. No amount is due for deposit in Investor Education and Protection Fund.

**24.3** The Company had declared an interim dividend of ₹ 5/- per equity share at its meeting held on March 16, 2020 with a record date March 24, 2020 for determining eligibility of shareholders for the payment of the said interim dividend. The interim dividend was paid w.e.f. March 24, 2020 onwards and balance amount of ₹ 83.31 million is lying in the bank account towards payment of this interim dividend as at March 31, 2020.

**24.4** Matter of Dispute on Delivery Point of Panna-Mukta gas between Government of India (GoI) and PMT JO Partners arose due to differing interpretation of relevant PSC clauses. According to the JO Partners, Delivery Point for Panna-Mukta gas is at Offshore, however, Ministry of Petroleum and Natural Gas (MoP&NG), GoI and GAIL (India) Limited (GAIL) maintained that the delivery point is onshore at Hazira. The gas produced from Panna-Mukta fields was transported through Company's pipelines. Owing to the delivery point dispute neither the seller (PMT JO) nor the buyer of gas (GAIL) was paying any compensation to the Company for usage of its pipeline for gas transportation.

Hon'ble Gujarat High Court decided that the Panna Mukta oil fields from where the movement of goods is occasioned fall within the customs frontiers of India. Consequently, the sale of goods cannot be said to have taken place in the course of import of goods into the territory of India. The state Government of Gujarat has filed a petition with the Hon'ble Supreme Court of India against the decision of Hon'ble Gujarat High Court.

Since the said matter of determination of delivery point is pending with the Hon'ble Supreme Court of India, the amount is maintained in the escrow accounts by the JO Partners.

## 25 Assets classified as held for sale

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| CWIP Asset - Hazira Dahej Naphtha Pipeline (HDNPL) (Refer note 25.1) | - | 1,154.40 |
| Other Assets | 141.34 | 124.26 |
| **Total Assets held for sale** | **141.34** | **1,278.66** |

**25.1** During the year, the Company has sold the CWIP Asset - Hazira Dahej Naphtha Pipeline (HDNPL) at a consideration of ₹ 1,154 million to ONGC Petro additions Limited (OPaL). Being sold at carrying value, there is no gain / loss on account of such assets held for sale.

**25.2** In respect of subsidiary PMHBL, company intends to dispose of surplus materials used for the pipeline laying project, it no longer utilizes in the next 12 months. These materials are located at various project sites and were purchased for use during construction of pipeline. Efforts are underway to dispose of the project surplus materials to Oil Companies. The Management of the Group expects that, the fair value (less cost to sell) is higher than the carrying amount.

## 26 Equity Share Capital

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Equity Share Capital | 62,901.54 | 62,901.54 |
| | **62,901.54** | **62,901.54** |
| **Authorised:** | | |
| 30,000,000,000 Equity Shares of ₹ 5 each | **150,000.00** | **150,000.00** |
| (as at March 31, 2019: 30,000,000,000 Equity Shares of ₹ 5 each) | | |
| **Issued and Subscribed:** | | |
| 12,580,317,150 Equity Shares of ₹ 5 each | **62,901.39** | **62,901.39** |
| (as at March 31, 2019: 12,580,317,150 Equity Shares of ₹ 5 each) | | |
| **Fully paid equity shares:** | | |
| 12,580,279,206 Equity Shares of ₹ 5 each | 62,901.39 | 62,901.39 |
| (as at March 31, 2019: 12,580,279,206 Equity Shares of ₹ 5 each) | | |
| Add: Shares forfeited (Refer note no. 26.6) | 0.15 | 0.15 |
| **Total** | **62,901.54** | **62,901.54** |

**26.1** **Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:**

( ₹ in million)

| Particulars | Number of shares in million | Amountt |
|---|---|---|
| **Balance at April 01, 2018** | **12,833.24** | **64,166.17** |
| Changes during the year - Buy Back of Equity Shares (Refer Note no. 26.4) | (252.96) | (1,264.78) |
| **Balance as at April 01, 2019** | **12,580.28** | **62,901.39** |
| Changes during the year | - | - |
| **Outstanding as at March 31, 2020** | **12,580.28** | **62,901.39** |

**26.2 Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**26.3** The Company had allotted 4,277,745,060 number of fully paid Bonus shares on December 18, 2016 in the ratio of one equity share of ₹ 5 each fully paid up for every two existing equity shares of ₹ 5 each fully paid up.

**26.4** The Board of Directors of the Company, at the 312th meeting held on December 20, 2018 approved the proposal for buy-back of equity shares of the Company upto 252,955,974 fully paid-up equity shares at the price of ₹ 159/- per equity share payable in cash for an aggregate consideration not exceeding ₹ 40,220 million. The buy-back offer worked out to 2.50% of the net-worth of the Company as on March 31, 2017 and 2.34% as on March 31, 2018. The Company has completed the buy-back of 252,955,974 fully paid-up equity shares on February 22, 2019.

Upon completion of the buy-back in 2018-19, the number of paid-up equity share capital of the Company stands reduced from 12,833,235,180 (₹ 64,166.17 million) to 12,580,279,206 (₹ 62,901.39 million).

**26.5 Details of shareholders holding more than 5% shares in the Company are as under:**

| Name of equity share holders | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | No. in million | % holding | No. in million | % holding |
| President of India | 7,599.61 | 60.41 | 8,082.69 | 64.25 |
| Life Insurance Corporation of India | 1,192.19 | 9.48 | 1,192.19 | 9.48 |
| Indian Oil Corporation Limited | 986.89 | 7.85 | 986.89 | 7.85 |

**26.6** 18,972 equity shares of ₹ 10 each (equivalent to 37,944 equity shares of ₹ 5 each) were forfeited in the year 2006-07 against which amount originally paid up was ₹ 0.15 million.

## 27 Other Equity excluding non-controlling interest

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Capital Redemption Reserves | 1,364.60 | 1,364.60 |
| Other Capital Reserve- Common Control | (354,420.79) | (353,907.90) |
| Capital reserves | 614.47 | 614.47 |
| Legal Reserve | 56,017.85 | 56,017.85 |
| Debenture Redemption Reserve | 65,686.61 | 65,841.53 |
| Exchange difference on translating the financial statements of foreign operations | 155,126.92 | 143,125.96 |
| Foreign Currency Monetary item Translation difference Account | - | (14.92) |
| Retained Earnings | 165,982.80 | 204,656.26 |
| General Reserve | 1,840,136.28 | 1,788,382.79 |
| Reserve for equity instruments through other comprehensive income | 77,221.27 | 200,362.32 |
| Cash Flow Hedge Reserve | (954.59) | 2.04 |
| **Total Other equity** | **2,006,775.42** | **2,106,445.00** |
| **A. Capital Redemption Reserves (Refer Note 27.5)** | | |
| Balance at beginning of year | 1,364.60 | 99.82 |
| Add: Transfer from General Reserve | - | 1,264.78 |
| **Balance at end of year** | **1,364.60** | **1,364.60** |

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **B. Capital reserves (Refer Note 27.1 & 27.9)** | | |
| Balance at beginning of year | 614.47 | 614.14 |
| Movements | - | 0.33 |
| **Balance at end of year** | **614.47** | **614.47** |
| **C. Legal Reserve** | | |
| Balance at beginning of year | 56,017.85 | 49,127.49 |
| Add: Transfer from retained earnings | - | 6,890.36 |
| **Balance at end of year** | **56,017.85** | **56,017.85** |
| **D. Debenture Redemption Reserve (Refer Note 27.10)** | | |
| Balance at beginning of year | 65,841.53 | 80,142.96 |
| Add: Transfer from retained earnings | 2,430.63 | 282.20 |
| Less: Transfer to general reserve | (2,585.55) | (14,583.63) |
| **Balance at end of year** | **65,686.61** | **65,841.53** |
| **E. Exchange difference on translating the financial statements of** foreign operations (Refer Note 27.12) | | |
| Balance at beginning of year | 143,125.96 | 133,294.32 |
| Add: Transfer | 12,000.96 | 9,831.64 |
| **Balance at end of year** | **155,126.92** | **143,125.96** |
| **F. Foreign Currency Monetary item Translation difference Account** | | |
| Balance at beginning of year | (14.92) | (3.31) |
| Add: Generated During the Year | (4.01) | (33.65) |
| Less: Amortization | 18.93 | 22.04 |
| Balance at end of year | **-** | **(14.92)** |
| **G. Retained Earnings** | | |
| Balance at beginning of year | 204,656.26 | 178,258.23 |
| **Add:** | | |
| Profit after tax for the year | 109,071.48 | 305,460.40 |
| Other comprehensive income net of income tax | (3,691.47) | (2,911.81) |
| Impact of CCD issued by JV- OPaL (refer note no. 27.6) | (3,065.85) | 1,517.58 |
| Investment in joint ventures & associates | (933.47) | (709.81) |
| **Less:** | | |
| Adjustments due to cross holding of Investment | 2,433.22 | (1,001.03) |
| Other Adjustments | (1,310.58) | 126.57 |
| Transition impact of Ind AS 115 (net of tax) | - | 419.94 |
| Expenses Related to Buy Back of Shares (Refer Note 27.5) | - | 75.11 |
| Payments of dividends (Refer Note 27.4) | 72,488.41 | 96,407.25 |
| Tax on Dividends | 13,808.60 | 19,153.23 |
| Transferred to general reserve | 50,216.26 | 154,592.32 |
| Transfer to Legal Reserve | - | 6,890.36 |
| Transfer from/to DRR | 2,418.24 | 294.58 |
| **Balance at end of year** | **165,982.80** | **204,656.26** |
| **H. General Reserve (Refer Note 27.3)** | | |
| Balance at beginning of year | 1,788,382.79 | 1,660,032.68 |
| Add: Transfer from retained earnings | 50,216.26 | 154,592.32 |
| Add: Transfer from DRR | 2,585.55 | 14,583.63 |
| Less: Bonus Shares issued | - | - |
| Less: Transfer to CRR | - | 1,264.78 |
| Less:Dividend declared | - | - |
| Less:Tax on dividend declared | 1,048.32 | 616.66 |

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Less: Utilised for buyback of shares (Refer note 27.5) | - | 38,955.22 |
| Less: Transfers/Additions Net | - | (10.82) |
| **Balance at end of year** | **1,840,136.28** | **1,788,382.79** |
| **I. Reserve for equity instruments through other comprehensive income** | | |
| **Balance at beginning of year** | **200,362.32** | **215,813.31** |
| Net fair value gain on investments in equity instruments at FVTOCI | (131,172.98) | (16,716.24) |
| Income tax on net fair value gain on investments in equity instruments at FVTOCI | 8,031.93 | 1,265.25 |
| **Balance at end of year** | **77,221.27** | **200,362.32** |
| **J. Other Capital Reserve- Common Control (Refer note 27.7)*** | | |
| Balance at beginning of year | (353,907.90) | (353,907.90) |
| Further acquisition of shares by Parent entity | (512.89) | - |
| **Balance at end of year** | **(354,420.79)** | **(353,907.90)** |
| **K. Cash Flow Hedge Reserve** | | |
| Balance at beginning of year | 2.04 | 1.91 |
| Add : Effective Portion of Gains/(loss) in a Cash Flow Hedge | (956.63) | 0.13 |
| **Balance at end of year** | **(954.59)** | **2.04** |
| **Total Other equity** | **2,006,775.42** | **2,106,445.00** |

* on account of subsidiaries under common control

**27.1** In respect of the Company, includes ₹ 159.44 million (previous year ₹ 159.44 million) as assessed value of assets received as gift.

**27.2** The Company has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income. The company transfers amounts from this reserve to retained earnings when the relevant equity securities are disposed off.

**27.3** The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another,it is not an item of other comprehensive income.

**27.4** The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and the dividend distribution policy of the Company.

On August 30, 2019, a final dividend of ₹ 0.75 per share (15%) for 2018-19 was declared, which have been paid to Shareholders / beneficial interest holders of fully paid equity shares.

On March 16, 2019, the Company had declared an interim dividend of ₹ 5.00 per share (100%) which have been paid / released to bank for payment.

**27.5** As per Companies Act, 2013, Capital Redemption Reserve is to be created when Company purchases (buy backs) it's own shares out of the free reserves for an amount equal to the nominal value of shares (Share Capital extinguished) so purchased. Accordingly, an amount of ₹ 1,264.78 million i.e. the Share Capital extinguished has been transferred from General Reserve to Capital Redemption Reserve

During the year 2018-19, an amount of ₹ 38,955.22 million from general reserve and ₹ 75.11 million from retained earnings was utilised to offset the excess of total buy-back cost of ₹ 40,295.11 million (including ₹ 75.11 million towards transaction cost of buy-back) over par value of shares.

**27.6** Represents the adjustment made on account of valuation of compulsorily convertible debentures issued by Joint Venture Company ONGC Petro additions Limited into debt and equity as per Ind AS 32 on Financial Instruments. Also refer note no. 14.1.11(a)

**27.7** Represents common control reserve on account of HPCL acquisition in the year 2017-18 and further acquition of shares of PMHBL during the year being an entity under common control (refer note 3.4)

**27.8** In respect of subsidiary, MRPL,the company created Capital Redemption Reserve on Redemption of Preference Share Capital of ₹ 91.86 Million in the financial years 2011-12 and 2012-13.

**27.9** In respect of subsidiary OVL,capital reserve is recognized by the Company in respect of gains on the sale of a part of the participating interest in respect of Block 06.1, Vietnam where the consideration received for partial farm out in unproved property was not higher than the total cost.

**27.10** In respect of subsidiary OVL, the Debentures Redemption Reserve position for above is as under:-

**(₹ in million)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Unsecured 8.54 % 10 Years Non-Convertible Redeemable Bonds in the nature of Debentures- Series II* | - | 2,585.55 |
| Unsecured 4.625% 10 year US$ Bonds - US$ 750 million | 12,299.86 | 12,299.86 |
| Unsecured 3.75% 10 year US$ Bonds - US$ 500 million | 12,153.02 | 12,153.02 |
| Unsecured 2.75% 7 year EUR Bonds - EUR 525 million | 12,946.68 | 12,946.68 |
| Unsecured 3.25% 5 year US$ Bonds - US$ 750 million | 24,606.46 | 24,606.46 |
| **Total** | **62,006.02** | **64,591.57** |

* Unsecured 8.54% 10 Years Non- Convertible Redeemable Bonds in the nature of Debenture - Series II - ₹ 3,700 Million repaid on January 6, 2020.

**27.11** In respect of subsidiary OVL,Debenture redemption reserve is created by the company out of the Retained earnings for the purpose of redemption of Debentures / Bonds when they are due for redemption. This reserve remains invested in the business activities of the company.

**27.12** Group's subsidiary ONGC Videsh Limited has determined its functional currency as US$. Above foreign exchange difference represents differences on account of translation of the consolidated financial statements of the ONGC Videsh Limited from US$ to Group's presentation currency "₹ ". Refer note 3.21 and 5.1 (a).

**27.13** In respect of subsidiary HPCL balance appearing in "Foreign Currency Monetary Item Translation Difference Account" represents exchange rate variation on loan taken for acquisition of non-depreciable assets, amortized over loan period.

## 28 Non-controlling interests

**(₹ in million)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Balance at beginning of year** | **181,062.10** | **156,059.97** |
| Share of profit for the year | 6,530.00 | 33,919.68 |
| Share of OCI | (3,233.54) | (434.29) |
| Dividend Paid to NCI | (7,348.34) | (7,741.08) |
| Dividend Tax | (1,510.48) | (1,591.20) |
| Others | 4,916.74 | 849.02 |
| Reduction in Non-controlling Interest due to acquisition by parent | (2,288.36) | - |
| **Balance at end of year** | **178,128.12** | **181,062.10** |

28.1 Details of non-wholly owned subsidiaries of the Group that have material non-controlling interest:

( ₹ in million )

| Name of subsidiary | Place of incorporation and principal place of business | Proportion of ownership interests and voting rights held by non-controlling interests | | Profit (Loss) allocated to non-controlling interests | | Accumulated non-controlling interests | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| HPCL | India | 48.89% | 48.89% | 12,900.77 | 32,710.51 | 146,300.68 | 141,698.80 |
| MRPL | India | 19.71% | 19.71% | (6,607.29) | 670.09 | 12,785.56 | 19,859.23 |
| PMHBL | India | 24.45% | 50.56% | 424.76 | 565.17 | 2,162.58 | 4,026.42 |
| Beas Rovuma Energy Mozambique Limited | Incorporated in British Virgin Island, operations in Mozambique | 40.00% | 40.00% | (2.30) | (3.86) | 15,821.74 | 14,505.88 |
| Individually immaterial subsidiaries with non-controlling interests | | | | | | 1,057.56 | 971.77 |
| **Total** | | | | | | **178,128.12** | **181,062.10** |

28.2 Summarised financial information in respect of each of the Group's subsidiaries that have material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations.

(₹ in million)

| 1. HPCL | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-current assets | 792,883.88 | 638,564.98 |
| Current assets | 376,178.29 | 434,899.42 |
| Non-current liabilities | 288,812.25 | 197,359.00 |
| Current liabilities | 570,443.65 | 572,099.03 |
| Equity attributable to owners of the Company | 163,505.59 | 162,307.57 |
| Non-controlling interests | 146,300.68 | 141,698.80 |

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Revenue | 2,894,236.65 | 2,986,754.02 |
| Expenses | 2,865,882.69 | 2,895,659.28 |
| Profit (loss) for the year | 26,387.34 | 66,906.34 |
| Profit (loss) attributable to owners of the Company | 13,486.57 | 34,195.83 |
| Profit (loss) attributable to the non-controlling interests | 12,900.77 | 32,710.51 |
| Profit (loss) for the year | 26,387.34 | 66,906.34 |

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Other comprehensive income attributable to owners of the Company | (3,362.12) | (442.64) |
| Other comprehensive income attributable to the non-controlling interests | (3,216.09) | (423.40) |
| Other comprehensive income for the year | (6,578.21) | (866.04) |
| Total comprehensive income attributable to owners of the Company | 10,124.45 | 33,753.19 |
| Total comprehensive income attributable to the non-controlling interests | 9,684.68 | 32,287.11 |
| Total comprehensive income for the year | 19,809.13 | 66,040.30 |
| Dividends paid to non-controlling interests | 7,002.97 | 6,704.97 |
| Net cash inflow (outflow) from operating activities | 54,999.70 | 85,578.04 |
| Net cash inflow (outflow) from investing activities | (141,986.39) | (113,855.16) |
| Net cash inflow (outflow) from financing activities | 84,519.73 | 25,982.10 |
| Net cash inflow (outflow) | (2,466.96) | (2,295.02) |

**(₹ in million)**

| 2. MRPL | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-current assets | 246,788.58 | 228,432.69 |
| Current assets | 59,630.46 | 99,229.87 |
| Non-current liabilities | 130,623.18 | 46,146.92 |
| Current liabilities | 104,958.27 | 179,056.51 |
| Equity attributable to owners of the Company | 58,052.03 | 82,599.90 |
| Non-controlling interests | 12,785.56 | 19,859.23 |

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Revenue | 600,620.15 | 738,531.11 |
| Expenses | 654,615.77 | 731,872.11 |
| Profit (loss) for the year | **(40,391.29)** | **3,512.61** |
| Profit (loss) attributable to owners of the Company | (33,784.00) | 2,842.52 |
| Profit (loss) attributable to the non-controlling interests | (6,607.29) | 670.09 |
| Profit (loss) for the year | **(40,391.29)** | **3,512.61** |
| Other comprehensive income attributable to owners of the Company | (71.46) | (49.18) |
| Other comprehensive income attributable to the non-controlling interests | (17.21) | (10.37) |
| Other comprehensive income for the year | (88.67) | (59.55) |
| Total comprehensive income attributable to owners of the Company | (33,855.46) | 2,793.34 |
| Total comprehensive income attributable to the non-controlling interests | (6,624.50) | 659.72 |
| Total comprehensive income for the year | (40,479.96) | 3,453.06 |
| Dividends paid to non-controlling interests | 345.37 | 1,036.11 |
| Net cash inflow (outflow) from operating activities | 13,301.70 | 16,403.63 |
| Net cash inflow (outflow) from investing activities | (14,486.54) | (10,801.14) |
| Net cash inflow (outflow) from financing activities | 1,156.11 | (9,959.45) |
| Net cash inflow (outflow) | (28.73) | (4,356.96) |

(₹ in million)

| 3. PMHBL | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-current assets | 4,763.66 | 2,249.04 |
| Current assets | 4,538.19 | 6,149.59 |
| Non-current liabilities | 323.83 | 172.86 |
| Current liabilities | 133.25 | 262.73 |
| Equity attributable to owners of the Company | 6,682.19 | 3,936.62 |
| Non-controlling interests | 2,162.58 | 4,026.42 |

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Revenue | 1,624.77 | 2,030.20 |
| Expenses | 432.41 | 443.97 |
| Profit (loss) for the year | **882.72** | **1,117.74** |
| Profit (loss) attributable to owners of the Company | 457.96 | 552.57 |
| Profit (loss) attributable to the non-controlling interests | 424.76 | 565.17 |
| Profit (loss) for the year | **882.72** | **1,117.74** |
| Other comprehensive income attributable to owners of the Company | (0.75) | (0.50) |
| Other comprehensive income attributable to the non-controlling interests | (0.24) | (0.51) |
| Other comprehensive income for the year | (0.99) | (1.01) |
| Total comprehensive income attributable to owners of the Company | 457.21 | 552.07 |
| Total comprehensive income attributable to the non-controlling interests | 424.52 | 564.67 |
| Total comprehensive income for the year | 881.73 | 1,116.74 |
| Dividends paid to non-controlling interests | - | - |
| Net cash inflow (outflow) from operating activities | (1,908.32) | 263.91 |
| Net cash inflow (outflow) from investing activities | 288.30 | 40.76 |
| Net cash inflow (outflow) from financing activities | (18.59) | - |
| Net cash inflow (outflow) | (1,638.61) | 304.67 |

(₹ in million)

| 4. Beas Rovuma Energy Mozambique Limited | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Non-current assets | 55,374.35 | 39,695.78 |
| Current assets | 1,385.38 | 1,224.06 |
| Non-current liabilities | - | - |
| Current liabilities | 2,374.52 | 481.44 |
| Equity attributable to owners of the Company | 32,631.13 | 24,263.04 |
| Non-controlling interests | 21,754.08 | 16,175.36 |

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Revenue | 9.60 | 15.42 |
| Expenses | 15.35 | 25.06 |
| Profit (loss) for the year | (5.75) | (9.64) |

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Profit (loss) attributable to owners of the Company | (3.45) | (5.78) |
| Profit (loss) attributable to the non-controlling interests | (2.30) | (3.86) |
| Profit (loss) for the year | (5.75) | (9.64) |
| Other comprehensive income attributable to owners of the Company | - | - |
| Other comprehensive income attributable to the non-controlling interests | - | - |
| Other comprehensive income for the year | - | - |
| Total comprehensive income attributable to owners of the Company | (3.45) | (5.78) |
| Total comprehensive income attributable to the non-controlling interests | (2.30) | (3.86) |
| Total comprehensive income for the year | (5.75) | (9.64) |
| Dividends paid to non-controlling interests | - | - |

**28.3** Represents exchange difference on account of translation of the consolidated financial statements of subsidiary OVL prepared in OVL's functional currency "United State Dollars" (US$) to presentation currency"` ". Refer note 3.21 and 5.1 (a).

## 29 Borrowings

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| **Secured - at amortised cost** | | | | |
| (i) Term Loans | | | | |
| From Banks | | | | |
| External Commercial Borrowings (ECB) (note 29.5) | 23,066.68 | - | 31,240.94 | - |
| Foreign Currency borrowing (FCTL) (note 29.6) | 27,182.19 | - | - | - |
| From Others | | | | |
| Oil Industry Development Board (OIDB) (note 29.7, 29.23) | 32,219.97 | - | 8,991.87 | - |
| Deferred payment liabilities : VAT Loan (note 29.11) | 360.78 | - | 225.56 | - |
| Others | 2,187.27 | 13,999.42 | 2,465.67 | 13,897.33 |
| (ii) Non Convertible Debentures | - | - | - | - |
| (iii) Working Capital Loan from Bank | - | 8,632.30 | - | 4,654.87 |
| (iv) Cash Credit from Bank | - | 31,168.95 | - | 28,641.78 |
| **Unsecured - at amortised cost** | | | | |
| (i) Term Loans | | | | |
| From Banks | | | | |
| Foreign currency Term Loans (note 29.1.1, 29.4, 29.12, 29.25) | 230,891.92 | 84,990.35 | 243,109.12 | 77,930.46 |
| Rupee Term Loans (note 29.13, 29.24) | - | 93,171.30 | 5,142.50 | 73,660.44 |
| From Related Party | 297.92 | - | 279.55 | - |
| From Others | | | | |
| Deferred Payment liabilities: CST | - | - | - | - |
| (ii) Working Capital Loan from Banks (note 29.1.2, 29.14, 29.16) | 30,025.03 | 44,030.51 | 68.52 | 167,411.20 |

( ₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| (iii) Foreign currency bonds (note 29.1.3, 29.2, 29.21) | 272,520.13 | - | 230,155.89 | 51,574.39 |
| (iv) Non Convertible Debentures (note 29.3, 29.10, 29.22) | 100,574.51 | - | - | 3,700.00 |
| (v) Compulsorily Convertible Debentures (note no 29.8) | 1,507.59 | 688.87 | - | - |
| (vi) Commercial Paper (Net of Discount) (note 29.1.4, 29.18) | - | 34,331.35 | - | 71,464.22 |
| (vii) Loan Repayable on demand | - | 4,732.16 | - | 370.00 |
| (viii) Bank Overdraft | - | - | - | 18.33 |
| **Total borrowings** | **720,833.99** | **315,745.21** | **521,679.62** | **493,323.02** |

**29.1 In respect of the Company:**

The Foreign Currency Term loans availed from banks to part finance the strategic acquisition of 51.11% shareholding in HPCL from Government of India were due for repayment in January, 2020. The outstanding loans amounting to US$ 1,126 million have been refinanced on three occasions by availing foreign currency term loans from banks/ institution during July 2019, December 2019 and January, 2020.

**The Borrowings have been taken on the following terms:**

29.1.1 Foreign Currency Term Loans (FCTL) / Foreign Currency Non-Resident (Bank) Loans (FCNR-B)

| Sl. No. | As at March 31, 2020 | | Terms of Repayment | Interest Rate |
|---|---|---|---|---|
| | Amount in million US$ | Amount in ₹ million | | |
| 1. | 450.00 | 33,965.97 | Upto December 26, 2020 | 1Month LIBOR + 1.00 % Payable monthly |
| 2. | 126.00 | 9,510.48 | Upto December 26, 2020 | 1Month LIBOR + 0.99 % Payable monthly |
| 3. | 250.00 | 18,869.91 | Upto December 29, 2020 | 1Month LIBOR + 0.99 % Payable monthly |
| 4. | 300.00 | 22,643.99 | Upto January 29, 2021 (with rollover due on July 30, 2020) | 1Month LIBOR + 0.90 % Payable monthly |
| **Total** | **1,126.00** | **84,990.35** | | |

**29.1.2 Line of Credit / Short term loan was availed from scheduled banks to meet the working capital requirement. The interest is benchmarked to Fixed Rate/ linked to T-bill/ MCLR. Details of Line of credit/Short Term Loan outstanding as on March 31, 2020 are as under:**

| Sl. No. | Amount in ₹ million as at March 31, 2020 | Rate of Interest | Effective rate |
|---|---|---|---|
| 1. | 10,000.00 | 5.87% p.a., payable monthly | 5.87% |
| 2. | 12,140.00 | 6.00% p.a., payable monthly | 6.00% |
| Total | 22,140.00 | | |

29.1.3 Details of Foreign Currency Bonds outstanding as on March 31, 2020 are as follows:

| Sl. No. | Date of Issue | Date of repayment | Amount in US$ million as at March 31, 2020 | Amount in ₹ million as at March 31, 2020 | Rate of interest % |
|---|---|---|---|---|---|
| 1. | December 05, 2019 | December 05, 2029 | 300.00 | 22,644.00 (Unamortised discount ₹ 193.03 million) | 3.375% payable half yearly |
| **Total** | | | | **22,644.00** | |

29.1.4 Details of Commercial Papers outstanding as on March 31, 2020 are as follows:

| Sl. No. | Date of Issue | Date of repayment | Amount in ₹ million as at March 31, 2020 | Rate of interest % |
|---|---|---|---|---|
| 1. | March 06, 2020 | June 02, 2020 | 10,000.00 (Unamortised discount ₹ 90.22 million) | 5.38% |
| **Total** | | | **10,000.00** | |

29.2 In respect of subsidiary OVL, details of Bonds (other than ₹ Currency)

| Particulars | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| (i) | US$ 750 million unsecured non-convertible Reg S Bonds | 56,165.20 | 51,499.65 |
| (ii) | US$ 500 million unsecured non-convertible Reg S Bonds | 37,701.10 | 34,569.33 |
| (iii) | EUR 525 million unsecured Euro Bonds | 43,156.87 | 40,579.62 |
| (iv) | US$ 750 million unsecured non-convertible Reg S Bonds | - | 51,574.39 |
| (v) | US$ 600 million unsecured non-convertible Reg S Bonds | 45,159.11 | 41,391.57 |
| (vi) | US$ 400 million unsecured non-convertible Reg S Bonds | 30,167.37 | 27,649.55 |
| **Total** | | **212,349.65** | **2,47,264.11** |

The terms of above bonds are mentioned below:

| Particulars | Listed in | Issue price | Denomination | Date of loan issued | Due date of maturities | Coupon |
|---|---|---|---|---|---|---|
| (i) US$ 600 million unsecured non-convertible Reg S Bonds | Singapore Exchange (SGX) | 99.810% | US$ 200,000 and integral multiples of US$ 1,000 in excess thereof. | 27-Jul-16 | 27-Jul-26 | 3.750%, payable semi-annually in arrears |
| (ii) US$ 750 million unsecured non-convertible Reg S Bonds | Singapore Exchange (SGX) | 99.454% | US$ 200,000 and integral multiples of US$ 1,000 in excess thereof. | 15-Jul-14 | 15-Jul-24 | 4.625%, payable semi-annually in arrears |
| (iii) US$ 500 million unsecured non-convertible Reg S Bonds | Singapore Exchange (SGX) | 99.950% | US$ 200,000 and integral multiples of US$ 1,000 in excess thereof. | 07-May-13 | 07-May-23 | 3.75%, payable semi-annually in arrears |
| (iv) US$ 400 million unsecured non-convertible Reg S Bonds | Singapore Exchange (SGX) | 100.000% | US$ 200,000 and integral multiples of US$ 1,000 in excess thereof. | 27-Jul-16 | 27-Jan-22 | 2.875%, payable semi-annually in arrears |

| Particulars | Listed in | Issue price | Denomination | Date of loan issued | Due date of maturities | Coupon |
|---|---|---|---|---|---|---|
| (v) EUR 525 million unsecured Euro Bonds | Frankfurt Stock Exchange | 99.623% | Euro 100,000 and multiples of Euro 1,000 thereafter. | 15-Jul-14 | 15-Jul-21 | 2.75%, payable annually in arrears |
| Repaid during the period | | | | | | |
| (vi) US$ 750 million unsecured non-convertible Reg S Bonds | Singapore Exchange (SGX) | 99.598% | US$ 200,000 and integral multiples of US$ 1,000 in excess thereof. | 15-Jul-14 | 15-Jul-19 | 3.25%, payable semi-annually in arrears |

There is no periodical put/ call option. The bonds are repayable in full (bullet repayment) on maturity date.

**29.3 In respect of subsidiary OVL, Non-convertible Redeemable Debenture (Rupee Bonds) The term of Non-Convertible Redeemable Debenture (Rupee Bonds) is given below:**

| Particulars | Date of Issue | Date of redemption | Coupon |
|---|---|---|---|
| Unsecured non-convertible redeemable bonds in the nature of Debentures- Series II of face value ₹ 1 million each ( ₹ 3,700 million) | January 6, 2010 | January 6, 2020 | 8.54%, payable annually in arrears |

The above bonds are listed in National Stock Exchange of India Ltd. (NSE). Further, the Company is required to maintain 100% asset cover as per Listing Agreement for Debt Securities. There is no periodical put/ call option. The unsecured 8.54% 10 Years Non- Convertible Redeemable Bonds in the nature of Debenture - Series II were repaid on January 6, 2020.

**29.4 In respect of subsidiary OVL, Term loan from banks**

**The term of term loan are given below:**

| Particulars | As at March 31, 2020 | As at March 31, 2019 | Date of Issue | Term of Repayment | Coupon |
|---|---|---|---|---|---|
| US$ 1,000 million Term loans (Refer note 29.5.1) | 74,649.72 | - | March 30, 2020 | Bullet repayment on March 30, 2025 | Libor + 0.95% payable quarterly/ half yearly |
| US$ 500 million Term loans (Refer note 29.5.2) | 37,475.82 | - | July 12, 2019 | Bullet repayment on July 12, 2024 | Libor + 1% payable quarterly/half yearly |
| US$ 775 million (Previous year US$ 1,775 million) Term loans (Refer note 29.5.1) | 57,757.71 | 121,295.20 | November 27, 2015 | Bullet repayment on November 27, 2020 | Libor + 0.95% payable quarterly |
| US$ 500 million Term loans (Refer note 29.5.3) | 14,755.24 | 20,263.64 | April 26, 2017 | In 5 equal instalments falling 15, 27, 39, 51 and 60 months from the drawdown date. | Libor + 0.76% payable quarterly |

| Particulars | As at March 31, 2020 | As at March 31, 2019 | Date of Issue | Term of Repayment | Coupon |
|---|---|---|---|---|---|
| JPY 38 billion Term loans (Refer note 29.5.3) | 26,348.16 | 23,516.12 | April 26, 2017 | In 3 equal instalments falling due at the end of Years 5, 6 and 7 from the drawdown date. | Libor + 0.47% payable quarterly |
| | **210,986.65** | **1,65,074.96** | | | |

**29.4.1** The above Term loan had been obtained from a syndicate of commercial banks to refinance the term loan taken to part finance acquisition of 10% stake in Area 1, Mozambique from Anadarko.

The company obtained a Term loan amounting to US$ 1,000 Million on March 30, 2020 from a syndicate of commercial banks to part refinance US$ 1,775 Million term loan. The proceeds of this loan were used to prepay the Term Loan amounting to US$ 1,000 million on March 30, 2020.

The Term loan is repayable in full (bullet repayment) on maturity date.

**29.4.2** The Term loan has been obtained from a syndicate of commercial banks to refinance the borrowings taken to part finance acquisition of 6% stake in Area 1, Mozambique from Videocon. The Term loan is repayable in full (bullet repayment) on maturity date.

**29.4.3** The ONGC Videsh incorporated a wholly owned subsidiary ONGC Videsh Singapore Pte Ltd ("OVSL"). OVSL has in turn incorporated a wholly-owned subsidiary ONGC Videsh Vankorneft Pte Ltd ("OVVL"). OVVL acquired 26% shares of JSC Vankorneft (15% in May 2016 and 11% in October 2016) and raised two separate syndicated bridge loans from international banks to meet the purchase consideration requirements.

Subsequently, two separate facility syndicated loans from SBI of US$ 500 million (availed to the extent of US$ 491.74 million) and SMBC of JPY 38 billion were availed on April 26, 2017 to repay the outstanding balance of bridge loan facility. As on March 31, 2020, outstanding amounts were US$ 196.69 million & JPY 38 billion respectively against US$ 500 million facility and JPY 38 billion facility.

**29.5** **External Commercial Borrowing (ECB)**

**29.5.1** In respect of subsidiary MRPL, ECB taken are US$ denominated loans and carries variable rate of interest which is LIBOR (6 months) plus spread. Interest rate as at March 31, 2020 is 2.90% and interest rate as at March 31, 2019 was 3.86%. These are secured by first pari passu charge over immovable property, plant and equipment and first ranking pari passu charge over movable property, plant and equipment both present and future.

**29.5.2** In respect of subsidiary OMPL, ECB taken are US$ denominated loans and carries variable rate of interest which is LIBOR (6 months) plus spread. Interest rate as at March 31, 2020 is 4.46% and interest rate as at March 31, 2019 was 5.00%.

The above mentioned ECB Loans are secured by the first charge on land and all property, plant and equipment and second charge by way of hypothecation on all movable property, plant and equipment and all current assets.

**29.5.3** ₹ 9,777.57 million (as at March 31, 2019 ₹ 3,259.82million) is repayable within one year and the same has been shown as "Current Maturities of Long Term Debts" under Note- 31.

29.5.4 **Repayment schedule of ECB loan is as follows:**

(₹ in million)

| Year of repayment | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 2019-20 | - | 3,273.44 |
| 2020-21 | 9,785.66 | 10,189.44 |
| 2021-22 | 11,135.31 | 10,189.44 |
| 2022-23 | 8,112.10 | 7,423.04 |
| 2023-24 | 3,894.09 | 3,563.32 |
| **Total** | **32,927.16** | **34,638.68** |

29.6 **In respect of subsidiary OMPL, details of Foreign Currency Borrowing (FCTL)**

**29.6.1** During the financial year 2019-20 the Subsidiary Company OMPL has availed Medium Term Foreign Currency Loan amounting to US$ 510 million from three Banks.

**29.6.2** Foreign Currency Borrowing amounting to US$ 360 million is having a tenor of eight years with moratorium of 3 years and is secured by way of first pari passu charge on Fixed Assets of the Compnay.The loan is repayable in 20 quarterly instalment and carries variable rate of interest which is six month Libor plus spread (Range of Interest rate as at March 31, 2020 is 3.93% to 4.28%).

29.6.3 **Repayment schedule of FCTL is as follows:**

(₹ in million)

| Year of repayment | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 2022-23 | 3,023.20 | - |
| 2023-24 | 5,109.21 | - |
| 2024-25 | 5,441.76 | |
| 2025-26 | 5,441.76 | - |
| 2026-27 | 6,197.56 | - |
| 2027-28 | 1,995.31 | - |
| **Total** | **27,208.80** | **-** |

29.7 **In respect of subsidiary MRPL, details of loan from Oil Industry Development Board (OIDB)**

**29.7.1** Loan from OIDB taken by the Company carries fixed rate of interest (Interest rate as at March 31, 2020 for ₹ 2,680.00 million (7.98%), ₹ 1,840.00 million (7.00%), ₹ 150.00 million (7.50%), ₹ 450.00 million (7.11%) and ₹ 270.00 million (7.03%) and interest rate as at March 31, 2019 was 7.98%.These are secured by way of first ranking pari passu charge by way of hypothecation / mortgage only on property, plant & equipment / projects financed out of loan proceeds of OIDB.

**29.7.2** ₹ 670 million (as at March 31, 2019 of ₹ nil) is repayable within one year and the same has been shown as "Current Maturities of Long Term Debts" (secured) under note 31.

29.7.3 **Repayment schedule of OIDB loan is as follows:**

(₹ in million)

| Year of repayment | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 2020-21 | 670.00 | 670.00 |
| 2021-22 | 1,347.50 | 670.00 |
| 2022-23 | 1,347.50 | 670.00 |
| 2023-24 | 1,347.50 | 670.00 |
| 2024-25 | 677.50 | - |
| **Total** | **5,390.00** | **2,680.00** |

**29.8 In respect of subsidiary OMPL, details of Unsecured Compulsorily convertible debentures (CCD's) (also refer note no. 31.7)**

**29.8.1** The Subsidiary Company OMPL has allotted 1,000 Compulsorily Convertible Debentures (CCDs) of ₹ 10 million each on March 5, 2020 through private placement. Company has issued CCDs in 3 different series. Series I Debentures consists of ₹ 2,500 million with Coupon Rate of 8.35% p.a. Series II Debentures consists of ₹ 2,500 million with Coupon Rate of 8.50% p.a. Series III Debentures consists of ₹ 5,000 million with Coupon Rate of 8.75% p.a. Interest for all the three series of debentures to be served on quarterly basis.

**29.8.2** Coupon Rate of Series I Debenture is floating with interest rate linked to 364 days Treasury Bill Rate which will be reset on annual basis. Coupon Rate on Series II and Series III debentures are fixed over the tenor of debentures. Under Transaction Document of CCDs, the Company has obligation to timely service the interest to investors. Further, CCDs are backed by undertaking from Sponsor Companies to ensure payment of Coupon amount on debentures in case Company fails to do so.

**29.8.3** Tenor of CCDs is 36 months from Deemed Date of Allotment, with mandatory Put / Call Option at the end of the 35th month. The Sponsors have to mandatorily acquire all the CCDs from the investors at the end of 35th month from the date of allotment.The Sponsors can also buy out the CCDs at any time prior to the expiry of 35 months from allotment date. Investors have put option on sponsors in the event of default.

**29.8.4**

| Sl. No. | Particulars | Face Value | Equity Component of Convertible Debenture | Non Current Liability Component of Convertible Debentures | Current Liability Component of Convertible Debentures |
|---|---|---|---|---|---|
| 1 | CCD Issue 1 @ 8.35% Coupon Rate | 2,500.00 | 1,952.84 | 366.47 | 167.45 |
| 2 | CCD Issue II @ 8.50% Coupon Rate | 2,500.00 | 1,943.01 | 373.06 | 170.46 |
| 3 | CCD Issue III @ 8.75% Coupon Rate | 5,000.00 | 3,853.26 | 768.06 | 350.96 |
| | **Total** | **10,000.00** | **7,749.11** | **1,507.59** | **688.87** |

**29.9** In respect of subsidiary MRPL, Working capital borrowings from consortium banks are secured by way of first ranking pari passu charge by way of hypothecation of Company's stocks of Raw Material, Finished Goods, Stock-in-Process, Stores, Spares, Components, Trade receivables, outstanding Money Receivables, Claims, Bills, Contract, Engagements, Securities both present and future and further secured by second ranking pari passu charge over companies movable and immovable property (all Property, Plant & Equipment) both present and future. Working capital borrowings from banks in the form of overdraft facility against fixed deposits are secured by way of hypothecation on original fixed deposits.

In subsidiary OMPL working capital facilities from banks is secured by way of first pari passu charge on current assets of the Company and second pari passu charge on the property, plant & equipment of the Company.

**29.10 In respect of subsidiary MRPL, details of "Non Convertible Debentures"**

Unsecured Redeemable Non-Convertible Fixed Rate Debentures (Privately Placed):

| Sl. No. | ISIN | Face Value Per Debenture (₹ ) | Date of Allotment | As at 31-03-2020 | Coupon Rate | Maturity Amount | Maturity Date |
|---|---|---|---|---|---|---|---|
| 1 | INE103A08019 | 1,000,000 | 13-Jan-20 | 9,997.05 | 7.40% | 10,000.00 | 12-Apr-30 |
| 2 | INE103A08035 | 1,000,000 | 29-Jan-20 | 10,591.00 | 7.75% | 10,600.00 | 29-Jan-30 |
| 3 | INE103A08027 | 1,000,000 | 13-Jan-20 | 4,998.54 | 6.64% | 5,000.00 | 14-Apr-23 |
| | **Total** | | | **25,586.59** | | 25,600.00 | |

**29.11 In respect of subsidiary MRPL, details of "Deferred Payment Liabilities: VAT"**

**29.11.1** Deferred payment liability against VAT Loan represents amounts payable on account of "Interest free loan" received from Government of Karnataka. This interest free loan against VAT will be repayable from March 31, 2028.

**29.11.2** The benefit of a Government loan at a below-market rate of interest is treated as a government grant (Ind AS 20). The Interest free loan is recognized and measured in accordance with Ind AS 109, Financial Instruments. The benefit of the Interest free loan is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109, and the proceeds received. The benefit is accounted for in accordance with this Standard.

**29.11.3** Deferred payment liabilities - VAT Loan are secured by bank guarantees given by MRPL.

**29.11.4** Repayment schedule of Deferred payment liability VAT loan is as follows:

**(₹ in million)**

| Year of repayment | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 2027-28 | 132.61 | 132.61 |
| 2028-29 | 155.16 | 155.16 |
| 2029-30 | 197.76 | 197.76 |
| 2030-31 | 208.53 | 107.51 |
| 2031-32 | 322.83 | - |
| **Total** | **1.016.89** | **593.04** |

**29.12 In respect of subsidiary OMPL, details of Foreign Currency Borrowing (FCTL)**

**29.12.1** The Subsidiary Company OMPL has Foreign Currency Borrowing amounting to US$ 150 million is availed on unsecured basis having a tenor of three years and carries variable rate of interest which is six month Libor plus spread. (Range of Interest rate as at March 31, 2020 is 3.92% to 3.93%).

**29.12.2** Repayment schedule of Foreign Currency Term Loan (FCTL) is as follows:

**(₹ in million)**

| Year of repayment | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 2022-23 | 11,337.00 | - |
| **Total** | **11,337.00** | **-** |

**29.13 In respect of subsidiary MRPL, Rupee Term Loan from bank**

**29.13.1** The term loan from SBI taken by the Company carries variable rate of interest which is three months MCLR plus spread (Interest rate as at March 31, 2020 is 7.84% and as at March 31, 2019 was 8.39%).

**29.13.2** ₹ 6,856.72 million (As at March 31, 2019 of ₹ 6,857.20 million) is repayable within one year and the same has been shown as "Current maturities of long-term debts (unsecured)" under Note 31.

**29.13.3** Reserve Bank of India (RBI) announced a number of relief measures under the COVID-19 – Regulatory Package for Indusry at large vide its Press Release RBI/2019-20/186 DOR.No.BP. BC.47/21.04.048/2019-20 dated March 27, 2020. This circular Inter-alia provides relief and to mitigate the burden of Debt Installments including Interest falling due during the relief period from March 1, 2020 to May 31, 2020 (90 Days) for all term loans to the specified borrowers. Circular provides relief by way of extention across the board to all the specified borrowers by extending repayment of term loan instalments (includes interest) by 90 days. Interest shall continue to accrue on the outstanding portion of the term loans during the moratorium period. As per this Circular, the Company has availed facility of deferment of Loan Installment along with accured interest thereon falling due on March 31, 2020 amounting to ₹ 1,714.30 million and ₹ 45.66 million respectively.

29.13.4 Repayment schedule of Term Loan from SBI is as follows:

(₹ in million)

| Year of repayment | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 2019-20 | - | 6,857.20 |
| 2020-21 | 6,856.72 | 5,142.50 |
| **Total** | **6.856.72** | **11,999.70** |

**29.14 In respect of subsidiary MRPL, Working capital Term Loan from Banks - ECB:**

**29.14.1** External Commerical Borrowings taken by the Company are US$ denominated loans and carries variable rate of interest which is six month Libor plus spread (Interest rate as at March 31, 2020 is 2.37% and interest rate as at March 31, 2019 was 3.96%).

**29.14.2** Repayment schedule of Working Capital loan ECB is as follows:

(₹ in million)

| Year of repayment | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| 2023-24 | 75.58 | 69.16 |
| 2024-25 | 30,156.42 | - |
| **Total** | **30.232.00** | **69.16** |

**29.15** In respect of subsidiary MRPL, Foreign Currency Term Loan from bank are US$ denominated loans and carries variable rate of interest which is three month Libor plus spread and is repayable within one year from the date of each disbursement.(₹ 11,866.06 million as at March 31, 2020 & ₹ 49,795.20 million as at March 31, 2019)

**29.16** In respect of subsidiary MRPL, Buyers Credit and Pre/Post Shipment Export Credit from banks are US$ denominated loans carries variable rate of interest which is one month Libor plus spread and is repayable within two months/ one month from the date of each disbursement. .(₹ Nil as at March 31, 2020 & ₹ 24,206.00 million as at March 31, 2019)

**29.17** In respect of subsidiary MRPL, Unsecured Bill discounting facility from State Bank of India (SBI) against Non LC bill drawn on Subsidiary Company "ONGC Mangalore Petrochemicals Limited" (OMPL). (₹ 6,324.45 million as at March 31, 2020 & ₹ Nil as at March 31, 2019)

**29.18** In respect of subsidiary MRPL, the Commercial paper issued is unsecured fixed rate short term debt instrument with tenure of 90 days. .(₹ Nil as at March 31, 2020 & ₹ 4,000.00 million as at March 31, 2019)

**29.19** Subsidiary Company OMPL has taken unsecured short term rupee loan as on March 31, 2020 for tenor of 3 months to 1 year and carries variable interest rate linked to overnight MCLR and one month MCLR (Range of Interest Rate as at March 31, 2020 is 7.50% to 7.60% p.a.) and unsecured short term rupee loan as on March 31, 2019 was for tenor of 1 year and carried interest rate linked to 1 year MCLR (Interest as at March 31, 2019 was 8.85% p.a.). (₹ 4,732.16 million as at March 31, 2020 & ₹ 370.00 million as at March 31, 2019)

**29.20** The repayment schedules disclosed above are based on contractual cash outflows and hence will not reconcile to carrying amounts of such borrowings which are accounted at amortised cost.

**In respect of Subsidiary HPCL,**

**29.21 Foreign currency Bonds**

| Particulars of Bonds | Date of Issue | Date of Repayment |
|---|---|---|
| US$ 500 million bonds ( ₹ 37,719.51 million as at March 31, 2020& ₹ 34,466.17million as at 31st March 31,2019); Interest Rate: 4% p.a. payable at Half Yearly | 12th July 2017 | July 12th 2027 |

29.22 Non Convertible Debentures

| Particulars of Debentures | Coupon Rate of Interest | Date of Redemption |
|---|---|---|
| 7.03% Non-Convertible Debentures (₹ 13,997.57 million as at March 31, 2020 & ₹ Nil as at 31st March 31,2019) | 7.03% p.a. payable Annually | April 12th 2030 |
| 7.00% Non-Convertible Debentures ( ₹ 19,997.63 million as at March 31, 2020 & ₹ Nil as at 31st March 31,2019) | 7.00% p.a. payable Annually | August 14th 2024 |
| 8.00% Non-Convertible Debentures ( ₹ 4,997.51 million as at March 31, 2020 & ₹ Nil as at 31st March 31,2019) | 8.00% p.a. payable Annually | April 25th 2024 |
| 6.38% Non-Convertible Debentures ( ₹ 5,997.49 million as at March 31, 2020 & ₹ Nil as at 31st March 31,2019) | 6.38% p.a. payable Annually | April 12th 2023 |
| 6.80% Non-Convertible Debentures ( ₹ 29,997.71 million as at March 31, 2020 & ₹ Nil as at 31st March 31,2019) | 6.80% p.a. payable Annually | December 15th 2022 |

29.23 Term Loans from Oil Industry Development Board (Secured)

| Repayable during | Amount in ₹ million | | Range of Interest Rate | |
|---|---|---|---|---|
| | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| 2019-20 | - | 611.90 | - | 7.86% -9.11% |
| 2020-21 | 1,811.90 | 1,811.90 | 7.72% -8.28% | 7.72% -8.09% |
| 2021-22 | 7,250.00 | 1,500.00 | 6.53% -8.28% | 7.72% -8.28% |
| 2022-23 | 7,250.00 | 1,500.00 | 6.53% -8.28% | 7.72% -8.28% |
| 2023-24 | 7,250.00 | 1,500.00 | 6.53% -8.28% | 7.72% -8.28% |
| 2024-25 | 5,750.00 | - | 6.53% -7.96% | - |
| **Total** | **29,311.90** | **6,923.80** | | |

The loan has been secured with first charge on the facilities of Vishakh Refinery Modernisation Project, Mumbai Refinery Expansion Project, Awa Salawas Pipeline, Manglore Hassan Mysore LPG Pipeline, Uran-Chakan / Shikarpur LPG Pipeline & Rewari Mathura Kanpur Pipeline for a value of ₹ 158,158.70million (as on March 31, 2019 ₹ 80,870.30 million). Of the loan amount, ₹ 1,811.90million (as on March 31, 2019: ₹ 611.90 million) is repayable within one year and the same has been shown as "Current Maturity of Long Term Borrowings" under note 31.

29.24 Rupee term loan represent ₹ 30,560.25 million (as at March 31, 2019 ₹ 35,000.00 million) towards clean loan from banks and ₹ 62,611.06 million (as at March 31, 2019 ₹ 38,660.44 million) towards short term loans from banks and are unsecured.

29.25 **Syndicated Loans from Foreign Banks (repayable in foreign currency)**

**With respect to Loan taken by Hindustan Petroleum Corporation Ltd.:**

The Corporation has availed Long Term Foreign Currency Syndicated Loans from banks at 3 months floating LIBOR plus spread (spread range: 65 to 155 basis point p.a.). These loans are taken for the period up to 5 years. ₹ 41,500.70 million (as on March 31, 2019:₹ 20,681.80million) is repayable within 1 year and the same has been shown as "Current Maturity of Long Term Debts" under note 31.

**With respect to Loan taken by Prize Petroleum International PTE Ltd.:**

The secured bank loan bears interest at 1.2% + 6-month LIBOR per annum (2018-19: 1.2% + 6-month LIBOR per annum), which ranged from 3.82% to 3.13% p.a. (2018-19: from 3.72% to 3.97% p.a.).The bank loan is repayable on the 7th anniversary of the utilization date on 28th October 2023. Shares of the Group in PPIPL have been pledged in favour of the lender.

29.26 **Other Loans**

**With respect to Loan taken by HPCL Biofuels Ltd. (HBL)**

Government Of Bihar (GOB) Soft Loan of ₹ 164.80 million was availed through SBI during FY 2015-16 with interest subvention to the extent of 10%. Four installments amounting to ₹ 35.20 million was paid during FY 2019-20 (2018-19: ₹ 33.00 million) The Balance of GOB Soft Loan as on March 31, 2020 was ₹ 30.70 million (as on March 31, 2019 ₹ 65.70 million)

Term Loan of ₹ 3,088.00 million was availed through SBI during FY 2014-15. Four installments amounting to ₹ 154.40 million was paid during the current FY 2019-20 (2018-19 ₹ 154.40 million) The Balance of term loan as on March 31, 2020 was ₹ 2,434.30 million (as on March 31, 2019: ₹ 2,656.90 million).

The term loan as well as the soft loans under GOI and GOB schemes is secured by equitable mortgage of Land, Building & Fixed Assets.

Of the loan amount, ₹ 277.60 million (as on March 31, 2019: ₹ 256.90 million) is repayable within one year and the same has been shown as "Current Maturity of Long Term Borrowings" under note 31.

29.27 7.59 % G - Sec Bonds 2026 of ₹ 1,850 million, 8.15 % G - Sec Bonds 2026 of ₹ 2,750 million, 8.33 % G - Sec Bonds 2026 of ₹ 1,800 million and 7.72 % G - Sec Bonds 2025 of ₹ 8,360 million are pledged with Clearing Corporation of India Limited against Triparty Repo Dealing System Loan.

## 30 Lease Liabilities

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019* | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| Lease Liabilities (Note no. 47) | 80,148.65 | 51,552.18 | 6,053.10 | 1,017.31 |
| **Total** | **80,148.65** | **51,552.18** | **6,053.10** | **1,017.31** |

* represents Finance Lease Obligation as per erstwhile Ind AS 17

### 30.1 Movement of Lease Liabilities

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Balance at beginning of the year*** | **124,755.91** | **-** |
| Recognized during the year | 51,786.18 | - |
| Unwinding of discount on lease liabilities | 7,397.78 | - |
| Payment during the year | (57,712.41) | - |
| Write back during the year | (14.04) | - |
| Revaluation of lease liabilities | 9,532.44 | - |
| Effect of remeasurement / other adjustment | (4,045.03) | - |
| **Balance at end of the year** | **131,700.83** | **-** |

*Lease Liabilities recognized as at April 1, 2019 (refer note 47)

## 31 Other financial liabilities

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| Current maturities of long-term debt (Refer note 31.5) | - | 118,652.22 | - | 55,343.83 |
| Interest Accrued but not due on Loans | 38.48 | 4,734.85 | 1,036.74 | 3,307.37 |
| Interest Accrued but not due on Bonds/Debentures | 461.17 | 2,405.09 | 658.85 | 2,675.08 |
| Unclaimed Interest on Matured Debentures (Refer note 31.2) | - | 0.01 | - | 0.01 |

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| Unclaimed Dividend (Refer note 31.1) | - | 264.50 | - | 298.35 |
| Dividend Payable | - | 83.31 | - | 3,202.31 |
| Derivative liabilities measured at FVTPL (Refer note 31.4) | 1,932.44 | 795.06 | 1,980.62 | 125.21 |
| Liability for Capital Goods (Refer note 31.3) | 64.03 | 52,492.89 | 64.03 | 31,729.11 |
| Deposits from Suppliers and Contractors (Refer note 31.6) | 615.73 | 161,134.36 | 181.61 | 149,842.47 |
| Liability for Employees | - | 24,731.40 | - | 27,724.05 |
| Liability for PRBS | - | 2,850.53 | - | 1,172.43 |
| Cash Call Payable to Operators | - | 28,215.86 | - | 29,850.34 |
| Liquidated Damages deducted from Parties | - | 25,144.64 | - | 28,148.90 |
| Retention Money | 1.68 | 18.41 | 1.68 | 27.68 |
| Non-Recourse Deferred Credit | - | - | - | 396.89 |
| Liability for Compound Financial Instruments (Note no. 31.7) | 7,740.68 | - | - | - |
| Other Liabilities | 3,905.61 | 47,982.00 | 4,429.15 | 35,362.93 |
| **Total other financial liabilities** | **14,759.82** | **469,505.13** | **8,352.68** | **369,206.96** |

**31.1** No amount is due for deposit in Investor Education and Protection Fund.

**31.2** Represents interest payable towards matured debentures.

**31.3 Price Reduction Clause**

In respect of subsidiary MRPL, liability for capital goods includes ₹ 234.90 million (as at March 31, 2019 of ₹ 259.15 million) relating to amounts withheld from vendors pursuant to price reduction clause which will be settled on finalisation of proceedings with such vendors. When the withheld amounts are ultimately finalised, the related adjustment is made to the property, plant and equipment prospectively.

**31.4** In respect of subsidiary OVL, the company has entered into cross-currency swap contracts covering ₹ 3,700.00 million debentures (in previous year covering ₹ 3,700.00 million debentures). There is MTM loss position of Nil as on March 31, 2020 (MTM loss of ₹ 1,396.28 million as on March 31, 2019) for cross-currency swap contracts. All the derivative contracts related to ₹ 3,700.00 million debentures have been settled on maturity date i.e. on January 06, 2020.

The Company has entered into forward contracts covering Euro 199.50 million (₹ 16,497.83 million) (in previous year covering Euro 199.50 million (₹ 15,512.61 million)) out of the principal amount of 2.75% Euro 525 million Bonds (₹ 43,415.34 million). There is MTM loss position of Rs.1,932.44 million as on March 31, 2020 (MTM loss of ₹ 584.34 million as on March 31, 2019) for forward contracts.

**31.5** In respect of subsidiary HPCL, amount reflected towards current maturity of long term debt, includes loans repayable within one year: Syndicated Loans from Foreign Banks (repayable in foreign currency) ₹ 41,500.70million (as on March 31, 2019: ₹ 20,681.80 million), Loan from Oil Industry and Development Board ₹ 1,811.90million (as on March 31, 2019: ₹ 611.90 million) and other loans ₹ 277.60million (as on March 31, 2019: ₹ 256.90 million).

**31.6** In respect of Subsidiary HPCL, it includes deposit received towards Rajiv Gandhi Gramin LPG Vitrak Yojana ₹ 2,418.90 million (as at March 31, 2019 ₹ 2,418.90 million) and Prime Minister Ujjavala Yojana of ₹ 30,209.10 million (as at March 31, 2019₹ 26,750.90 million).These deposits have been either made by Government of India or created out of CSR fund.

31.7 The Subsidiary Company OMPL has allotted 1,000 Compulsorily Convertible Debentures (CCDs) of ₹ 10 million each on March 5, 2020 through private placement. The aforesaid CCD have been treated as compound financial instruments as per the provision of Ind AS 32 and accordingly, the value of the equity component of these compound financial instruments has been recognized by the group as a Financial Liability. (refer note no. 29.8)

## 32 Provisions

(₹ in million)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| Provision for Employee benefits (Refer note 48) | | | | |
| For Post Retirement Medical & Terminal Benefits | 49,649.81 | 13,470.73 | 44,140.53 | 8,323.95 |
| Unavailed Leave and compensated absenses | 949.95 | 10,526.53 | 663.22 | 12,547.94 |
| Gratuity for Regular Employees | 125.20 | 860.56 | 69.01 | 106.17 |
| Gratuity for Contingent Employees | 83.78 | 18.69 | 91.00 | 9.22 |
| Provision for Others | | | | |
| Provision for decommissioning (Refer note 32.4) | 249,865.39 | 4,471.87 | 233,534.12 | 6,305.59 |
| Other Provisions (Refer note 32.1 and 32.2) | 30,331.91 | 12,523.64 | 0.75 | 16,531.58 |
| **Total provisions** | **331,006.04** | **41,872.02** | **278,498.63** | **43,824.45** |

32.1 In respect of subsidiary MRPL, other provisions include provision for excise duty on closing stock.The company estimates provision based on substantial degree of estimation for excise duty payable on clearance of goods lying in stock as on March 31, 2020 of ₹ 1,734.53 million (as at March 31, 2019 of ₹ 4,531.29million). This provision is expected to be settled when the goods are removed from the factory premises.

32.2 In respect of subsidiary OVL, other provision includes provision for minimum work program commitment as on March 31, 2020 of ₹ 1,887.00million which is in respect of Area 43 (as at March 31, 2019 of ₹ 1,730.25million created in respect of Area 43, Libya and Block Satpayev, Kazakshtan).

32.3 Movement of Provision for Others

(₹ in million)

| Particulars | Provision for decommissioning | | Other Provisions | |
|---|---|---|---|---|
| | Year ended March 31, 2020 | Year ended March 31, 2019 | Year ended March 31, 2020 | Year ended March 31, 2019 |
| **Balance at beginning of the year** | **239,839.71** | **220,228.88** | **16,532.33** | **15,330.42** |
| Recognized during the year | 8,129.59 | 9,950.35 | 33,654.50 | 5,862.99 |
| Amount used during the year | (18,691.85) | (892.06) | (5,560.59) | (3,993.55) |
| Unwinding of discount | 17,687.86 | 13,718.93 | - | - |
| Write back during the year (Refer note 64) | (2,467.25) | (3,721.18) | (2,002.30) | (809.43) |
| Effect of remeasurement / reclassification | 5,762.07 | (917.10) | 10.22 | - |
| Effect of exchange difference | 4,077.13 | 1,471.89 | 221.39 | 141.90 |
| **Balance at end of the year** | **254,337.26** | **239,839.71** | **42,855.55** | **16,532.33** |

**32.4** The Group estimates provision for decommissioning as per the principles of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the future decommissioning of Oil and Gas assets at the end of their economic lives. Most of these decommissioning activities would be in the future for which the exact requirements that may have to be met when the removal events occur are uncertain. Technologies and costs for decommissioning are constantly changing. The timing and amounts of future cash flows are subject to significant uncertainty. The economic life of the Oil and Gas assets is estimated on the basis of long term production profile of the relevant Oil and Gas asset. The timing and amount of future expenditures are reviewed annually, together with rate of inflation for escalation of current cost estimates and the interest rate used in discounting the cash flows.

**32.5** Includes ₹ 29,990.12 million (Previous year Nil) accounted as provision for contingency to the extent of excess of accumulated balance in the SRF fund after estimating the decommissioning provision of Panna-Mukta fields and Tapti Part A facilities as per Company policy (refer note no. 6.2, 7.3.4 & 17.2).

**32.6** In respect of subsidiary company OVL, Represents exchange difference on account of translation of the financial statements from functional currency to presentation currency. Refer note 3.21 and 5.1(a).

**32.7** In respect of subsidiary HPCL, loans disbursed to Consumers under Pradhan Mantri Ujjwala Yojna (PMUY), since inception till date is ₹ 29,637.50 million (as at March 31, 2019: ₹ 25,897.00 million) and of this, the amount outstanding at period end is ₹ 19,662.10 million (as at March 31, 2019: ₹ 19,374.20 million). The loan gets repaid out of the subsidy amount accruing to the consumer from the subsequent refill of cylinders. The overall consumer base is 21.5 million (as at March 31, 2019: 19.1 million) and the consumption pattern of LPG is still evolving. In the backdrop of available data on consumption pattern and effort of Management to encourage usage of LPG, the population of those consumers enrolled into the scheme as of March 31, 2019 & who haven't taken refills during 2019-20 have been segregated into various age buckets, basis their consumption till date and a probability (between 100% to 50%) is assigned under each age bucket towards potential lack of usage of LPG and consequential default of loan. Accordingly, provision of ₹ 1,987.00 million towards impairment in respect of loans outstanding as on March 31, 2019 has been estimated. With regard to the population of fresh connections issued during 2019-20, even in the absence of data points on consumption pattern, a default in loan is estimated at ₹ 287.00 million, in the same ratio as estimated in case of loans disbursed till March 31, 2019. Computed in this manner an aggregate additional net provision of ₹ 1,316.90 million (2018-19: ₹ 957.10 million) has been recognized, taking the cumulative provision since inception to ₹ 2,274.00 million (as at March 31, 2019: ₹ 957.10 million). The expected credit loss estimate is reasonable.

**32.8** In respect of subsidiary HPCL, the company implements various Government of India schemes such as PMUY, Direct benefit Transfer scheme wherein the amount is either received in advance or subsequently reimbursed from Central Government. At period end, there are amounts pending to be reimbursed, due, on an average, anywhere between 6 months to 3 years, amounting to ₹ 25,180.00 million (as at March 31, 2019: ₹ 27,810.00 million). This being due from Government, no provision has been considered necessary.

## 33 Deferred Tax Liabilities (net)

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Deferred tax assets | 133,376.59 | 145,108.98 |
| Deferred tax liabilities | 568,101.68 | 595,018.95 |
| **Net Deferred tax assets / (liabilities)** | **(434,725.09)** | **(449,909.96)** |

(₹ in million)

| Particulars for 2019-20 | Opening balance | Recognised in Profit and Loss Account | Recog-nised in other compre-hensive income | Effect of exchange difference | Closing balance |
|---|---|---|---|---|---|
| Deferred tax (liabilities)/assets in relation to: | | | | | |
| Deferred Tax Assets | | | | | |
| Unclaimed Exploratory Wells written off | 39,479.31 | (8,728.36) | - | - | 30,750.95 |
| Impairment/Expenses Disallowed Under Income Tax | 23,247.17 | (843.00) | - | - | 22,404.17 |
| Financial Assets at amortised cost using EIR | 1,364.31 | 342.69 | - | - | 1,707.00 |
| Provision for Abandonment | - | - | - | - | - |
| Provision towards additional profit petroleum & interest - Ravva | - | - | - | - | - |
| Expenses Disallowed Under Income Tax | 682.36 | (3,427.44) | - | 181.38 | (2,563.70) |
| Intangible assets | 1,908.98 | (652.37) | - | - | 1,256.61 |
| FVTPL financial Assets | 169.16 | (0.04) | - | - | 169.12 |
| Financial Assets at FVTOCI | 83.03 | - | - | - | 83.03 |
| Defined benefit obligation | 2,802.63 | (287.43) | 1,580.49 | - | 4,095.69 |
| Recompense expense | - | - | - | - | - |
| Current Investments | 703.75 | (859.20) | - | - | (155.45) |
| MAT credit entitlement | 17,829.47 | (3.94) | - | 53.56 | 17,879.09 |
| Carry Forward tax losses/ Depreciation | 47,701.42 | 3,771.67 | - | 704.95 | 52,178.04 |
| Right of Use Assets net of Lease Liability | - | 29.38 | - | - | 29.38 |
| Others | 9,137.39 | (930.60) | 60.70 | (2,724.84) | 5,542.65 |
| **Total Assets** | **145,108.98** | **(11,588.64)** | **1,641.19** | **(1,784.95)** | **133,376.59** |
| **Deferred Tax Liabilities** | | | | | |
| Property, plant and equipment | 477,270.63 | (19,808.31) | - | 9,706.40 | 467,168.72 |
| Exploratory wells in progress | 54,223.28 | (9,548.12) | - | - | 44,675.16 |
| Development wells in progress | 13,415.63 | 2,404.48 | - | - | 15,820.11 |
| Intangible assets | 11.46 | 2.57 | - | - | 14.03 |
| Financial liabilities at amortised cost using EIR | 12.63 | (8.80) | - | - | 3.83 |
| Fair value gain on Investment in equity shares at FVTOCI | 12,048.27 | - | (8,031.93) | - | 4,016.34 |
| Foreign taxes | 19,971.87 | (5,721.21) | - | 792.16 | 15,042.82 |

(₹ in million)

| Particulars for 2019-20 | Opening balance | Recognised in Profit and Loss Account | Recog-nised in other compre-hensive income | Effect of exchange difference | Closing balance |
|---|---|---|---|---|---|
| Exchange differences on translating the financial statements of foreign operations (Refer Note 33.5) | 8,476.58 | - | 5,763.42 | - | 14,240.00 |
| Financial liabilities at FVTOCI | - | - | - | - | - |
| Tax adjustment of unrealised profit | 728.10 | 1,191.40 | - | - | 1,919.49 |
| Dividend distribution tax on undistributed profit (associates) | 2,912.62 | 333.03 | (0.03) | - | 3,245.62 |
| Undistributed earnings | 5,281.30 | (5,242.13) | - | - | 39.17 |
| Others | 666.57 | 1,249.81 | - | - | 1,916.38 |
| **Total Liabilities** | **595,018.95** | **(35,147.29)** | **(2,268.54)** | **10,498.56** | **568,101.68** |
| **Net Deferred Tax Liabilities** | **449,909.96** | **(23,558.65)** | **(3,909.73)** | **12,283.51** | **434,725.09** |

| Particulars for 2018-19 | Opening balance | Recognised in Profit and Loss Account | Recog-nised in other compre-hensive income | Effect of exchange difference | Closing balance |
|---|---|---|---|---|---|
| **Deferred tax (liabilities)/assets in relation to:** | | | | | |
| Deferred Tax Assets | | | | | |
| Unclaimed Exploratory Wells written off | 33,867.36 | 5,611.95 | - | - | 39,479.31 |
| Impairment/Expenses Disallowed Under Income Tax | 25,747.31 | (2,500.14) | - | - | 23,247.17 |
| Financial Assets at amortised cost using EIR | 1,194.59 | 169.72 | - | - | 1,364.31 |
| Provision for Abandonment | - | - | - | - | - |
| Provision towards additional profit petroleum & interest - Ravva | - | - | - | - | - |
| Expenses Disallowed Under Income Tax | 5,920.65 | (5,852.22) | - | 613.93 | 682.36 |
| Intangible assets | 8,617.41 | (6,708.43) | - | - | 1,908.98 |
| FVTPL financial Assets | 169.16 | - | - | - | 169.16 |
| Financial Assets at FVTOCI | 83.03 | - | - | - | 83.03 |
| Defined benefit obligation | 1,186.18 | 68.85 | 1,547.60 | - | 2,802.63 |
| Recompense expense | - | - | - | - | - |
| Current Investments | 992.05 | (288.30) | - | - | 703.75 |
| MAT credit entitlement | 17,303.69 | 484.45 | - | 41.33 | 17,829.47 |
| Carry Forward tax losses/ Depreciation | 56,536.81 | (10,652.33) | - | 1,816.94 | 47,701.42 |
| Others | 8,691.44 | 1,668.95 | - | (1,223.00) | 9,137.39 |
| **Total Assets** | **160,309.68** | **(17,997.50)** | **1,547.60** | **1,249.20** | **145,108.98** |
| **Deferred Tax Liabilities** | | | | | |
| Property, plant and equipment | 436,346.57 | 35,016.26 | - | 5,907.80 | 477,270.63 |
| Exploratory wells in progress | 60,516.38 | (6,293.10) | - | - | 54,223.28 |

| Particulars for 2018-19 | Opening balance | Recognised in Profit and Loss Account | Recog-nised in other compre-hensive income | Effect of exchange difference | Closing balance |
|---|---|---|---|---|---|
| Development wells in progress | 7,255.60 | 6,160.03 | - | - | 13,415.63 |
| Intangible assets | 3.45 | 8.01 | - | - | 11.46 |
| Financial liabilities at amortised cost using EIR | 1.73 | 10.90 | - | - | 12.63 |
| Fair value gain on Investment in equity shares at FVTOCI | 13,313.51 | - | (1,265.24) | - | 12,048.27 |
| Foreign taxes | 21,900.63 | (3,665.69) | - | 1,736.93 | 19,971.87 |
| Exchange differences on translating the financial statements of foreign operations (Refer Note 33.5) | 3,661.32 | - | 4,815.26 | - | 8,476.58 |
| Financial liabilities at FVTOCI | - | - | - | - | - |
| Tax adjustment of unrealised profit | (1,131.16) | 1,859.26 | - | - | 728.10 |
| Dividend distribution tax on undistributed profit (associates) | 2,862.25 | 50.33 | 0.04 | - | 2,912.62 |
| Undistributed earnings | 4,160.72 | 1,120.58 | - | - | 5,281.30 |
| Others | 2,767.21 | (2,100.64) | - | - | 666.57 |
| **Total Liabilities** | **551,658.22** | **32,165.94** | **3,550.06** | **7,644.73** | **595,018.95** |
| **Net Deferred Tax Liabilities** | **391,348.54** | **50,163.43** | **2,002.46** | **6,395.53** | **449,909.96** |

**33.1** The above includes net deferred tax asset of ₹ 26,656.79 million (as at March, 2019 ₹ 24,964.69 million) and net deferred tax liability of ₹ 461,381.88 (as at March 31, 2019 ₹ 474,874.65) in respect of various components/entities consolidated as below:

**( ₹ in million)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Net Deferred Tax Liability ONGC (including Group tax adjustments) | 268,117.90 | 279,574.63 |
| Net Deferred Tax Liability OVL | 87,637.33 | 107,860.77 |
| Net Deferred Tax Liability ONGBV | 646.78 | 2,193.66 |
| Net Deferred Tax Liability OVAI | - | 3.48 |
| Net Deferred Tax Liability OVSL | 406.44 | 1,033.12 |
| Net Deferred Tax Liability OVRL | 49,536.17 | - |
| Net Deferred Tax Liability MRPL | - | 10,155.44 |
| Net Deferred Tax Liability HPCL | 54,914.43 | 73,962.48 |
| Net Deferred Tax Liability PMHBL | 122.83 | 91.07 |
| **Consolidated Net Deferred Tax Liability** | **461,381.88** | **474,874.65** |
| Net Deferred Tax Asset ONGBV | 14,422.65 | 17,310.58 |
| Net Deferred Tax Asset OVAI | 5.21 | - |
| Net Deferred Tax Asset OMPL | 9,556.16 | 7,654.11 |
| Net Deferred Tax Asset MRPL | 2,672.77 | - |
| **Consolidated Net Deferred Tax Asset** | **26,656.79** | **24,964.69** |

**33.2** Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unabsorbed depreciation and unused tax losses can be utilized.

**33.3** The group has not recognized deferred tax liabilities with respect to unremitted retained earnings and associated foreign currency translation reserves with respect to its subsidiaries and joint ventures where the group is in position to control the timings of the distribution of the profits and it is probable that the subsidiaries and joint ventures will not distribute profit in the foreseeable future. Also, the group does not recognises deferred tax liabilities on unremitted retained earnings of its subsidiaries and joint ventures wherever it believes that it would avail the tax credit as per the provisions of Income Tax Act, 1961. Taxable temporary differences associated with respect to unremitted earnings and associated foreign currency reserve is ₹ 504,706.31 million (as at March 31, 2019 ₹ 517,647.22 million). Distribution of the same is expected to attract tax in the range of nil to 34.944% depending on the tax rate applicable as of March 31, 2020 in the jurisdiction in which the respective group entity operates.

**33.4** The group has recognized deferred tax liabilities with respect to unrealized profit of subsidiary and joint venture and unremitted retained earnings of associates where the group is not in position to control the timings of the distribution of the profits. Taxable temporary differences associated with respect to unrealized profit subsidiary and joint venture and unremitted earnings of associates for which deferred tax liability has been created to the extent of ₹ 2,204.55 million (as at March 31, 2019 ₹ 2,693.52 million).

**33.5** Represents exchange difference on account of translation of the consolidated financial statements prepared in subsidiary, OVL's, functional currency "United State Dollars" (US$) to presentation currency (₹). Refer note 3.21 and 5.1 (a).

## 34 Other liabilities

**( ₹ in million)**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Non Current | Current | Non Current | Current |
| Liability for Statutory Payments | - | 35,851.01 | - | 51,169.15 |
| Advance from Customers (note 34.6) | - | 12,245.35 | - | 9,716.35 |
| Contract Liability-Advance MGO (Note 34.2, 34.3, 34.4 & 34.5) | 256.74 | 1,431.77 | 236.74 | 3,212.73 |
| Deferred government grant (Refer note 34.1 & 64) | 3,818.32 | 214.78 | 3,654.77 | 212.09 |
| Other Liabilities | 2,362.16 | 12,259.80 | 1,588.48 | 5,586.78 |
| **Total** | **6,437.22** | **62,002.71** | **5,479.99** | **69,897.10** |

**34.1** During the year 2016-17, assets, facilities and inventory which were a part of the Tapti A series of PMT Joint Operation and surrendered by the JO to the Government of India as per the terms and conditions of the JO Agreement and these assets, facilities and inventory have been transferred by Government of India to the Company free of cost as its nominee. The Company had assessed the fair value of the said assets & facilities at ₹ 7,156.89 million based on the valuation report by a third party agency, which was accounted as Oil & Gas Asset with a corresponding liability as Deferred Government Grant. Inventory valuing ₹ 458.84 million has was accounted with a corresponding liability as Deferred Government Grant. The balance Government grant liability after amortisation was ₹ 6,795.16 million as at March 31, 2019.

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'), during the year 2019-20 the Company has 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. (refer note no.6.2, 7.3.4 & 64).

34.2 Revenue recognized that was included in the contract liability balance at the beginning of the period

(₹ in million)

| Product | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Natural gas | 79.90 | 1.33 |

34.3 Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognized in the future related to performance obligation that are unsatisfied at the reporting date:

(₹ in million)

| Product | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | Less than 12 months | More than 12 months | Less than 12 Months | More than 12 months |
| Natural gas | 47.97 | 256.74 | 107.42 | 236.74 |

34.4 Significant changes in the contract liability balances during the year are as follows:

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Balance at beginning of the year** | **344.16** | **303.64** |
| Add: Amount received from customers during the year | 69.11 | 50.44 |
| Less: MGO Refunded | 28.66 | 8.59 |
| Less: Revenue recognised during the year | 79.90 | 1.33 |
| **Balance at end of the year** | **304.71** | **344.16** |

34.5 In respect of subsidiary OVL, contract liability on gas sales represents amounts received from gas customers against "Take or Pay" obligations under relevant gas sales agreements.

(₹ in million)

| Particulars | For the year ended March 31, 2020 |
|---|---|
| **Balance at the beginning of the year** | **3,105.31** |
| Add: Amount received from customers during the year | 180.37 |
| Less: Revenue recognized during the year | 2,091.99 |
| Add: Exchange Difference | 190.11 |
| **Balance at the end of the year** | **1,383.80** |

34.6 In respect of subsidiary HPCL, 'The revenue is recognised only upon satisfaction of performance obligation and whenever there are remaining performance obligations, the same is recognised as revenue, a) in case of amount received in advance from a Customer, when the product is delivered to the Customer, b) in case of loyalty points earned by Customer, when such points are redeemed / expire. Such remaining obligations, termed as Contract Liability under the Ind-AS 115 'Revenue Recognition' at period end together with Trade Receivable is as under:

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Trade Receivables | 39,341.92 | 56,677.93 |
| Liabilities under contractual obligation | 10,469.55 | 9,159.36 |

During the financial year, the company recognized revenue of ₹ 8,366.00 million (2018-19:₹ 5,386.90 million) arising from opening unearned revenue as of April 1, 2019.

## 35. Trade Payble - Other than Micro and Small Enterprices

(₹ in million)

| Particulars | As at As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Trade Payble - Other than Micro and Small Enterprices | 228,038.49 | 304,356.71 |
| **Total** | **228,038.49** | **304,356.71** |

### 35.1 Trade payables -Total outstanding dues of Micro & Small enterprises*

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| a) Principal & Interest amount remaining unpaid but not due as at year end | 1,640.02 | 1,218.01 |
| b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year. | - | - |
| c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |
| d) the amount of interest accrued and remaining unpaid at the end of year; and | - | - |
| e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

*Based on the confirmation from Vendors.

35.2 In respect of company, Payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period on purchases is 21 days.

35.3 In respect of subsidiary OVL, payment towards trade payables is made as per the terms and conditions of the contract / purchase orders. The average credit period on purchases is 30 days.

35.4 In respect of subsidiary MRPL, the average credit period on purchases of crude, stores and spares, other raw material, services, etc. ranges from 14 to 60 days (year ended March 31, 2019 ranges from 14 to 60 days). Thereafter, interest is charged upto 6.75% per annum (year ended March 31, 2019 upto 6.75% per annum) over the relevant bank rate as per respective arrangements on the outstanding balances. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 36 Tax liabilities/ assets (net)

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Non current tax assets** | | |
| Tax paid | 620,727.47 | 591,398.11 |
| **Non current tax liabilities** | | |
| Income tax payable | 513,127.52 | 486,166.31 |
| **Total (net)** | **107,599.95** | **105,231.80** |

**Current Tax Assets**

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Current tax assets** | | |
| Tax paid | 3,067.90 | 2,745.88 |
| | 3,067.90 | 2,745.88 |
| **Current tax liabilities** | | |
| Income tax payable | 1,084.76 | 1,221.58 |
| | 1,084.76 | 1,221.58 |
| **Total (net)** | **1,983.14** | **1,524.30** |

**Current tax Liabilities**

( ₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Current tax liabilities** | | |
| Income tax payable | 8,250.86 | 13,513.81 |
| Less: | | |
| **Current tax assets** | | |
| Taxes paid | 1,998.60 | 1,460.47 |
| **Total (net)** | **6,252.26** | **12,053.34** |

36.1 Government of India through “The Taxation Laws (Amendment) Act, 2019” has inserted Section 115BAA of the Income Tax Act, 1961, whereby a domestic company has an irrevocable option of exercising for a lower corporate tax rate along with consequent forego of certain tax deductions and incentives, including accumulated MAT credit eligible for set-off in subsequent years. The company has still not exercised this option and continues to evaluate the benefit of exercising the option for a lower corporate tax rate vis-à-vis the existing provisions, however, the Company has an option for the same till the filing of return of Income. Pending exercising of the option, the company continues to recognize the taxes on income for the year ended March 31, 2020 as per the earlier provisions.

Also, Subsidary OVL and MRPL have not excercised the option and continues to recognize the taxes on income for the year ended March 31, 2020 as per the earlier provisions.

**36.2** In respect of Subsidiary MRPL, the Company has opted to settle Income Tax Disputes under the Direct Tax Vivad Se Vishwas Act, 2020, and accordingly, a sum of ₹ 1,084.76 million payable under the said scheme has been charged as prior year tax in the Statement of Profit and Loss during the current year. Pursuant to this, the tax assets and liabilities have been reclassified for the year ended March 31, 2020. The tax assets of ₹ 2,908.37 million and liabilities of ₹ 1,084.76 million of assessment years for which the Company has exercised the option have been considered as current tax assets and current tax liabilities respectively, as the same are expected to be settled within a year.

**36.3** In respect of subsidiary HPCL

Provision for tax for earlier years written back (net) ₹ 15,481.10 million (2018-19: ₹ 204.00million) comprise of net additional provision towards current tax of ₹ 1,039.20million (2018-19: ₹ (506.20) million) and reversal of excess provision towards deferred Tax amounting to ₹ 16,520.30million (2018-19: ₹ (710.20) million), as under:

**a.** The Company has decided to opt for Vivad Se Vishwas Scheme, 2020 in respect of all eligible income tax disputes. Tax liability amounting to ₹ 7,648.70million has been estimated towards which a provision of ₹ 1,418.60million was being carried in the Books. Further, a net amount of ₹ 5,190.90million representing excess provision no longer required due to favourable orders in tax disputes, changes in tax positions based on the management assessment and other consequential adjustments, has since been reversed. Thus, a net tax current tax expense of ₹ 1,039.20million has been recognized in the Statement of Profit and Loss towards the aforesaid scheme.

**b.** The Company has opted for new tax regime and tax rate under Section 115BAA of the Income Tax Act, 1961 have been considered to determine the tax liability (net). In accordance with Ind AS 12, the carried balance of deferred tax liabilities (net) has therefore been re-measured basis tax rates that have been enacted on the reporting date. Accordingly an amount of ₹ 20,125.00million being excess amount of deferred tax liability (net) has been reversed. Out of the above ₹ 3,248.90million has been transferred to Retained earnings in 'Other Equity' since the amount was originally routed through reserves and the balance of ₹ 16,876.10million net of other consequential adjustments in deferred tax asset amounting to ₹ 355.80millionequalling to ₹ 16,520.30million has been credited to Statement of Profit and Loss.

**36.4** In respect of subsidiary OVL, the above non-current tax liabilities include provisions on account of disputed income tax demands in India under the Income tax Act 1961 amounting to ₹ 748.65 million as at March 31, 2020 (₹ 748.65 million as at March 31, 2019) in respect of disputed disallowances/ additions made by the Assessing Officer on tax positions not covered by favourable orders from Appellate authorities.

**36.5** In respect of Subsidary PMHBL, the Company has opted for applicable income tax for the financial year 2019-20 (25.168%) as available under secton 11BAA - Tax on Income of certain Domestic Companies as notified as per taxation laws (Amendment) Act 2019. The tax rate for financial year 2018-19 was 29.12%.

## 37 Revenue from Operations

The following is an analysis of the Group's revenue from operations for the year:

( ₹ in million )

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **A. Sale of products (Refer note 37.3, 37.4 & 37.5)** | | |
| Sale of products (including excise duty) | 4,245,890.34 | 4,541,756.04 |
| Less: Transfer to Exploratory Wells in progress (includes levies) | 324.03 | 33.08 |
| Less: Government of India's (GoI's) share in Profit Petroleum | 17,757.88 | 26,014.21 |
| **Total** | **4,227,808.43** | **4,515,708.75** |
| **B. Other Operating Revenue** | | |
| Contractual Short Lifted Gas Receipts | 254.67 | 72.23 |
| Pipeline Transportation Receipts | 3,647.52 | 2,988.49 |
| North-East Gas Subsidy (Refer note 37.2) | 2,295.85 | 1,964.40 |
| Surplus from Gas Pool Account | 1,308.20 | - |
| Production Bonus | - | 63.22 |
| Sale of Electricity | 668.38 | 663.36 |
| Processing Charges | 1,156.85 | 902.76 |
| Other Receipts (Refer note 37.6 & 37.10) | 12,874.28 | 14,464.77 |
| **Total** | **22,205.75** | **21,119.23** |
| **Total revenue from operations** | **4,250,014.18** | **4,536,827.98** |

**37.1** Revenue from nominated crude (except North East crude) is accounted for in terms of Crude Oil Sales Agreements (COSAs) signed with Buyer refineries. For Crude Oil produced in North East, revenue from sale of Crude oil to IOCL is accounted for in terms of COSA while sales revenue from sale of Crude oil to NRL is based on the pricing formula provided by Ministry of Petroleum and Natural Gas, Government of India.

**37.2** Majority of Sales revenue of Natural Gas is based on domestic gas price of US$ 3.69 /mmbtu and US$ 3.23 /mmbtu (on GCV basis) notified by GoI for the period April 01, 2019 to September 30, 2019 and October 01, 2019 to March 31, 2020 respectively in terms of "New Domestic Natural Gas Pricing Guidelines, 2014". For certain gas consumers in North-East, consumer price is 60% of the domestic gas price and the difference between domestic gas price and consumer price is paid to the Company through GoI Budget and classified as 'North-East Gas Subsidy'.

**37.3** The outbreak of COVID-19 globally and resultant lockdown in many countries, including India has impacted the business of the Company. Oil, Gas and Petroleum Products are declared as essential services by Government of India during lockdown. The Company continued producing and supplying crude oil and natural gas to its customers during lockdown period. Offtake of crude oil by Refineries is not affected during this period. But few Gas customers have served notices of Force majeure on the Company due to lock down restrictions causing marginal reduction in Gas sales which is not material.

After March 31, 2020, there has not been any reduction in demand for the crude oil produced by the Company. Natural Gas demand (and hence production) however did see a modest decline of about 9% during the lockdown, which has been now restored to normal levels with gas demand increasing to pre-COVID-19 levels after relaxations in lockdown and gradual opening of industries and various customers. There were few issues in delivery of materials as the Company's operations and supply chain is distributed across various work centres and projects all over the country. However, it doesn't affect operations materially and there is no disruption in supply chain management leading to any significant impact on the Company's business. There have been some disruptions in supply chains especially in the international arena but these have not yet had any major impact on day to day operations. As far as some projects are concerned, the supply chain disruption has pushed back the anticipated completion dates.

However, the unfolding events could in fact may end up being different but it is anticipated the same are unlikely to materially affect the oil and gas production/off-take etc. though the unfolding events could have impact on oil and gas prices, similarly outfield activities or project progress may get affected as situation on COVID-19 unfolds.

**In respect of Subsidiary HPCL:**

**37.4** Sale of product is net of discount of ₹ 23,484.70 million (2018-19: ₹ 25,986.60 million).

**37.5** During the current financial year 2019-20, Subsidy on PDS Kerosene and Domestic Subsidized LPG from State Governments amounting to ₹ 639.50 million (2018-19: ₹ 556.30 million) and Subsidy on Sugar (pertaining to HPCL Biofuels Ltd.) from GOI of ₹ 295.10 million (2018-19: ₹ 101.30 million) has been accounted.

**37.6** Budgetary Support amounting to ₹ 2,814.10 million (2018-19: ₹ 9,571.20 million) under 'Recovery under Subsidy Schemes' towards under recovery on sale of PDS SKO has been accounted.

**37.7** Disaggregation of revenue as required under Ind AS 115:

**( ₹ million)**

| Particulars | 2019-20 | 2018-19 |
|---|---|---|
| Exports | 62,033.80 | 27,900.90 |
| Other than exports | 2,803,708.90 | 2,931,967.80 |
| **Total** | **2,865,742.70** | **2,959,868.70** |

**37.8** In respect of subsidiary OVL, The Company has recognised revenue for its share of long term test production of crude oil after deducting the cost of wells (Mariposa and Indico) in the exploratory block CPO5, Colombia. During the year crude oil production from the exploratory block was 0.266 MMT (Previous Year 0.126 MMT). The company has sought opinion of EAC of ICAI regarding accounting treatment of reveue from sale of hydrocarbons produced during exploration stage.

**37.9** In respect of subsidiary OVL, the majority of the company's natural gas production is sold under long-term contracts. The company expects to satisfy all of its sale obligation through the production of its proved reserves of natural gas.

**37.10** In respect of Subsidiary of OVL, step down subsidiary ONGBV is acting as an agent to arrange for the sale of crude oil for FOGBV (Operator at Lower Zakum Concession, UAE). ONGBV recognises net margin as a facilitator for marketing & administrative activities provided in respect of sale of crude on behalf of FOGBV. The details of net margin recognized in other receipts is as follows:

**( ₹ million)**

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| A. Sale of products | 27,432.23 | 23,178.28 |
| B. Purchases of stock in trade | 27,344.09 | 23,161.89 |
| **Total (A-B)** | **88.14** | **16.39** |

## 38 Other Income

( ₹ million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Interest on:** | | |
| Deposits with Banks/Public Sector Undertakings | 3,738.53 | 2,031.53 |
| Income Tax Refund | 295.33 | 3,807.94 |
| Delayed Payment from Customers and Others | 4,265.30 | 6,831.18 |
| **Financial assets measured at amortized cost** | | |
| Site Restoration Fund Deposit | 11,017.79 | 11,894.98 |
| Employee Loan | 1,615.65 | 1,458.10 |
| Current Investment carried at FVTPL | 3,731.07 | 3,749.91 |
| Other Investments | 165.79 | 165.79 |
| Others | 3,059.79 | 2,475.73 |
| **Total** | **27,889.25** | **32,415.16** |
| **Dividend Income from:** | | |
| Other Investments | 9,074.21 | 15,262.74 |
| **Total** | **9,074.21** | **15,262.74** |
| **Other Non-Operating Income** | | |
| Excess Provision written back (Refer note 43.1 & 64) | 20,228.14 | 9,345.55 |
| Liabilities no longer required written back | 1,413.86 | 3,790.45 |
| Contractual Receipts | 954.26 | 511.42 |
| Profit on sale of investments | 5.53 | 46.12 |
| Profit on sale of Non-Current Asset | 194.12 | 169.27 |
| Amortization of financial guarantee obligation | - | (0.70) |
| Fair valuation of financial instruments | 2,651.91 | 1,343.81 |
| Miscellaneous Receipts | 22,904.17 | 14,414.74 |
| **Total** | **48,351.99** | **29,620.66** |
| **Total other income** | **85,315.45** | **77,298.56** |

## 39 Changes in inventories of finished goods, stock in trade and work in progress

( ₹ million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Closing Stock- Finished Goods/Stock in Process and Stock in trade | 197,661.31 | 209,151.26 |
| Opening Stock- Finished Goods/Stock in Process and Stock in trade# | 209,151.26 | 178,072.50 |
| Effect of exchange difference | (34.32) | 122.55 |
| **(Increase)/Decrease in Inventories** | **11,455.63** | **(30,956.21)** |

# Net of adjustment of ₹ 0.08 million - Change in basis of Accounting for stock-in-trade from purchase to consumption by subsidiary MRPL during 2018-19

## 40 Production, Transportation, Selling and Distribution Expenditure

( ₹ in million )

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Royalty | 127,846.35 | 147,730.24 |
| Cess | 107,877.64 | 128,567.66 |
| Natural calamity contingent duty | 1,019.92 | 1,063.13 |
| Road and Infrastructure Cess | 407.92 | 183.37 |
| Excise duty | 281,985.07 | 320,569.44 |
| Service tax/GST | 502.74 | 0.21 |
| Octroi and port trust charges | 4,510.36 | 5,476.85 |
| Staff expenditure | 65,391.69 | 64,435.89 |
| Workover operations | 14,466.64 | 17,547.51 |
| Water Injection, Desalting and Demulsification | 12,153.51 | 13,036.14 |
| Consumption of raw materials & stores and spares (Refer note 64) | 889,021.46 | 1,048,855.93 |
| Pollution control | 2,780.29 | 2,787.30 |
| Transport expenses | 5,952.38 | 8,126.35 |
| Insurance | 2,323.95 | 2,031.89 |
| Power and Fuel | 10,541.64 | 10,002.52 |
| Repairs and maintenance | 46,115.82 | 41,191.73 |
| Contractual payments including Hire charges etc. | 21,560.65 | 29,608.45 |
| Other production expenditure | 39,828.24 | 38,570.88 |
| Transportation and Freight of Products | 81,886.86 | 80,421.61 |
| Research and development | 5,557.73 | 5,832.76 |
| General administrative expenses | 40,225.14 | 39,954.93 |
| CSR expenditure (Refer Note 40.4 & 40.5) | 8,680.44 | 8,080.89 |
| Exchange (gain)/loss* | 35,184.48 | 13,295.94 |
| Decrease/(increase) due to overlift/underlift quantity | (124.93) | (643.29) |
| Miscellaneous expenses (Refer Note 40.7) | 31,703.82 | 28,884.25 |
| Loss on sale of property, plant & equipments | 134.19 | 90.81 |
| Loss on fair valuation of financial instruments | 1,945.78 | 998.90 |
| **Total Production, Transportation, Selling and Distribution Expenditure** | **1,839,479.78** | **2,056,702.29** |

*In respect of company, includes ₹ 7,775.88 million (Previous year Nil) exchange loss on revaluation of FE Lease liabilities.

**40.1** In respect of subsidiary MRPL, the Non-Management employees wage revision is due for revision effective from January 1, 2017 and the negotiation with the employees union is in progress. Pending final negotiation, the company has made provision for wage revision on estimated basis for the year ended March 31, 2020 amounting to ₹ 248.52 million (Previous Year ₹ 255.70 million) and is shown under 'Employee benefits expense'.

**40.2** In respect of subsidiary OVL, other production expenditure includes Cross Flow expenditure which is technically referred to as Straddling of hydrocarbon reservoir. In most of the cases, it is dealt by Unitization Agreement.Due to lack of Unitization Agreement in Russia, cross flow due to straddling of reservoir was settled at a point of time and therefore the provision for cross flow claim arose. It is reiterated that in the context of overall E&P industry such cross flow in straddling reservoirs is a common phenomenon and therefore does not meet the incidence test.

### 40.3 Details of Nature wise Expenditure

(₹ in million)

| Particular | 2019-20 | 2018-19 |
|---|---|---|
| Manpower Cost | | |
| (a) Salaries, Wages, Ex-gratia etc. | 114,501.99 | 120,866.07 |
| (b) Contribution to Provident and other funds | 16,916.64 | 13,185.85 |
| (c) Provision for gratuity | 651.30 | 1,109.27 |
| (d) Provision for Leave (Including Compensatory Absence) | 3,451.10 | 6,671.97 |
| (e) Post Retirement Medical & Terminal Benefits | 11,616.89 | 9,990.74 |
| (f) Staff welfare expenses | 8,174.64 | 6,681.10 |
| **Sub Total:** | **155,312.56** | **158,505.00** |
| Consumption of Raw materials, Stores and Spares (Refer Note 64) | 939,689.39 | 1,100,848.87 |
| Royalty (Note 57.1.2) | 127,846.35 | 147,730.24 |
| Cess | 107,877.64 | 128,567.66 |
| National Calamity Contingent Duty | 1,019.92 | 1,063.13 |
| Road and Infrastructure Cess | 407.92 | 183.37 |
| Excise Duty | 281,985.07 | 320,569.43 |
| Service Tax/GST | 502.74 | 19.29 |
| Port Trust Charges | 4,510.36 | 5,476.85 |
| Rent | 6,044.74 | 6,764.05 |
| Rates and taxes | 2,257.31 | 2,373.05 |
| Hire charges of equipments and vehicles | 38,111.18 | 99,454.28 |
| Power, fuel and water charges | 20,789.22 | 21,397.28 |
| Contractual drilling, logging, workover etc. | 63,050.95 | 56,665.07 |
| Contractual security | 11,367.82 | 7,969.45 |
| Contractual Transportation | 68,142.85 | 65,512.22 |
| Repairs to building | 1,715.63 | 2,010.56 |
| Repairs to plant and equipment | 29,688.14 | 26,441.54 |
| Other repairs | 7,853.81 | 7,276.84 |
| Insurance | 3,128.00 | 2,814.00 |
| Expenditure on Tour / Travel | 6,849.54 | 7,156.17 |
| CSR Expenditure (Note - 40.4 & 40.5) | 8,680.44 | 8,080.89 |
| Exchange Loss (Net) | 35,184.48 | 13,295.94 |
| Other Operating expenditure* | 22,602.89 | 20,430.84 |
| Miscellaneous expenditure (Note - 40.7) | 28,686.52 | 28,628.54 |
| | **1,973,305.48** | **2,239,234.55** |
| **Less:** | | |
| Allocated to exploration, development drilling, capital jobs, recoverables etc. | 133,825.70 | 182,532.26 |
| **Production, Transportation, Selling and Distribution Expenditure** | **1,839,479.78** | **2,056,702.29** |

*In respect of subsidiary OVL, the other operating expenditure includes the expenses in respect of project(s) where the details are not made available by the Operator of the project in above mentioned heads.

**40.4** The CSR expenditure comprises the following:

(a) Gross amount required to be spent by the Group during the year: ₹ 8,792.79 million (previous year ₹ 7,320.07million)

(b) Amount spent during the year on

(₹ in million)

| Particulars | Year ended March 31, 2020 | | | Year ended March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | In Cash | Yet to be paid in cash | Total | In Cash | Yet to be paid in cash | Total |
| Construction/acquisition of any asset | 368.04 | 96.55 | 464.59 | 71.02 | 114.27 | 185.29 |
| On purpose other than above | 7,744.12 | 471.73 | 8,215.85 | 7,437.76 | 457.84 | 7,895.60 |
| **Total** | **8,112.16** | **568.28** | **8,680.44** | **7,508.78** | **572.11** | **8,080.89** |

**40.5** In respect of subsidiary OVL, the operations of the company are outside India and therefore the eligible Net Profit of the year for the purpose of Corporate Social Responsibility (CSR) under the Companies Act, 2013 shall be "Nil". However, for the year ended March 31, 2020, the company has made a total expenditure of ₹ 11.33million (for the year ended March 31, 2019 ₹ 95.39 million) towards CSR activities outside India directly or through its joint ventures.

**40.6** In respect of subsidiary OVL, upto the year ended March 31, 2020, input tax credit under GST amounting to ₹ 467.87 million has been claimed by the company. The amount of claim is under review and necessary adjustments, if any, will be carried out in the next period.

The above figure is for ITC of FY 2017-18 and 2018-19 as reported in GST Returns filed; a part of this was claimed in FY 2017-18 (₹ 164.15 million), FY 2018-19 (₹ 214.88 million) and remaining for the FY 2019-20 (₹ 88.84 Million) respectively.

**40.7** The Miscellaneous Expenditure in Note 40.3 includes Statutory Auditors Remuneration as under:

( ₹ million)

| Payment to Auditors | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Audit Fees | 48.96 | 44.40 |
| Certification and Other Services | 23.31 | 21.08 |
| Travelling and Out of Pocket Expenses | 23.04 | 23.73 |
| **Total** | **95.31** | **89.21** |

**40.8** The expenditure incurred by various in house R&D institutes on scientific research eligible for deduction under section 35(2AB) of Income Tax Act, 1961 is as under:

( ₹ million)

| Payment to Auditors | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Capital Expenditure | 1,480.05 | 1,783.62 |
| Revenue Expenditure | 5,456.76 | 5,766.76 |

## 41 Finance Cost

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Interest on:** | | |
| - Borrowings | 24,938.72 | 26,210.15 |
| - Cash credit | 12.40 | 11.03 |

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| - Debentures/Bonds | 8,338.39 | 9,536.09 |
| **Borrowing Cost-Exchange difference on Foreign Currency Loan** | **14,422.11** | **3,811.63** |
| -Amounts included in the cost of qualifying assets | (5,665.76) | (5,809.92) |
| **Unwinding of discount on:** | | |
| - Decommissioning provision | 19,781.84 | 15,421.12 |
| - Financial liabilities | 416.96 | 449.07 |
| - Lease liabilities * | 5,611.78 | 4,512.56 |
| Net loss/(gain) on fair value of derivative contracts mandatorily measured at fair value through profit or loss | 1,433.54 | 2,848.01 |
| Others | 707.75 | 1,377.51 |
| **Total** | **69,997.73** | **58,367.25** |

* for the year ended March 31, 2019,represents unwinding of discount on Finance Lease Obligation as per erstwhile Ind AS 17

**41.1** In terms of para 6 and 6A of Ind AS 23 'Borrowing Cost' the exchange difference arising out of foreign currency borrowings i.e. the difference between the cost of borrowings in functional currency (₹ ) as compared to the cost of borrowings in foreign currency is treated as finance cost after an adjustment to foreign exchange loss.

**41.2** In respect of subsidiary OVL, the weighted average capitalization rate on funds borrowed is 3.45% per annum (as at March 31, 2019: 4.74%).

**41.3** In respect of subsidiary OVL, the net loss/(gain) on fair value of derivative contracts recognised in the statement of Profit & loss is on account of mark to market valuation of the derivative contracts resulting from movements in exchange rates and interest rates of the underlying currencies. These derivative contracts are solely taken for the long term foreign currency borrowings of the Company. Accordingly, it has been deemed appropriate to classify it under finance cost as a separate line item to enable the readers of financial statements to appreciate the offsetting effect of the derivative contracts on the financing costs.

**41.4** In respect of subsidiary HPCL, weighted average cost of borrowing rate used for capitalization of general borrowing (other than specific borrowings) is 5.96% during FY 2019-20 ( as at March 31, 2019 : 6.95%)

**41.5** In respect of subsidiary HPCL, Others include interest u/s 234B / 234C of Income Tax Act, 1961 for an amount ₹ Nil (2018-19: ₹ 397.80 million)

## 42 Depreciation, Depletion, Amortization and Impairment

( ₹ in million )

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Depletion (Refer note 64)** | 166,096.87 | 160,573.22 |
| **Depreciation & Amortisation-PPE (Refer note 64)** | 64,634.48 | 63,469.63 |
| **Depreciation & Amortisation- ROU Asset** | 51,761.00 | - |
| Less: Allocated to exploratory drilling | (15,891.23) | (2,646.30) |
| Less: Allocated to development drilling | (17,515.54) | (2,947.00) |
| Less: Allocated to others | (746.32) | (308.38) |

( ₹ in million )

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Total Depreciation** | **82,242.39** | **57,567.95** |
| **Amortisation of intangible assets** | **1,144.84** | **1,188.78** |
| Impairment Loss | | |
| Provided during the year | 22,610.35 | 18,646.92 |
| Less: Reversed during the year | 5,745.64 | 939.84 |
| **Total** | **16,864.71** | **17,707.08** |
| **Total Depreciation, Depletion, Amortisation and Impairment** | **266,348.81** | **237,037.03** |

**42.1** During the year, based on the recommendation of internal constituted committee, the Company has excluded the basic sediment and water (BS&W) which settles out in storage tanks from the production for the purpose of calculation of depletion on oil and gas assets using unit of production method. This has resulted in decrease in depletion amounting to ₹ 2,141.64 million for the year. This has an impact in future periods also, estimation of which is impracticable.

## 43 Other impairment and Write Offs

( ₹ in million )

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Impairment For:** | | |
| Doubtful debts | 1,536.85 | 6,797.41 |
| Acquisition cost | 1.77 | - |
| Doubtful claims/advances | 6,272.15 | 6,016.39 |
| Non-moving inventories | 2,110.23 | 1,230.03 |
| Others | 459.64 | 773.25 |
| | **10,380.64** | **14,817.08** |
| **Write offs** | | |
| Disposal/Condemnation of other PPE | 16,493.78 | 448.39 |
| Provision written back | - | - |
| | **16,493.78** | **448.39** |
| Inventory | 302.95 | 161.81 |
| Receivables | 2.16 | 151.84 |
| Claims/advances | 147.64 | 719.26 |
| | **147.64** | **719.26** |
| **Total Other impairment and write offs** | **27,327.17** | **16,298.38** |

**43.1** In respect of subsidiary OVL, the company has terminated/surrendered EPSA for Block 2A and 4, Sudan w.e.f. 31st August 2019. The company has written off an amount of ₹ 15,433.16 million in the following assets: Other PPE (₹ 34.83 million), Oil and Gas Assets (₹ 14,542.11 million), Development Wells in Progress (₹ 386.08 million) and Exploratory Wells in Progress (₹ 470.14 million). Consequently, the impairment provision of ₹ 16,519.69 million pertaining to this project has been written back.

## 44 Exceptional items

( ₹ in million )

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Impairment (charge)/reversal relating to Property, Plant & Equipment and other items as detailed below: | (90,284.79) | (15,910.10) |

**44.1 In respect of Company,**

The company has carried out impairment test as at March 31, 2020 in respect of its Cash Generating Units (CGUs) and has recorded an impairment to the extent the carrying amount exceeds the value in use and has disclosed the same as exceptional item amounting to ₹ 48,990.47 million. For details refer note on 56.4 on impairment.

**44.2** In respect of subsidiary OVL, the company carried out impairment test as at March 31, 2020 in respect of its Cash Generating Units (CGUs) based on value in use method. The Company identified impairment in respect of 5 CGUs and provided for impairment of ₹ 31,265.00 million during the year ended March 31, 2020 (for the year ended March 31, 2019 net impairment of ₹ 15,762.16 million was recognised in respect of two CGUs). The same has been considered as exceptional item.

**44.3** In respect of subsidiary HPCL, with due consideration to the requirements of the Accounting Standards, the company has determined the write down of inventories due to drastic fall in oil prices accompanied with reduced movement in inventory and the same has been disclosed as Exceptional Items having an impact of ₹ 10,029.32 million (Net of tax: ₹ 7,505.10 million) for the year ended March 31, 2020 (F.Y. 2018-19: Nil).

**44.4 In respect of subsidiary MRPL, the exceptional items for previous year is on account of :**

**44.4.1** Expense of ₹ 228.73 million is towards differential contribution to "MRPL Defined Contribution Pension Scheme" for Management Staff (pertaining to the period January 2007 to March 2018) and Non Management Staff (pertaining to the period April 2007 to March 2018).

**44.4.2** Expense of ₹ 339.75 million is on account of estimated cost of purchase of Renewable Energy Certificate (REC) from Indian Energy Exchange (IEX), as per the direction received from Karnataka Electricity Regulatory Commission, for meeting Renewable Energy Purchase Obligation (RPO) from the financial year 2015-16 to 2017-18 based on company's captive and auxiliary consumption.

**44.4.3** Income of ₹ 420.54 million relating to reclaim of input tax credit under Goods and Service Tax Act (GST Act) for the financial year 2017-18 represents the credit taken based on annual mix of products covered under GST and products not covered under GST.

## 45 Tax Expense

( ₹ in million )

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Current tax in realtion to:** | | |
| Current year | 96,475.80 | 159,121.35 |
| Earlier years | (18,054.22) | (381.20) |
| **Total** | **78,421.58** | **158,740.15** |
| Deferred tax | (3,341.56) | 50,336.32 |
| **Total** | **(3,341.56)** | **50,336.32** |
| **Total tax expense recognized in current year** | **75,080.02** | **209,076.47** |

* Refer Note 64

The income tax expense for the year can be reconciled to the accounting profit as follows:

( ₹ in million )

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Profit before tax** | **190,681.50** | **548,456.55** |
| Income tax expense calculated at 34.944% (2018-2019: 34.944%) | 66,631.74 | 191,652.66 |
| **Adjustments for tax effect of:** | | |
| Dividend | (3,008.20) | (5,109.14) |
| Deduction under section 80-IA | (178.79) | (312.47) |
| Investment Allowance @ 15% | 2.67 | 20.97 |
| Income exemp from tax | 72.98 | 15.82 |
| Exceptional (income)/expense not considered in determining taxable profit | 9,223.45 | 4,195.55 |
| Corresponding Effect of temporary differences on account of current tax of earlier periods | 4,558.03 | 372.67 |
| Current Tax on CSR Expenditure | 564.98 | 1,616.54 |
| Expenses not allowed in Income Tax | 3,115.47 | 3,833.78 |
| Additional tax for foreign jurisdiction | 5,771.11 | 6,267.14 |
| Concessions (research and development u/s 35(2AB) and 35(1)(ii)) | (834.45) | (1,070.98) |
| Losses of subsidiary not available for set-off in Group profit | 307.40 | 287.90 |
| Profit from associate | (1,938.58) | (3,910.45) |
| Profit from joint venture | 2,760.36 | 1,725.89 |
| Deferred tax on unrealised profits | 423.03 | 345.16 |
| Deferred tax on undistributed profits | (4,590.90) | 1,597.96 |
| Other inter group eliminations | (8.23) | (102.03) |
| Rupee tax base on account of change in exchange rate | 3,673.28 | 9,409.11 |
| Timing differences | (54.51) | (41.56) |
| Recognition of MAT credit of earlier years at 21.3416% | - | (11.70) |
| Change in deferred tax balance due to true up adjustments | (139.91) | 537.68 |
| Exemption under section 10AA of Income Tax Act, 1961. | 4,126.92 | 222.74 |
| Differential tax rates | (1,460.08) | (92.39) |
| **Sub total** | **89,017.77** | **211,450.85** |
| Others | 4,116.47 | (1,737.37) |
| | **93,134.24** | **209,713.48** |
| Adjustments recognised in the current year in relation to the current tax of prior years | (18,054.22) | (637.01) |
| **Income tax expense recognised in profit or loss (relating to continuing opertions)** | **75,080.02** | **209,076.47** |

45.1 Income tax recognized in other comprehensive income

( ₹ in million )

| Particulars | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---|---|---|
| **Deferred tax on** | | |
| **a) Items that may be reclassified to profit or loss** | | |
| Exchange differences in translating the financial statements of foreign operations | (5,763.42) | (4,815.26) |
| Effective portion of gains (losses) on hedging instruments in cash flow hedges | 60.82 | (0.08) |
| **b) Items that will not be reclassified to profit or loss** | | |

( ₹ in million )

| Particulars | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---|---|---|
| Remeasurement of defined benefit obligation | 2,121.79 | 1,529.78 |
| Net fair value gain on investments in equity shares at FVTOCI | 8,031.93 | 1,265.25 |
| Share of OCI in Associates & JVs in other comprehensive income: | 0.03 | (0.04) |
| **Total income tax recognised in other comprehensive income** | **4,451.15** | **(2,020.35)** |
| Bifurcation of the income tax recognised in other comprehensive income into:- | | |
| **Items that will not be reclassified to profit or loss** | **10,153.75** | **2,794.99** |
| **Items that may be reclassified to profit or loss** | **(5,702.60)** | **(4,815.34)** |

## 46 Earnings per Equity share

**(All amounts are ₹ in millions unless otherwise stated)**

| Particulars | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---|---|---|
| | | |
| Profit after tax for the year attributable to equity shareholders | 109,071.48 | 305,460.40 |
| Weighted average number of equity shares (No. in million) | 12,580.28 | 12,806.90 |
| Basic & Diluted earnings per equity share (₹ ) | 8.67 | 23.85 |
| Face Value per equity share (₹ ) | 5.00 | 5.00 |

**46.1** Earnings per share for the year ended March 31, 2019 has been computed on the basis of weighted average number of shares outstanding during the year considering buy back of 25,29,55,974 fully paid up equity shares completed on February 22, 2019.(Refer Note 64)

## 47 Transition to Ind AS 116 ‘Leases’

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019. Under the new standard, all lease contracts, with limited exceptions, are recognised in the financial statements by way of right-of-use assets and corresponding lease liabilities. The Group has applied the standard to its leases, using the modified prospective method at the date of initial application (i.e. April 1, 2019), with the option to measure the right of use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Accordingly, the Group has not restated comparative information for lease disclosure and therefore will continue to be reported under the accounting policy with respect to leases under Ind AS 17 ‘Leases’ included as part of our annual report for the year ended March 31, 2019.

The Group has applied the new standard to hiring/service contracts of rigs, vessels, helicopters, buildings, right of way etc. including leasehold land (excluding leases to explore oil and natural gas), to evaluate whether these contracts contains a lease or not. Based on evaluation of the terms and conditions of the arrangements, the Group has evaluated such arrangements to be leases.

The Grouphas applied following practical expedients on transition to Ind AS 116 on initial application:

a) Use of single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date

b) Exclusion of initial direct cost from the measurement of the right-of-use asset at the date of initial application

c) Not to recognize right of use assets and lease liabilities for leases with remaining lease term of upto 12 months from the date of initial application (i.e. April 1, 2019) by class of asset and leases of low value asset on lease by lease basis.

On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 154,618.52 millionwith a corresponding lease liability of ₹ 124,755.91 million. The difference between the lease liabilities and the right of use assets being recognised, pertains to the prepaid lease payments and adjustment of finance lease recognised in the balance sheet immediately before the date of initial application. Application of this standard has also resulted in net decrease in Consolidated Profit before tax of year ended March 31, 2020 by ₹ 8,477.97 million

In respect of leases that were classified as finance leases applying Ind AS 17, an amount of ₹ 18,959.76 million from "Oil and Gas Assets" and an amount of ₹ 3,586.26 million from "Property, plant and equipment" has been reclassified to "right-of-use assets". An amount of ₹ 6,053.10 million has been reclassified from "Non - current finance lease obligation" to "lease liability – non-current" and an amount of ₹ 1,017.31 million has been reclassified from "current finance lease obligation" to "lease liability – current".

Compared with the previous accounting for operating leases under Ind AS 17, the application of the new standard has a significant impact on the classification of expenditures and cash flows. It also impacts the timing of expenses recognised in the statement of profit and loss. Operating lease expenses were previously principally included within Production, Transportation, Selling and Distribution expenditure, except to the extent allocated to exploration, development drilling, capital jobs, etc. During the year, the operating lease expenses previously recognised as 'hire charges of equipments and vehicles are replaced by depreciation charge on right of use asset amounting to ₹ 51,761.00 million and interest cost on lease liability amounting to ₹ 7,397.78 million.

Many of the Group contracts such as drilling rigs hiring, vessel hiring, other hiring/ service contracts, etc. involve a number of additional services and components including personnel cost, maintenance, drilling related activities, consumables and other items. In most of such contacts, the additional services/non-lease components constitute significant portion of the overall contract value. Where the additional services/non-lease components are not separately priced, the non-operating day rate has been considered to be the minimum lease payment and any payment over and above the same has been categorised as "variable lease payments" or "non-lease payments.

In the current year, the foreign currency exchange (gain)/loss amounting to ₹ 7,775.88 million pertains to restatement of lease liabilities denominated in foreign currency at March 31, 2020.

The following table provides a reconciliation of the Group operating lease commitments as at March 31, 2019 to the total lease liabilities recognized on the balance sheet in accordance with Ind AS 116 as at April 1, 2019.

(₹ in million)

| Particulars | Amount |
|---|---|
| **Operating lease commitments at March 31, 2019** | **147,063.89** |
| Low value leases | (2,186.13) |
| Non-lease components | (25,399.78) |
| Short-term leases | (20,552.51) |
| Effect of discounting | (7,023.70) |
| Variable lease payments | (4,459.00) |
| Other | (16,489.22) |
| New lease liabilities recognized | 47,119.87 |

(₹ in million)

| Particulars | Amount |
|---|---|
| Finance lease obligations at March 31, 2019 | 7,070.41 |
| Inter Group Eliminations | (387.92) |
| **Total lease liabilities at April 1, 2019** | **124,755.91** |

**47.1 Short term leases and leases below materiality threshold:**

As part of transition, the Group has availed the practical expedient of not to apply the recognition requirements of Ind AS 116 to short term leases and also applied materiality threshold for recognition of assets and liabilities related to leases. The Operating lease commitments at March 31, 2019, include amounts related to such leases.

**47.2 Effects of discounting:**

The amount of the lease liability recognized in accordance with Ind AS 116 will be on a discounted basis whereas the operating lease commitments at March 31 2019, is presented on an undiscounted basis.

**47.3 Variable lease payments:**

This includes the amount of lease payments based on usage of underlying assets. The Operating lease commitments at March 31, 2019, include such amounts based on estimated usage.

**47.4 Leases**

The Group leases a number of assets as part of its activities. The Group has applied Ind AS 116 'Leases' to hiring / service contracts of rigs, vessels, helicopters, buildings , staff quarter etc. including leasehold land (excluding leases to explore oil and natural gas), to evaluate whether these contracts contains a lease or not. Based on evaluation of the terms and conditions of the arrangements, the Group has evaluated such arrangements to be leases. The Group does not have an option to purchase the leased rigs, vessels, helicopters etc. at the expiry of the lease terms..

**In case of Subsidary, OVL,** the initial term of the FPSO lease contract of BC-10, Brazil is 15 years with priced extension options for more years according to the production lifetime. The interest rate implicit in the lease for the FPSO amounts to 13.74%.

**In case of Subsidary, MRPL,** the Company has entered into arrangements for right of way for pipelines and lease of land which have been classified as operating leases and the same is now disclosed as Right of Use Assets (ROU). The lease period for right of way ranges from 11 months to 30 years and for leases of land ranges from 5 to 99 years. In case of leasehold land, the Company does not have option to purchase the land at the end of the lease period. Generally, the lease arrangements for land requires Company to make upfront payments at the time of the execution of the lease arrangement with annual recurring charges with escalations in annual lease rentals. In case of leases earlier classified as finance lease and now disclosed , the ownership of lands will be transferred at the end of lease term with nominal payment of administraton charges.The lease term in such cases ranges from 5 to 44 years.

**In case of subsidiary OMPL,** the Company has entered into land lease agreement for setting up SEZ unit with Mangalore SEZ Limited whose lease period is 47 years. The same has been classified as operating lease. The Company does not have option to purchase the land at the end of the lease period. Further the Company has made upfront payments at the time of the execution of the lease arrangement with annual recurring charges with no escalations in annual lease rentals. The Company has an option to renew the lease agreement for futher period of 47 years after the expiry of the lease term on mutually agreed terms. The Company has also entered into arrangements for lease of residential/office premises and lease of NMPT land which have been classified as operating leases. The average lease period ranges from 11 months to 47 years.

**47.5 Note on expenditure booked under various heads related to Ind AS 116 and Company's exposure to future cash outflows**

Amount booked under various heads related to Lease as per Ind AS 116 for the year ended March 31,2020 is as under:

(₹ in million)

| Expenditure heads | Year ended March 31, 2020 |
|---|---|
| Depreciation expense on Right-Of-Use Assets | 51,761.00 |
| Interest expense on Lease Liability | 7,397.78 |
| Expense related to Short Term Leases | 19,402.19 |
| Expense related to leases of Low Value Assets | 3,082.87 |
| Expense related to variable lease payments not included in the measurement of lease liabilities | 53,237.56 |

**47.6 At March 31, 2020, the estimated future undiscounted cash flows for lease is as follows:**

(₹ in million)

| Future Lease payments payable from the end of the year | As at March 31, 2020 |
|---|---|
| Upto one year (April 01, 2020 to March 31, 2021) | 55,818.17 |
| Between one to three years (April 01, 2021 to March 31, 2023) | 53,592.54 |
| Between three to five years (April 01, 2023 to March 31, 2025) | 16,225.80 |
| More than five years (after March 31, 2025) | 55,632.35 |
| **Total** | **181,268.85** |
| Less: Interest Cost | 49,991.11 |
| Net Lease liability | 131,277.74 |
| Perpetual Lease liability | 787.74 |
| Less: Inter group eliminations | 364.65 |
| **Total lease liabilities as on March 31,2020** | **131,700.83** |

## 48 Employee benefit plans

### 48.1 Defined Contribution plans:

### 48.1.1 Provident Fund

**In case of Company**

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The obligation of the Group is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by GoI. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligations are as under:

(₹ in million)

| Particulars | As At 31-Mar-20 | As At 31-Mar-19 |
|---|---|---|
| Obligations at the end of the year | 134,596.76 | 127,862.85 |
| Fair Value of Plan Assets at the end of the year | 136,318.00 | 129,533.60 |

Provident Fund is governed through a separate trust. The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government or the Central Provident Fund Commissioner, the board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Raising of moneys as may be required for the purposes of the fund by sale, hypothecation or pledge of the investment wholly or partially.

(iii) Fixation of rate of interest to be credited to members' accounts.

**In case of subsidiary HPCL:**

**Provident Fund**

The long term employee benefit of Provident Fund is administered through a separate Trust, established for this purpose in accordance with The Employee Provident Fund and Miscellaneous Provisions Act, 1952. The contribution to the Provident Fund is remitted to this trust based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss.

Under the Statute, the shortfall, if any, in the interest obligation, in comparison to minimum rate of return, declared by Government of India will have to be made good by the Employer and therefore, for the financial year 2019-20, an amount of ₹ 100.4 million (2018-19: NIL) has been provided and charged to Statement of Profit and Loss. The shortfall has arisen primarily due to default over interest obligations on Non-convertible Debentures of certain Companies wherein the Trust has made its investments at a time when these Companies were having highest credit rating. In anticipation of probable principal default as well in these NCDs amounting to ₹ 2,430 million, basis best available estimate, the Provident Fund Trust has marked down the investments by 70% in its Books to reflect the true & fair valuation. Correspondingly, considering the Employer's obligation to make good the loss in value of these investments under the Provident Fund regulations, the Company determined its probable liability in the future amounting to ₹ 1,701 million (2018-19: NIL), which has been provided during the year and charged to Statement of Profit & Loss.

'The present value of benefit obligation at period end is ₹ 43,721.30 million (31.03.2019 : ₹ 40,828.5 million). The fair value of the assets of Provident Fund Trust as of Balance Sheet date is greater than the present value of benefit obligation.

**Superannuation Fund:**

The HPCL Group has Superannuation - Defined Contribution Scheme (DCS) maintained by 'Superannuation Benefit Fund Scheme (SBFS) Trust' wherein Employer makes a monthly contribution of a certain percentage of 'Basic Salary & Dearness Allowance(DA)', out of 30%, earmarked for various Superannuation benefits. This is in accordance with Department of Public Enterprises (DPE) guidelines. These contributions are credited to individual Employee's Account maintained either with Life Insurance Corporation of India (LIC) or an optional National Pension Scheme (NPS) Account.

Further, for the financial year 2019-20, Group has made a provision of ₹ 521.5 million (2018-19: ₹ NIL) by charging to Statement of Profit & Loss towards increase in liabilities in case of Superannuation – Defined Benefit Scheme (DBS) determined based on actuarial valuation.

**In case of Subsidiary, MRPL:**

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India. As per report of the actuary, overall interest earnings and cumulative surplus is more than the statutory interest payment requirement. Hence, no further provision is considered necessary. The details of fair value of plan assets and obligations are as under:

(₹ in million)

| Particulars | As At 31-Mar-20 | As At 31-Mar-19 |
|---|---|---|
| Obligation at the end of the year | 4,772.87 | 4,057.55 |
| Fair value of Plan Assets at the end of the year | 4,836.55 | 4,125.38 |

**In case of Subsidiary, PMHBL:**

The Company makes Provident Fund which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**48.1.2 Post Retirement Benefit Scheme**

The defined contribution pension scheme of the Group for its employees is administered through a separate trust. The obligation of the Group is to contribute to the trust to the extent of amount not exceeding 30% of basic pay and dearness allowance as reduced by the employer's contribution towards provident fund, gratuity, post-retirement medical Benefit (PRMB) or any other retirement benefits.

The board of trustees of the Trust functions in accordance with any applicable guidelines or directions that may be issued in this behalf from time to time by the Central Government, the board of trustees have the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of contribution and interest thereon.

(iii) Purchase of annuities for the members.

**48.2 Employee Pension Scheme 1995**

The Employee Pension Scheme -1995 is administered by Employees Provident Fund Organization of India, wherein the Group has to contribute 8.33% of salary (subject to maximum of ₹ 15,000 per month) out of the employer's contribution to Provident Fund.

**48.3 Composite Social Security Scheme (CSSS)**

The Composite Social Security Scheme is formulated by the Group for the welfare of its regular employees and it is administered through a separate Trust, named as Composite Social Security Scheme Trust. The obligation of the Group is to provide matching contribution to the Trust to the extent of contribution of the regular employees of the group. The Trust provides an assured lump sum support amount in the event of death or permanent total disablement of an employee while in service. In case of Separation other than Death/ Permanent total disability, employees own contribution along with interest is refunded.

The Board of trustees of the Trust functions in accordance with Trust deed, Rule, Scheme and applicable guidelines or directions that may be issued by Management from time to time.

The Board of trustees has the following responsibilities:

(i) Investments of the surplus as per the pattern notified by the Government in this regard so as to meet the requirements of the fund from time to time.

(ii) Fixation of rate of interest to be credited to members' accounts.

(iii) To provide cash benefits to the nominees in the event of death of an employee or Permanent Total Disablement leading to the cessation from service and refund of own contribution along with interest in case of separation other than death.

**48.4** The following are the amounts before allocation recognized in the consolidated financial statements for the defined contribution plan:

(₹ in million)

| Defined Contribution Plans | Amount recognized during | | Contribution for key management personnel | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Provident Fund | 6213.37 | 6,062.90 | 5.02 | 4.67 |
| Post Retirement Benefit Scheme | 7,936.53 | 8,203.83 | 5.92 | 5.04 |
| Employee Pension Scheme-1995 (EPS) | 326.73 | 358.76 | 0.08 | 1.49 |
| Composite Social Security Scheme (CSSS) | 555.61 | 584.39 | 0.27 | 0.31 |

48.5 **Defined benefit planst**

48.5.1 **Brief Description:** A general description of the type of Employee Benefits Plans is as follows:

48.5.2 All the employee benefit plans of the Group are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

48.5.3 **Gratuity**

15 days salary for each completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 2 million on superannuation, resignation, termination, disablement or on death.

Scheme is funded through own Gratuity Trust. The liability for gratuity as above is recognized on the basis of actuarial valuation.

**In case of Subsidiary, HPCL**

Each employee rendering continuous service of 5 Years or more is entitled to receive gratuity amount equal to 15/26 of the eligible salary for every completed years of service subject to maximum of ₹ 2.0 million at the time of separation from the company. Besides the ceiling of gratuity increases by 25% whenever IDA rises by 50%. The long term employee benefit of Gratuity is administered through a Trust, established under The Payment of Gratuity Act, 1972. The Board of Trustees comprises of representatives from the Employer who are also plan participants in accordance with the plans regulation. The liability towards gratuity is funded with Life Insurance Corporation of India (LIC). Pending declaration of interest rate by LIC for the financial year, it is estimated at 8% (2018-19: 8.15%) and accounted

**In case of Subsidiary, MRPL**

15 days salary for every completed year of service. Vesting period is 5 years and the payment is restricted to ₹ 2 million.

48.5.4 **Post-Retirement Medical Benefits**

The Group has Post-Retirement Medical benefit (PRMB), under which the retired employees, their spouses and dependent parents are provided medical facilities in the Group hospitals/empanelled hospitals up on payment of one time prescribed contribution by the employees. They can also avail treatment as out-patient. The liability for the same is recognized annually on the basis of actuarial valuation. Full medical benefits on superannuation and on voluntary retirement are available subject to the completion of minimum 20 years of service and 50 years of age.

An employee should have put in a minimum of 15 years of service rendered in continuity in ONGC at the time of superannuation to be eligible for availing post-retirement medical facilities

**In case of Subsidiary, HPCL**

Post Retirement Benefit medical scheme provides medical benefit to retired employees and eligible dependent family members. This long term employee benefit is administered through a Trust. The liability towards Post-Retirement Medical Benefit for employees is ascertained, yearly, based on the actuarial valuation and funded to the Trust.

During the year, there has been default over interest obligations (& default in principal obligations in a case) on Non-convertible Debentures of certain Companies amounting to ₹ 995 million, wherein the Trust has made its investments at a time when these

Companies were having highest credit rating. Basis best available estimate, the Trust has marked down these investments by 70% in its Books to reflect the true & fair valuation. This diminution in these Trust Investments amounting to ₹ 696.50 million [2018-19:Rs. Nil], has been duly considered in the Actuarial Valuation while ascertaining the liability for the Group. The HPCL Group has provided for the above liability during the year and charged to Statement of Profit & Loss in compliance with Ind AS 19.

**In case of Subsidiary, MRPL:**

After retirement, on payment of one time lump sum contribution, the superannuated employee and his/her dependent spouse and dependent parents will be covered for medical benefit as per the rules of the Company.

**48.5.5 Terminal Benefits**

At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

**In case of Subsidiary, HPCL:**

Upon superannuation from the services of the Group, there are employees who permanently settle down at a place other than the location of the last posting. Such employees are provided with resettlement allowance as per policy of the HPCL Group.

**In case of Subsidiary, MRPL:**

**a)** At the time of superannuation, employees are entitled to settle at a place of their choice and they are eligible for Settlement Allowance.

**b)** Premature Retirement on Medical Grounds

The Company has an approved scheme of Premature Retirement on Medical Grounds. Ex gratia payment equivalent 60 days emolument for each completed year of service or the monthly emoluments at the time of retirement multiplied by the balance months of service left before normal date of retirement, whichever is less is payable apart from Superannuation Benefits.

**c)** Scheme for Self Insurance for providing lump-sum monetary compensation

Under the scheme of 'Post Retirement Benefit and Benefit on Separation', in case of employee suffering death or permanent total disablement due to an accident arising out of and in the course of employment, a compensation equivalent to 100 months Basic Pay plus Dearness Allowance (DA) without laying down any minimum amount is payable.

**d)** Benefits of Separation under SABF: In case of death / permanent disablement of an employee while in service in the Company, the beneficiary has to exercise desired options available within 6 months from the date of death / permanent total disablement.

**48.5.6 Pension**

The employees covered by the Pension Plan of the Company are entitled to receive monthly pension for life.

**In case of Subsidiary, HPCL:**

The employees covered by the Pension Plan of the Group are entitled to receive monthly pension for life. However, none of the current serving employees are covered under Pension Plan of the Company.

**48.5.7 Ex-gratia**

The ex-employees of Group covered under the Scheme are entitled to get ex-gratia based on the grade at the time of their retirement. The benefit will be paid to eligible employees till their survival, and after that, till the survival of their spouse.

**In case of Subsidiary, HPCL:**

The ex-employees of Company are covered under the Scheme, entitling to get ex-gratia, determined based on their salary grade at the time of their superannuation. The benefit is paid to eligible employees till their survival, and thereafter till the survival of their spouse. However, none of the current serving employees are covered under this Plan.

48.5.8 These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for these plans, investments are made in government securities, debt instruments, Short term debt instruments, Equity instruments and Asset Backed, Trust Structured securities as per notification of Ministry of Finance. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

No other post-retirement benefits are provided to these employees.

In respect of the above plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2020 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

**48.6 Other long term employee benefits**

48.6.1 **Brief Description:** A general description of the type of Other long term employee benefitsis as follows:

48.6.2 All the employee benefit plans of the Group are run as Group administration plans (Single Employer Scheme) including employees seconded to ONGC Videsh Limited (OVL), 100% subsidiary.

**48.6.3 Earned Leave (EL) Benefit**

Accrual – 30 days per year

Encashment while in service – 75% of Earned Leave balance subject to a maximum of 90 days per calendar year

Encashment on retirement – maximum 300 days

Scheme is funded through Life Insurance Corporation of India (LIC).

**In case of Subsidiary MRPL:**

Earned Leave Benefit (EL):

Accrual – 32 days per year

Accumulation up to 300 days allowed

EL accumulated in excess of 15 days is allowed for encashment while in service provided the EL encashed is not less than 5 days.

**48.6.4 Good Health Reward (Half pay leave)**

Accrual - 20 days per year

Encashment while in service - Nil

Encashment on retirement - 50% of Half Pay Leave balance.

Scheme is funded through Life Insurance Corporation of India. (LIC).

The liability for the same is recognized annually on the basis of actuarial valuation.

**In case of subsidiary MRPL:**

Accrual – 20 days per year

Encashment while in service is not allowed

Encashment on retirement is permitted; restricted up to 300 days along with Earned leave.

**48.6.5 In case of subsidiary HPCL:**

The employees of the Corporation are entitled to certain leave as per policy. The liability of the Corporation is determined annually through actuarial valuation and funded with Life Insurance Corporation of India (LIC). Pending declaration of interest rate by LIC for the financial year, it is estimated at 8% (2018-19: 8.15%) and accounted

**48.7** The principal assumptions used for the purposes of the actuarial valuations were as follows:

| S. No. | Particulars | 31-Mar-20 | 31-Mar-19 |
|---|---|---|---|
| | **Gratuity** | | |
| I | Discount rate | 6.70%-6.87% | 7.60% -7.79% |
| II | Expected return on plan assets | 6.70%-6.87% | 7.60% -7.79% |
| III | Annual increase in salary | 5.00%-8.00% | 5.00%-8.00% |
| | **Leave** | | |
| IV | Discount rate | 6.70%-6.80% | 7.70% -7.77% |
| V | Expected return on plan assets | 6.80% | 7.77% |
| VI | Annual increase in salary | 5.00%-8.00% | 5.00% -7.50% |
| | **Post-Retirement Medical Benefits** | | |
| VII | Discount rate | 6.80%-6.86% | 7.77% -7.79% |
| VIII | Expected return on plan assets | 6.81% | 7.78% |
| IX | Annual increase in costs | 3.00%-7.5% | 3.00% - 7.50% |
| | **Terminal Benefits** | | |
| X | Discount rate | 6.80%-6.86% | 7.77%-7.79% |
| XI | Expected return on plan assets | NA | NA |
| XII | Annual increase in costs | 7.50% | 7.50% |
| XIII | Annual increase in salary | 7.50% | 7.00%-7.50% |
| XIV | **Pension** | 6.82% | 7.47% |
| | **Employee Turnover (%)** | | |
| XV | Up to 30 Years | 3.00 | 3.00 |
| XVI | From 31 to 44 years | 2.00 | 2.00 |
| XVII | Above 44 years | 1.00 | 1.00 |
| XVI-II | Weighted Average Duration of Present Benefit Obligations | 12.92 | 12.31 |

| S. No. | Particulars | 31-Mar-20 | 31-Mar-19 |
|---|---|---|---|
| | **Mortality Rate** | | |
| XIX | Before retirement | As per Indian Assured Lives Mortality Table (2012-14) | |
| XX | After retirement | As per Indian Assured Lives Mortality Table (2012-14) | |

The discount rate is based upon the market yield available on Government bonds at the Accounting date with a term that matches. The salary growth takes account inflation, seniority, promotion and other relevant factors on long term basis. Expected rate of return on plan assets is based on market expectation, at the beginning of the year, for return over the entire life of the related obligation.

48.8 Amounts recognized in the Consolidated Financial Statements before allocation in respect of these defined benefit plans and other long term employee benefits are as follows:

Gratuity

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| **Service Cost :** | | |
| Current service cost | 907.51 | 1,199.62 |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | (56.34) | 31.71 |
| Increase or decrease due to adjustment in opening corpus consequent to audit | (15.91) | 60.42 |
| **Components of defined benefit costs recognised in Employee Benefit expenses** | **835.25** | **1,291.74** |
| **Remeasurement on the net defined benefit liability:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 12.42 | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 1,802.88 | 318.81 |
| Actuarial (gains)/losses arising from experience adjustments | (1,002.72) | (1,103.39) |
| Return on Plan Assets (excluding amount included in net interest cost) | (75.10) | (1,215.78) |
| **Components of Remeasurement** | **737.48** | **(2,000.35)** |
| **Total** | **1,572.74** | **(708.61)** |

Leave

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| **Service Cost :** | | |
| Current service cost | 1,713.27 | 1,843.76 |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | 494.09 | 312.13 |
| Increase or decrease due to adjustment in opening corpus consequent to audit | (217.37) | 165.19 |
| Additional Contribution Due to Pay Revision | | - |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 14.96 | |
| Actuarial (gains)/losses arising from changes in financial assumptions | 1,846.69 | 1,553.72 |
| Actuarial (gains) / losses arising from experience adjustments | (220.67) | 2,671.93 |
| Return on Plan Assets (excluding amount included in net interest cost) | (282.92) | 21.40 |
| **Components of defined benefit costs recognised** | **3,348.05** | **6,568.13** |

Post-retirement medical benefits

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| **Service Cost :** | | |
| Current service cost | 876.01 | 666.81 |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | 3,464.07 | 2,923.25 |
| **Components of defined benefit costs recognised in Employee Benefit expenses** | **4,340.09** | **3,590.06** |
| **Remeasurement on the net defined benefit liability:** | | |
| Return on Plan Assets (excluding amount included in net interest cost) | NA | NA |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 24.98 | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 3,991.83 | (764.58) |
| Actuarial (gains) / losses arising from experience adjustments | 300.75 | 6,451.94 |
| Adjustments for restrictions on the defined benefit asset | - | - |
| **Components of Remeasurement** | **4,317.56** | **5,687.37** |
| **Total** | **8,657.65** | **9,277.42** |

Terminal Benefits

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| **Service Cost :** | | |
| Current service cost | 104.63 | 80.86 |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | 95.80 | 51.56 |
| **Components of defined benefit costs recognised in Employee Benefit expenses** | **200.43** | **132.43** |
| **Remeasurement on the net defined benefit liability:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 0.72 | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 321.60 | 58.54 |
| Actuarial (gains) / losses arising from experience adjustments | 55.41 | 578.19 |
| Adjustments for restrictions on the defined benefit asset | - | - |
| **Components of Remeasurement** | **377.72** | **636.72** |
| **Total** | **578.15** | **769.15** |

Pension

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| **Service Cost :** | | |
| Current service cost | - | - |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | 15.90 | 31.10 |
| **Components of defined benefit costs recognised in Employee Benefit expenses** | **15.90** | **31.10** |
| **Remeasurement on the net defined benefit liability:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 4.50 | 0.70 |
| Actuarial (gains) / losses arising from experience adjustments | (11.20) | (193.00) |
| Adjustments for restrictions on the defined benefit asset | - | - |
| **Components of Remeasurement** | **(6.70)** | **(192.30)** |
| **Total** | **9.20** | **(161.20)** |

Ex- Gratia

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| **Service Cost :** | | |
| Current service cost | - | - |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | 18.20 | 21.00 |
| **Components of defined benefit costs recognised in Employee Benefit expenses** | 18.20 | 21.00 |
| **Remeasurement on the net defined benefit liability:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 5.80 | 1.50 |
| Actuarial (gains) / losses arising from experience adjustments | 0.90 | 0.10 |
| **Components of Remeasurement** | **6.70** | **1.60** |
| **Total** | **24.90** | **22.60** |

Gratuity Unfunded

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| **Service Cost :** | | |
| Current service cost | 16.63 | 11.41 |
| Past service cost and (gain)/loss from settlements | - | - |
| Net interest expense | 7.37 | 4.49 |
| **Components of defined benefit costs recognised in Employee Benefit expenses** | **24.00** | **15.89** |
| **Remeasurement on the net defined benefit liability:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | (0.01) | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 17.60 | 2.61 |
| Actuarial (gains) / losses arising from experience adjustments | (6.77) | 21.61 |
| **Components of Remeasurement** | **10.82** | **24.21** |
| **Total** | **34.82** | **40.11** |

Post-Retirement Medical Benefits: Funded

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| **Service Cost :** | | |
| Current service cost | 587.90 | 569.50 |
| Net interest expense | 4.30 | 6.60 |
| Contribution by Employee | (8.10) | (28.40) |
| **Components of defined benefit costs recognised in Employee Benefit expenses** | **584.10** | **547.70** |
| **Remeasurement on the net defined benefit liability:** | | |
| Return on Plan Assets (excluding amount included in net interest cost) | 852.40 | 15.80 |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 1,068.20 | (19.40) |
| Actuarial (gains) / losses arising from experience adjustments | (393.70) | 14.90 |
| **Components of Remeasurement** | **1,526.90** | **11.30** |
| **Total** | **2,111.00** | **559.00** |

The Components of Remeasurement of the net defined benefit liability recognized in other comprehensive income is ₹ 6,876.94 million(Previous Year ₹ 4,591.57 million).

**48.9** Movements in the present value of the defined benefit obligation and other long term employee benefits are as follows:

**Gratuity**

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening defined benefit obligation | 35,711.25 | 37,735.29 |
| Current service cost | 907.51 | 1,199.62 |
| Interest cost | 2,774.08 | 2,894.16 |
| **Remeasurement (gains)/losses:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 12.42 | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 1,802.88 | 318.81 |
| Actuarial (gains) / losses arising from experience adjustments | (1,002.72) | (1,103.39) |
| Past service cost, including losses/(gains) on curtailments | - | - |
| Benefits paid | (5,544.01) | (5,333.24) |
| **Closing defined benefit obligation** | **34,661.41** | **35,711.25** |

**Leave**

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening defined benefit obligation | 30,299.73 | 27,718.92 |
| Current service cost | 1,713.27 | 1,843.76 |
| Interest cost | 2,354.44 | 2,123.46 |
| **Remeasurement (gains)/losses:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 14.96 | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 1,846.69 | 1,553.72 |
| Actuarial (gains) / losses arising from experience adjustments | (220.67) | 2,671.93 |
| Past service cost, including losses/(gains) on curtailments | - | - |
| Benefits paid | (6,531.04) | (5,612.06) |
| **Closing defined benefit obligation** | **29,477.36** | **30,299.73** |

**Post-retirement medical benefits: Unfunded**

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening defined benefit obligation | 44,582.53 | 38,111.19 |
| Current service cost | 876.01 | 666.81 |
| Interest cost | 3,464.07 | 2,923.25 |
| **Remeasurement (gains)/losses:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 24.98 | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 3,991.83 | (764.58) |
| Actuarial (gains) / losses arising from experience adjustments | 300.75 | 6,451.94 |
| Past service cost, including losses/(gains) on curtailments | - | - |
| Benefits paid | (3,234.60) | (2,806.09) |
| **Closing defined benefit obligation** | **50,005.57** | **44,582.53** |

Terminal Benefits

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening defined benefit obligation | 1,233.48 | 668.97 |
| Current service cost | 104.63 | 80.86 |
| Interest cost | 95.80 | 51.56 |
| **Remeasurement (gains)/losses:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 0.72 | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 321.60 | 58.54 |
| Actuarial (gains) / losses arising from experience adjustments | 55.41 | 578.19 |
| Past service cost, including losses/(gains) on curtailments | - | - |
| Benefits paid | (244.28) | (204.63) |
| **Closing defined benefit obligation** | **1,567.36** | **1,233.48** |

Pension

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening defined benefit obligation | 213.20 | 411.10 |
| Current service cost | - | - |
| Interest cost | 15.90 | 31.10 |
| **Remeasurement (gains)/losses:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 4.50 | 0.70 |
| Actuarial (gains) / losses arising from experience adjustments | (11.20) | (193.00) |
| Past service cost, including losses/(gains) on curtailments | - | - |
| Benefits paid | (34.60) | (36.70) |
| **Closing defined benefit obligation** | **187.80** | **213.20** |

Ex-Gratia

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening defined benefit obligation | 243.10 | 273.10 |
| Current service cost | - | - |
| Interest cost | 18.20 | 21.00 |
| **Remeasurement (gains)/losses:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 5.80 | 1.50 |
| Actuarial (gains) / losses arising from experience adjustments | 0.90 | 0.10 |
| Past service cost, including losses/(gains) on curtailments | - | - |
| Benefits paid | (48.80) | (52.60) |
| **Closing defined benefit obligation** | **219.20** | **243.10** |

**Gratuity Unfunded**

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening defined benefit obligation | 93.97 | 55.30 |
| Current service cost | 16.63 | 11.41 |
| Interest cost | 7.37 | 4.49 |
| **Remeasurement (gains)/losses:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | (0.01) | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 17.60 | 1.19 |
| Actuarial (gains) / losses arising from experience adjustments | (6.77) | 23.03 |
| Past service cost, including losses/(gains) on curtailments | - | - |
| Benefits paid | (1.01) | (1.43) |
| **Closing defined benefit obligation** | **127.79** | **93.97** |

**Post-retirement medical benefits: Funded**

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening defined benefit obligation | 7,738.30 | 7,120.50 |
| Current service cost | 587.90 | 569.50 |
| Interest cost | 602.00 | 552.60 |
| **Remeasurement (gains)/losses:** | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | - | - |
| Actuarial (gains)/losses arising from changes in financial assumptions | 1,068.20 | (19.40) |
| Actuarial (gains) / losses arising from experience adjustments | (393.70) | 14.90 |
| Past service cost, including losses/(gains) on curtailments | - | - |
| Benefits paid | (527.30) | (499.80) |
| **Closing defined benefit obligation** | **9,075.40** | **7,738.30** |

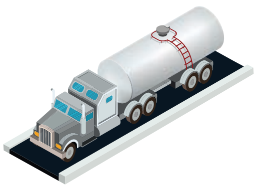
**48.10** The amount included in the Group Balance sheet arising from the entity's obligation in respect of its defined benefit plan and other long term employee benefits is as follows :

**Gratuity Funded:**

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Present value of funded defined benefit obligation | 34,661.41 | 35,711.25 |
| Fair value of plan assets | 33,999.07 | 36,419.67 |
| Funded status | (662.34) | 708.42 |
| Restrictions on asset recognized | NA | NA |
| **Net liability arising from defined benefit obligation** | **662.34** | **(708.42)** |

The amounts included in the fair value of plan assets of gratuity fund in respect of Reporting Enterprise's own financial instruments and any property occupied by, or other assets used by the reporting enterprise are Nil (As at March 31, 2019 Nil).



Leave:

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Present value of funded defined benefit obligation | 29,477.36 | 30,299.73 |
| Fair value of plan assets | 26,120.76 | 23,725.32 |
| Funded status | (3,356.60) | (6,574.41) |
| Restrictions on asset recognized | NA | NA |
| **Net liability arising from defined benefit obligation** | **3,356.60** | **6,574.41** |

Post-retirement medical benefits: Unfunded:

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Present value of funded defined benefit obligation | 50,005.57 | 44,582.53 |
| Fair value of plan assets | NA | NA |
| Funded status | NA | NA |
| Restrictions on asset recognized | NA | NA |
| **Net liability arising from defined benefit obligation** | **50,005.57** | **44,582.53** |

Terminal Benefits:

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Present value of funded defined benefit obligation | 1,567.36 | 1,233.48 |
| Fair value of plan assets | - | - |
| Funded status | NA | NA |
| Restrictions on asset recognized | NA | NA |
| **Net liability arising from defined benefit obligation** | **1,567.36** | **1,233.48** |

Pension:

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Present value of funded defined benefit obligation | 187.80 | 213.20 |
| Fair value of plan assets | - | - |
| Funded status | NA | NA |
| Restrictions on asset recognized | NA | NA |
| **Net liability arising from defined benefit obligation** | **187.80** | **213.20** |

Ex- Gratia:

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Present value of funded defined benefit obligation | 219.20 | 243.10 |
| Fair value of plan assets | - | - |
| Funded status | NA | NA |
| Restrictions on asset recognized | NA | NA |
| **Net liability arising from defined benefit obligation** | **219.20** | **243.10** |

**Gratuity Unfunded:**

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Present value of funded defined benefit obligation | 127.79 | 93.97 |
| Fair value of plan assets | - | - |
| Funded status | NA | NA |
| Restrictions on asset recognized | NA | NA |
| **Net liability arising from defined benefit obligation** | **127.79** | **93.97** |

**Post-Retirement Medical Benefits: Funded**

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Present value of funded defined benefit obligation | 9,075.40 | 7,738.30 |
| Fair value of plan assets | 7,491.70 | 7,683.00 |
| Funded status | (1,583.70) | (55.30) |
| Restrictions on asset recognized | NA | NA |
| **Net liability arising from defined benefit obligation** | **1,583.70** | **55.30** |

**48.11** Movements in the fair value of the plan assets are as follows :

**Gratuity:**

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening fair value of plan assets | 36,419.67 | 34,104.29 |
| Adjustment in opening corpus consequent to audit | 15.91 | (60.42) |
| Expected return on plan assets | 2,830.43 | 2,862.45 |
| Return on plan assets (excluding amounts included in net interest expense) | 75.10 | 1,215.78 |
| Contributions from the employer | 201.98 | 3,630.81 |
| Benefits paid | (5,544.01) | (5,333.24) |
| **Closing fair value of plan assets** | **33,999.07** | **36,419.67** |

Expected Contribution in respect of Gratuity for next year will be ₹ 1,412.94 million (For the year ended March 31, 2019 ₹ 1,268.96 million).

The group has recognized a gratuity liability of ₹ 102.47 million as on March 31, 2020 (As at March 31, 2019 ₹ 100.22 million) as per actuarial valuation for 222 employees (As at March 31, 2019 – 231 employees) contingent Employees engaged in different work centers.

**Leave:**

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening fair value of plan assets | 23,725.32 | 23,811.75 |
| Adjustment in opening corpus consequent to audit | 217.37 | (165.19) |
| Expected return on plan assets | 1,860.35 | 1,811.33 |
| Return on plan assets (excluding amounts included in net interest expense) | 282.92 | (21.40) |
| Contributions from the employer | 6,564.52 | 3,899.99 |
| Benefits paid | (6,529.72) | (5,611.17) |
| **Closing fair value of plan assets** | **26,120.76** | **23,725.32** |

Post-Retirement Medical Benefits:

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| Opening fair value of plan assets | 7,683.00 | 7,036.20 |
| Adjustment in opening corpus consequent to audit | - | - |
| Expected return on plan assets | 597.70 | 546.00 |
| Return on plan assets (excluding amounts included in net interest expense) | (852.40) | (15.80) |
| Contributions from the employer | 63.40 | 116.60 |
| Benefits paid | - | - |
| **Closing fair value of plan assets** | **7,491.70** | **7,683.00** |

48.12 The fair value of the plan assets at the end of the reporting period for each category, are as follows.

(₹ in million)

| Particulars | Year Ended 31-Mar-20 | Year Ended 31-Mar-19 |
|---|---|---|
| **Gratuity:** | | |
| Cash and cash equivalents | 24.20 | 1.02 |
| **Investments in Mutual Fund:** | | |
| - Mutual Fund | 20.71 | 21.73 |
| **Debt investments categorized by issuers' credit rating:** | | |
| AAA | 1,252.10 | 1,674.30 |
| AA+ | 397.94 | 5.01 |
| AA | - | 2.03 |
| AA- | - | - |
| A+ | 7.01 | - |
| A- | - | 3.01 |
| BBB+ | - | 3.01 |
| **Group Gratuity Cash Accumulation Scheme (Traditional Fund)** | | |
| Life Insurance Corporation | 21,073.00 | 20,490.71 |
| SBI Life | 1,564.69 | 3,293.01 |
| Bajaj Allianz | 167.93 | 137.01 |
| HDFC Standard Life Insurance Co. | 169.01 | 140.00 |
| Birla Sunlife Insurance Co. | 93.29 | 70.26 |
| India First Life Insurance Co. | 93.34 | 70.26 |
| Unit Linked Plan of Insurance Company | - | - |
| Investment in Govt. Securities | 121.13 | 139.69 |
| Bank TDR | 800.52 | 1,420.72 |
| Treasury Bills | - | - |
| Net Current Assets | 380.31 | 765.31 |
| Insurance Fund | 7,833.89 | 8,182.59 |
| **Total Gratuity** | **33,999.07** | **36,419.67** |
| **Leave:** | | |
| 100% managed by insurer (LIC Trust) | 26,120.76 | 23,725.32 |
| **Post-Retirement Medical Benefits:** | | |
| 100% managed by insurer (LIC Trust) | 7,491.70 | 7,683.00 |
| **Total** | **67,611.53** | **67,827.99** |

48.12.1 The fair values of the above equity and debt instruments are determined based on quoted market prices in active markets.

**48.12.2** Cost of Investment is taken as fair value of Investment in Unit Linked Plan of Insurance Group (ULIPs) and Bank TDR.

**48.12.3** All Investments in PSU Bonds, Government Securities and Treasury Bills are quoted in active market.

**48.12.4** Fair value of Investment in Group Gratuity Cash Accumulation Scheme (Traditional Fund) of Insurance Group is taken as book value on reporting date.

**48.12.5** Net Current Assets represent Accrued Interest on Investments minus outstanding gratuity reimbursements as on reporting date.

**48.12.6** The actual return on plan assets of gratuity during FY 2019-20 was ₹ 2,293.37 million (during FY 2018-19 ₹ 3,666.99 million) and for Leave ₹ 2,143.27 million (during FY 2018-19 ₹ 1,789.93 million)

**48.13** Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**48.13.1 Sensitivity Analysis as on March 31, 2020**

**For ONGC and OVL:**

**(₹ in million)**

| Significant actuarial assumptions | Gratuity | Leave | Post-Retirement Medical Benefits | Terminal Benefits |
|---|---|---|---|---|
| **Discount Rate** | | | | |
| - Impact due to increase of 50 basis points | (602.05) | (985.50) | (2,358.75) | (41.97) |
| - Impact due to decrease of 50 basis points | 805.36 | 1,067.26 | 2,578.04 | 45.04 |
| **Salary increase** | | | | |
| - Impact due to increase of 50 basis points | 288.68 | 1,054.88 | - | - |
| - Impact due to decrease of 50 basis points | (137.16) | (983.73) | - | - |
| **Cost increase** | | | | |
| - Impact due to increase of 50 basis points | - | - | 2,500.50 | 44.94 |
| - Impact due to decrease of 50 basis points | - | - | (2,391.36) | (42.26) |

**For HPCL:**

**(₹ in million)**

| 31-Mar-20 | Gratuity | PRMBS | Pension | Ex - Gratia | Resettlement Allowance |
|---|---|---|---|---|---|
| Delta effect of +1% Change in Rate of Discounting | (478.50) | (1,098.10) | (6.90) | (6.50) | (7.60) |
| Delta effect of -1% Change in Rate of Discounting | 550.60 | 1,399.10 | 7.50 | 7.00 | 8.80 |
| Delta effect of +1% Change in Future Benefit cost inflation | - | 1,403.50 | - | - | - |
| Delta effect of -1% Change in Future Benefit cost inflation | - | (1,106.80) | - | - | - |
| Delta effect of +1% Change in Rate of Salary Increase | 128.80 | - | - | - | - |
| Delta effect of -1% Change in Rate of Salary Increase | (151.60) | - | - | - | - |
| Delta effect of +1% Change in Rate of Employee Turnover | 141.10 | - | - | - | (8.30) |
| Delta effect of -1% Change in Rate of Employee Turnover | (159.30) | - | - | - | 9.70 |

For MRPL:

Sensitivity Analysis as at March 31, 2020

(₹ in million)

| Significant actuarial assumptions | Gratuity | Post-Retirement Medical Benefits | Resettlement Allowance |
|---|---|---|---|
| **Rate of discounting** | | | |
| - Impact due to increase of 50 basis points | (54.57) | (6.51) | (1.24) |
| - Impact due to decrease of 50 basis points | 59.25 | 7.26 | 1.38 |
| **Rate of salary increase** | | | |
| - Impact due to increase of 50 basis points | 18.71 | - | 1.36 |
| - Impact due to decrease of 50 basis points | (18.99) | - | (1.24) |
| **Rate of Employee turnover** | | | |
| - Impact due to increase of 50 basis points | 15.18 | (2.76) | - |
| - Impact due to decrease of 50 basis points | (16.10) | 2.51 | - |

For OMPL:

Sensitivity Analysis as at March 31, 2020

(₹ in million)

| Significant actuarial assumptions | Gratuity |
|---|---|
| **Discount Rate** | |
| - Impact due to increase of 50 basis points | (6.57) |
| - Impact due to decrease of 50 basis points | 7.34 |
| **Salary increase** | |
| - Impact due to increase of 50 basis points | 6.18 |
| - Impact due to decrease of 50 basis points | (6.00) |
| **Employee turnover** | |
| - Impact due to increase of 50 basis points | (0.81) |
| - Impact due to decrease of 50 basis points | 0.87 |

48.13.2 Sensitivity Analysis as on March 31, 2019

For ONGC and OVL:

(₹ in million)

| Significant actuarial assumptions | Gratuity | Leave | Post-Retirement Medical Benefits | Terminal Benefits |
|---|---|---|---|---|
| **Discount Rate** | | | | |
| - Impact due to increase of 50 basis points | (642.34) | (885.92) | (2,101.39) | (32.27) |
| - Impact due to decrease of 50 basis points | 684.52 | 950.78 | 2,296.76 | 34.63 |
| **Salary increase** | | | | |
| - Impact due to increase of 50 basis points | 163.05 | 948.68 | - | - |
| - Impact due to decrease of 50 basis points | (164.99) | (892.08) | - | - |
| **Cost increase** | | | | |
| - Impact due to increase of 50 basis points | - | - | 2,227.67 | 34.56 |
| - Impact due to decrease of 50 basis points | - | - | (2,130.44) | (32.49) |

For HPCL:

(₹ in million)

| 31-Mar-20 | Gratuity | PRMBS | Pension | Ex - Gratia | Resettlement Allowance |
|---|---|---|---|---|---|
| Delta effect of +1% Change in Rate of Discounting | (431.40) | (870.90) | (7.70) | (7.20) | (7.00) |
| Delta effect of -1% Change in Rate of Discounting | 490.30 | 1,093.30 | 8.40 | 7.80 | 8.10 |
| Delta effect of +1% Change in Future Benefit cost inflation | - | 1,100.80 | - | - | - |
| Delta effect of -1% Change in Future Benefit cost inflation | - | (880.20) | - | - | - |
| Delta effect of +1% Change in Rate of Salary Increase | 135.40 | - | - | - | - |
| Delta effect of -1% Change in Rate of Salary Increase | (151.30) | - | - | - | - |
| Delta effect of +1% Change in Rate of Employee Turnover | 150.70 | - | - | - | (7.80) |
| Delta effect of -1% Change in Rate of Employee Turnover | (168.60) | - | - | - | 9.00 |

For MRPL:

Sensitivity Analysis as at March 31, 2019

(₹ in million)

| Significant actuarial assumptions | Gratuity | Post-Retirement Medical Benefits | Resettlement Allowance |
|---|---|---|---|
| **Rate of discounting** | | | |
| - Impact due to increase of 50 basis points | (44.11) | (5.09) | (1.06) |
| - Impact due to decrease of 50 basis points | 47.78 | 5.65 | 1.17 |
| **Rate of salary increase** | | | |
| - Impact due to increase of 50 basis points | 15.56 | - | 1.17 |
| - Impact due to decrease of 50 basis points | (15.97) | - | (1.06) |
| **Rate of Employee turnover** | | | |
| - Impact due to increase of 50 basis points | 16.15 | (2.02) | 0.03 |
| - Impact due to decrease of 50 basis points | (17.15) | 1.72 | (0.04) |

For OMPL:

Sensitivity analysis as at March 31, 2019

(₹ in million)

| Significant actuarial assumptions | Gratuity |
|---|---|
| **Discount Rate** | |
| - Impact due to increase of 50 basis points | (4.72) |
| - Impact due to decrease of 50 basis points | 5.26 |
| **Salary increase** | |
| - Impact due to increase of 50 basis points | 4.21 |
| - Impact due to decrease of 50 basis points | (4.22) |
| **Employee turnover** | |
| - Impact due to increase of 50 basis points | (0.09) |
| - Impact due to decrease of 50 basis points | 0.09 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

**48.14 Maturity Profile of Defined Benefit Obligation and other long term employee benefits:**

**For ONGC and OVL:**

(₹ in million)

| Defined Benefit: | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| **Gratuity:** | | |
| Less than One Year | 4,513.63 | 5,222.09 |
| One to Three Years | 6,376.55 | 2,949.63 |
| Three to Five Years | 4,381.38 | 2,066.01 |
| More than Five Years | 9,573.59 | 16,252.15 |
| **Leave:** | | |
| Less than One Year | 4,260.45 | 4,980.24 |
| One to Three Years | 6,818.00 | 6,996.17 |
| Three to Five Years | 4,953.29 | 5,272.23 |
| **More than Five Years** | **13,431.16** | **13,041.20** |

**For HPCL:**

(₹ in million)

| 31-Mar-20 | Less than 1 Year | 1-2 Year | 2-5 Year | 6-10 Year |
|---|---|---|---|---|
| Gratuity | 1,204.80 | 752.20 | 3,282.70 | 10,022.20 |
| PRMBS | 420.00 | 458.90 | 1,638.60 | 2,767.10 |
| Pension | 27.90 | 27.60 | 81.00 | 126.60 |
| Ex - Gratia | 40.50 | 39.90 | 116.10 | 177.60 |
| Resettlement Allowance | 13.10 | 7.20 | 41.80 | 162.90 |
| **Total** | **1,706.30** | **1,285.80** | **5,160.20** | **13,256.40** |

(₹ in million)

| 31-Mar-19 | Less than 1 Year | 1-2 Year | 2-5 Year | 6-10 Year |
|---|---|---|---|---|
| Gratuity | 1,112.20 | 743.00 | 3,248.20 | 10,088.10 |
| PRMBS | 389.60 | 424.30 | 1,513.60 | 2,634.60 |
| Pension | 31.80 | 31.50 | 92.00 | 143.30 |
| Ex - Gratia | 44.30 | 43.70 | 126.90 | 194.00 |
| Resettlement Allowance | 12.40 | 7.30 | 42.90 | 171.30 |
| **Total** | **1,590.30** | **1,249.80** | **5,023.60** | **13,231.30** |

For MRPL:

(₹ in million)

| Defined Benefit: | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| **Gratuity:** | | |
| Less than One Year | 66.61 | 49.49 |
| One to Three Years | 116.46 | 108.58 |
| Three to Five Years | 134.14 | 122.20 |
| More than Five Years | 462.47 | 398.88 |
| **Post-Retirement Medical Benefits:** | | |
| Less than One Year | 2.95 | 2.55 |
| One to Three Years | 6.27 | 5.70 |
| Three to Five Years | 7.12 | 6.52 |
| More than Five Years | 25.25 | 22.30 |
| **Resettlement Allowance:** | | |
| Less than One Year | 0.50 | 0.39 |
| One to Three Years | 0.92 | 0.91 |
| Three to Five Years | 0.97 | 0.89 |
| More than Five Years | 3.05 | 2.66 |

For PMHBL:

(₹ in million)

| Defined Benefit: | 31-Mar-20 | 31-Mar-19 |
|---|---|---|
| **Gratuity:** | | |
| Less than One Year | - | - |
| One to Three Years | - | - |
| Three to Five Years | - | - |
| More than Five Years | 9.54 | 6.89 |
| **Leave:** | | |
| Less than One Year | - | - |
| One to Three Years | - | - |
| Three to Five Years | - | - |
| More than Five Years | 14.46 | 9.88 |

## 49 Segment Reporting

**49.1** The Group has identified and reported segments taking into account the different risks and returns, the organization structure and the internal reporting systems. These have been organized into the following geographical and business segments:

**Geographical Segments**

**A. In India –**

- Offshore
- Onshore

**B. Outside India**

**Business Segments**

A. Exploration and Production

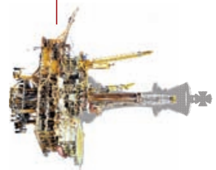
B. Refining& Marketing

49.2 **Segment revenue, results, assets and liabilities**

49.2.1 The following is an analysis of the Group's revenue,results, assets and liabilities from continuing operations by reportable segment.

**(₹ in million)**

| Particulars | 2019-20 | | | | | | |
|---|---|---|---|---|---|---|---|
| | In India | | | Outside India E&P | Unallocated | Elimination of Inter Segment Sales | Grand Total |
| | E&P | | Refining & Marketing | | | | |
| | Offshore | Onshore | | | | | |
| **Segment Revenue** | | | | | | | |
| External Sales | 467,975.66 | 302,198.42 | 3,323,784.33 | 155,471.10 | 584.67 | - | 4,250,014.18 |
| Inter Segment Sales | 167,242.56 | 22,460.06 | 155,695.55 | 0.11 | 521.22 | (345,919.50) | - |
| **Revenue from Operations** | **635,218.22** | **324,658.48** | **3,479,479.88** | **155,471.21** | **1,105.89** | **(345,919.50)** | **4,250,014.18** |
| **Segment Result-Profit/ (loss)** | 220,479.28 | (885.71) | (21,834.05) | 36,410.14 | | | 234,169.66 |
| Unallocated Corporate Expenses | | | | | 20,998.07 | | 20,998.07 |
| **Total** | **220,479.28** | **(885.71)** | **(21,834.05)** | **36,410.14** | **(20,998.07)** | | **213,171.59** |
| Finance costs | | | | | 69,997.73 | | 69,997.73 |
| Interest income | | | | | 27,889.25 | | 27,889.25 |
| Dividend Income | | | | | 9,074.21 | | 9,074.21 |
| Share of profit / (loss) of joint ventures and associates | | | 785.90 | 14,182.29 | (4,424.01) | | 10,544.18 |
| **Profit before tax** | **220,479.28** | **(885.71)** | **(21,048.15)** | **50,592.43** | **(58,456.35)** | | **190,681.50** |
| Income taxes | | | | | 75,080.02 | | 75,080.02 |
| **Profit for the year** | | | | | | | **115,601.48** |
| **Segment Assets** | 1,312,707.32 | 631,812.87 | 1,471,761.27 | 1,190,433.61 | | | 4,606,715.07 |
| Unallocated Corporate Assets | | | | | 432,265.63 | | 432,265.63 |
| **Total Assets** | **1,312,707.32** | **631,812.87** | **1,471,761.27** | **1,190,433.61** | **432,265.63** | | **5,038,980.70** |
| **Segment Liabilities** | 421,872.39 | 159,203.57 | 1,089,990.98 | 676,094.36 | | | 2,347,161.30 |
| Unallocated Corporate Liabilities | | | | | 444,014.32 | | 444,014.32 |
| **Total Liabilities** | **421,872.39** | **159,203.57** | **1,089,990.98** | **676,094.36** | **444,014.32** | | **2,791,175.62** |
| **Other Information** | | | | | | | |
| **Depreciation*** | 115,835.07 | 52,174.93 | 44,225.44 | 35,885.35 | 1,363.31 | | 249,484.10 |
| **Impairment (including related exceptional loss)**** | 33,841.47 | 32,013.71 | - | 31,265.00 | - | | 97,120.18 |
| **Other Non-cash Expenses** | 6,961.02 | 1,484.13 | 1,022.29 | 17,828.30 | 31.43 | | 27,327.17 |



(₹ in million)

| Particulars | 2018-19 ^ | | | | | | |
|---|---|---|---|---|---|---|---|
| | In India | | | Outside India E&P | Unallocated | Elimination of Inter Segment Sales | Grand Total |
| | E&P | | Refining & Marketing | | | | |
| | Offshore | Onshore | | | | | |
| **Segment Revenue** | | | | | | | |
| External Sales | 524,313.04 | 343,262.78 | 3,539,919.84 | 128,595.22 | 737.09 | - | 4,536,827.98 |
| Inter Segment Sales | 205,841.62 | 21,274.50 | 171,147.08 | 17,740.96 | 847.31 | (416,851.46) | - |
| **Revenue from Operations** | **730,154.66** | **364,537.28** | **3,711,066.92** | **146,336.18** | **1,584.40** | **(416,851.46)** | **4,536,827.98** |
| **Segment Result-Profit/ (loss)** | 317,286.64 | 84,665.93 | 106,613.04 | 36,713.40 | | | **545,279.00** |
| Unallocated Corporate Expenses | | | | | 20,415.64 | | **20,415.64** |
| **Total** | **317,286.64** | **84,665.93** | **106,613.04** | **36,713.40** | **(20,415.64)** | | **524,863.36** |
| Finance costs | | | | | 58,367.25 | | **58,367.25** |
| Interest income | | | | | 32,415.16 | | **32,415.16** |
| Dividend Income | | | | | 15,262.74 | | **15,262.74** |
| Share of profit / (loss) of joint ventures and associates | | | 8,345.99 | 28,025.99 | (2,089.45) | | **34,282.53** |
| **Profit before tax** | **317,286.64** | **84,665.93** | **114,959.03** | **64,739.39** | **(33,194.44)** | | **548,456.55** |
| Income taxes | | | | | 209,076.47 | | **209,076.47** |
| **Profit for the year** | | | | | | | **339,380.08** |
| **Segment Assets** | 1,211,919.54 | 636,953.28 | 1,394,406.90 | 1,131,060.41 | | | **4,374,340.13** |
| Unallocated Corporate Assets | | | | | 558,249.97 | | **558,249.97** |
| **Total Assets** | **1,211,919.54** | **636,953.28** | **1,394,406.90** | **1,131,060.41** | **558,249.97** | | **4,932,590.10** |
| Segment Liabilities | 303,280.44 | 128,654.48 | 971,886.25 | 629,688.49 | | | **2,033,509.65** |
| Unallocated Corporate Liabilities | | | | | 548,671.80 | | **548,671.80** |
| **Total Liabilities** | **303,280.44** | **128,654.48** | **971,886.25** | **629,688.49** | **548,671.80** | | **2,582,181.46** |
| **Other Information** | | | | | | | |
| **Depreciation*** | 109,176.55 | 32,188.70 | 41,033.85 | 35,612.39 | 1,318.46 | | **219,329.95** |
| **Impairment (including related exceptional loss)**** | 10,980.78 | 959.58 | 147.94 | 21,528.88 | - | | **33,617.18** |
| **Other Non-cash Expenses** | 6,061.89 | 1,267.74 | 1,891.83 | 7,044.43 | 32.49 | | **16,298.38** |

^ Restated, refer note no.64* Also includes depletion and amortization**Exceptional item represents impairment charge of ₹48,990.47 million in respect of the company (previous year ₹ Nil) and ₹ 31,265.00 million (previous year of ₹15,762.16million) in respect of subsidiary OVL. In respect of subsidiary HPCL, exceptional item represents write down of Inventories of ₹ 10,029.32 million (previous year ₹ Nil).Similarly, in respect of subsidiary company MRPL, exceptional item for year ended March 31, 2019 represent expense of ₹ 228.73 million is towards differential contribution to "MRPL Defined Contribution Pension Scheme" and expense of ₹339.75 million is on account of estimated cost of purchase of Renewable Energy Certificate which was partially offset by income of ₹420.54 million relating to reclaim of input tax credit under Goods and Service Tax Act (GST Act) as detailed at Note no. 44 on Exceptional Items.

49.2.2 Segment revenue reported above represents revenue generated from external customers.

49.2.3 The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment result represents the profit before tax earned by each segment excluding finance cost and other income like interest/dividend income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

49.2.4 Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis. Unallocated expenditure includes common expenditure incurred for all the segments and expenses incurred at the corporate level. Finance cost includes unwinding of discount on decommissioning liabilities not allocated to segment.

**49.3 Additions to non- current assets**

49.3.1 In respect of the Company, the addition to Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019* |
|---|---:|---:|
| Offshore | 58,049.98 | 11,622.05 |
| Onshore | 14,166.24 | 33,769.16 |
| Unallocated | (1,356.41) | 5.31 |
| **Total** | **70,859.81** | **45,396.52** |

* Restated, refer note no.64

49.3.2 In respect of the subsidiaries, OVL , MRPL and HPCL the addition to Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---:|---:|
| OVL | 55,490.14 | 22,030.18 |
| MRPL | 5,067.81 | (1,460.22) |
| HPCL | 154,906.50 | 103,042.06 |
| PMHBL | 194.25 | 203.43 |

**49.4 Information about major customers**

Group's significant revenues are derived from sales to Oil Marketing Companies and International Oil Companies (IOCs).

No other single customer contributed 10% or more to the Group's revenue for the year 2019-20 and 2018-19.

**49.5 Information about geographical areas:**

- The Group is domiciled in India. The amount of its revenue from external customers broken down by location of customers is tabulated below:

(₹ in million)

| Revenues from external customers | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---:|---:|
| India | 3,768,265.12 | 4,025,960.30 |
| Other Countries | 481,749.06 | 510,867.68 |
| **Total** | **4,250,014,18** | **4,536,827.98** |

- The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, broken down by location of assets are shown below:

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019* |
|---|---|---|
| India | 2,663,155.50 | 2,431,290.68 |
| Other Countries | 769,009.05 | 714,355.36 |
| **Total** | **3,432,164,55** | **3,145,646.04** |

* Restated, refer note no.64

**49.6 Information about products and services:**

The Group derives revenue from sale of crude oil, natural gas, value added products and downstream (Refinery and Petrochemicals) operations.

## 50 Related party transactions

**50.1** Name of related parties and description of relationship:

| A. | Subsidiaries |
|---|---|
| 1. | ONGC Videsh Limited (OVL) |
| 1.1. | ONGC Nile Ganga B.V. (ONGBV) |
| 1.1.1. | ONGC Campos Limiteda |
| 1.1.2. | ONGC Nile Ganga (San Cristobal) B.V. |
| 1.1.3. | ONGC Caspian E&P B.V. |
| 1.2. | ONGC Amazon Alaknanda Limited (OAAL) |
| 1.3. | ONGC Narmada Limited (ONL) |
| 1.4. | ONGC (BTC) Limited |
| 1.5. | Carabobo One AB |
| 1.5.1. | Petro Carabobo Ganga B.V. |
| 1.6. | Imperial Energy Limited |
| 1.6.1. | Imperial Energy Tomsk Limited |
| 1.6.2. | Imperial Energy (Cyprus) Limited |
| 1.6.3. | Imperial Energy Nord Limited |
| 1.6.4. | Biancus Holdings Limited |
| 1.6.5. | Redcliffe Holdings Limited |
| 1.6.6. | Imperial Frac Services (Cyprus) Limited |
| 1.6.7. | San Agio Investments Limited |
| 1.6.8. | LLC Sibinterneft |
| 1.6.9. | LLC Allianceneftegaz |
| 1.6.10. | LLC Nord Imperial |
| 1.6.11. | LLC Rus Imperial Group |
| 1.6.12. | LLC Imperial Frac Services |
| 1.7. | Beas Rovuma Energy Mozambique Limited |
| 1.8. | ONGC Videsh Rovuma Limited |
| 1.9. | ONGC Videsh Atlantic Inc. |
| 1.10. | ONGC Videsh Singapore Pte. Limited |
| 1.10.1. | ONGC Videsh Vankorneft Pte. Limited |
| 1.11. | Indus East Mediterranean Exploration Limited. |
| 1.12. | ONGC Videsh Rovuma Limited |
| 2 | Mangalore Refinery and Petrochemicals Limited (MRPL) |
| 3 | ONGC Mangalore Petrochemicals Limited (OMPL) |
| 4 | Hindustan Petroleum Corporation Limited (HPCL) |
| 4.1. | Prize Petroleum Company Limited |
| 4.1.1. | Prize Petroleum International Pte. Limited |
| 4.2. | HPCL Biofuels Limited |
| 4.3. | HPCL Middle East FZCO |

| | |
|---|---|
| 5 | Petronet MHB Limited |
| **B.** | **Joint Ventures** |
| 1. | Mangalore SEZ Limited (MSEZ) |
| 2. | ONGC Petro additions Limited (OPaL) |
| 3. | ONGC Tripura Power Company Limited (OTPC) |
| 4. | ONGC Teri Biotech Limited (OTBL) |
| 5. | Dahej SEZ Limited (DSEZ) |
| 6. | Indradhanush Gas Grid Limited (IGGL) |
| 7. | ONGC Mittal Energy Limited (OMEL) (through OVL) |
| 8. | Sudd Petroleum Operating Company (through OVL) |
| 9. | Mansarovar Energy Colombia Limited, Colombia (through OVL) |
| 10. | Himalaya Energy Syria BV, Netherlands (through OVL) |
| 11. | Shell MRPL Aviation Fuels and Services Limited (SMASL) (through MRPL) |
| 12. | Hindustan Coals Private Limited (through HPCL) |
| 13. | HPOIL Gas Private Limited (through HPCL) |
| 14. | HPCL Rajasthan Refinery Limited (through HPCL) |
| 15. | South Asia LPG Company Private Limited (through HPCL) |
| 16. | HPCL Shapoorji Energy Private Limited (through HPCL) |
| 17. | HPCL Mittal Energy Limited (through HPCL) |
| 17.1. | HPCL Mittal Pipeline Limited (through HPCL) |
| 18. | Godavari Gas Private Limited (through HPCL) |
| 19. | Petronet India Limited (through HPCL, in process of voluntary winding up w.e.f. August 30, 2018) |
| 20. | Mumbai Aviation Fuel Farm Facility Private Limited (through HPCL) |
| 21. | Aavantika Gas Limited (through HPCL) |
| 22. | Bhagyanagar Gas Limited (through HPCL) |
| 23. | Ratnagiri Refinery & Petrochemicals Limited (through HPCL) |
| 24. | IHB Pvt. Limited.(through HPCL) (incorporated on July 09, 2019) |
| 25. | Mangalore STP Limited (through MSEZ) |
| 26. | MSEZ Power Limited (through MSEZ) |
| 27. | Adani Petronet Dahej Port Private Limited (APPPL) (through PLL) |
| 28. | India LNG Transport Company Private Limited (through PLL) |
| 29. | North East Transmission Company Limited (NETC) (through OTPC) |
| **C.** | **Associates** |
| 1. | Pawan Hans Limited (PHL) |
| 2. | Petronet LNG Limited (PLL) |
| 3. | Rohini Heliport Limited |
| 4. | Mozambique LNG 1 Company Pte. Limited (through OVL) |
| 5. | Petro Carabobo SA, Venezuela (through OVL) |
| 6. | Carabobo Ingenieria Y Construcciones, SA, Venezuela (through OVL) |
| 7. | Petrolera Indovenezolana SA, Venezuela (through OVL) |
| 8. | South East Asia Gas Pipeline Limited, Hongkong (through OVL) |
| 9. | Tamba BV, Netherlands (through OVL) |
| 10. | JSC Vankorneft, Russia (through OVL) |
| 11. | Falcon Oil & Gas BV, Netherlands (through OVL) |
| 12. | Moz LNG1 Holding Company Limited (through OVL) |
| 13. | GSPL India Gasnet Limited (through HPCL) |
| 14. | GSPL India Transco Limited (through HPCL) |
| **D.** | **Trusts (including post retirement employee benefit trust) wherein ONGC having control** |
| 1. | ONGC Contributory Provident Fund Trust |
| 2. | ONGC CSSS Trust |
| 3. | ONGC Sahyog Trust |

| | |
|---|---|
| 4. | ONGC PRBS Trust |
| 5. | ONGC Gratuity Fund |
| 6. | ONGC Energy Center |
| 7. | ONGC Foundation |
| 8. | MRPL Gratuity Fund Trust (through MRPL) |
| 9. | MRPL Provident Fund Trust (through MRPL) |
| 10. | Ujjwala Plus Foundation, (through HPCL) |
| **E.** | **Key Management Personnel** |
| **E.1.** | **Whole-time Directors** |
| 1. | Shri Shashi Shanker, Chairman and Managing Director |
| 2. | Shri A K Dwivedi, Director (Exploration) (upto July 31, 2019) |
| 3. | Shri Subhash Kumar, Director (Finance) |
| 4. | Shri Rajesh Kakkar, Director (Offshore) |
| 5. | Shri Sanjay Kumar Moitra, Director (Onshore) |
| 6. | Shri N C Pandey, Director (T&FS) |
| 7. | Dr. Alka Mittal, Director (HR) |
| 8. | Shri Rajesh Kumar Srivastava, Director (Exploration) (w.e.f August 02, 2019) |
| **E.2.** | **Company Secretary** |
| 1. | Shri M E V Selvamm, Company Secretary |
| **E.3.** | **Independent Directors** |
| 1. | Shri Ajai Malhotra (upto November 19, 2019) |
| 2. | Shri K M Padmanabhan (upto November 19, 2019) |
| 3. | Prof. S B Kedare (upto November 19, 2019) |
| 4. | Shri Vivek Mallya (up to January 30, 2020) |
| 5. | Shri Sumit Bose (up to January 30, 2020) |
| 6. | Shri Deepak Sethi (up to January 30, 2020) |
| 7. | Dr. Santrupt Misra (up to February 05, 2020) |
| 8. | Smt. Ganga Murthy |
| 9. | Shri Amitava Bhattacharya (w.e.f. July 19, 2019) |
| **E.3.** | **Government Nominee – Directors** |
| 1. | Shri Amar Nath (re-appointment w.e.f. June 28, 2019) (upto June 27, 2019) |
| 2. | Shri Rajiv Bansal (up to February 17, 2020) |
| 3. | Shri Rajesh Madanlal Aggarwal (w.e.f. March 24, 2020) |
| **F.1** | **Key Management personnel of the subsidiaries** |
| 1. | Mr. Shashi Shanker, Managing Director, OVL |
| 2. | Mr. Vivekanand, Director (Finance) , OVL |
| 3. | Mr. G S Chaturvedi, Director (Exploration) , OVL |
| 4. | Mr. Alok Kumar Gupta, Director (Operations) w.e.f September 4, 2019, OVL |
| 5. | Shri Mukesh Kumar Surana, Chairman and Managing Director, HPCL |
| 6. | Shri Pushp Kumar Joshi, Director - Human Resources, HPCL |
| 7. | Shri Vinod S. Shenoy, Director – Refineries, HPCL |
| 8. | Shri R. Kesavan, Director - Finance (effective 05th September 2019), HPCL |
| 9. | Shri Rakesh Misri, Director - Marketing (effective 17th October 2019), HPCL |
| 10. | Shri S. Jeyakrishnan, Director - Marketing (upto 30th June 2019), HPCL |
| 11. | Shri M. Venkatesh, Managing Director, holding additional charge of Director (Refinery) till July 11, 2019 and Charge of Director (Finance) till October 15, 2019, MRPL |
| 12. | Shri M Vinayakumar, Director (Refinery), from July 11,2019, MRPL |
| 13. | Smt. Pomila Jaspal, Director (Finance), from October 15, 2019, MRPL |
| 14. | Shri M Selvakumar, MD (resigned effective April 30,2020), PMHBL |
| 15. | Shri. R. Sridhar - Director ,PMHBL |
| 16. | Shri Rakesh Kaul, Director ,PMHBL |

| | |
|---|---|
| 17. | Shri Venkatesh Madhava Rao, Director, PMHBL |
| 18. | Shri J S Prasad, Director, PMHBL |
| 19. | Shri C Sridhar Good, Director , (appointment effective June 6,2019), PMHBL |
| 20. | Smt. K G Vijaylakshmi, Director, (appointment effective May 2,2019 & resigned on February 04,2020), PMHBL |
| 21. | Shri C Ramkrishnan- MD , (appointment effective May 1,2020), PMHBL |
| 22. | Smt Pomila Jaspal , Director, (appointment effective March 6,2020), PMHBL |
| **F.2** | **Independent Director** |
| 1. | Mr. Ajai Malhotra upto November 19, 2019,OVL |
| 2. | Mr. Bharatendu Nath Srivastava ,OVL |
| 3. | Smt. Kiran Oberoi Vasudev ,OVL |
| 4. | Mr. Rakesh Kacker ,OVL |
| 5. | Shri Ram Niwas Jain (upto 19th November 2019), HPCL |
| 6. | Smt. Asifa Khan (upto 12th February 2020) , HPCL |
| 7. | Shri G.V. Krishna (upto 12th February 2020) , HPCL |
| 8. | Dr. Trilok Nath Singh (upto 19th March 2020) , HPCL |
| 9. | Shri Amar Sinha , HPCL |
| 10. | Shri Siraj Hussain , HPCL |
| 11. | Shri G. Rajendran Pillai (effective 15th July 2019) , HPCL |
| **F.3** | **Government nominee Director** |
| 1. | Mr. B N Reddy ,OVL |
| 2. | Mr. Baldeo Purushartha ,OVL |
| 3. | Mr. Kumar V. Pratap, OVL |
| 3. | Shri Sunil Kumar (effective 30th May 2019), HPCL |
| 4. | Shri Subhash Kumar, HPCL |
| 5. | Shri Sandeep Poundrik (upto 01st May 2019) , HPCL |
| **F.4** | **Other Non Executive Directors** |
| 1. | Shri Vinod S. Shenoy, Nominee Director (HPCL), MRPL |
| 2. | Shri Subhash Kumar, Nominee Director (ONGC) , MRPL |
| 3. | Shri K.M. Mahesh, Government Nominee Director, till October 17, 2019, MRPL |
| 4. | Shri Sanjay Kumar Jain, Government Nominee Director, till January 08, 2020, MRPL |
| 5. | Ms.Manjula C, Independent Director, till January 31, 2020, MRPL |
| 6. | Shri V.P. Haran , Independent Director, MRPL |
| 7. | Shri Sewa Ram , Independent Director, MRPL |
| 8. | Dr. G.K. Patel , Independent Director, MRPL |
| 9. | Shri Balbir Singh Yadav, Independent Director, MRPL |
| 10. | Shri Vivek Mallya, Independent Director, till January 30, 2020, MRPL |
| 11. | Shri R T Agarwal, Independent Director, from July 12, 2019, MRPL |
| 12. | Shri Vijay Sharma, Government Nominee, from January 08, 2020, MRPL |
| 13. | Shri Sunil Kumar, Government Nominee, from October 17, 2019, MRPL |
| 14. | Shri. H. Kumar, Director, OMPL |
| 15. | Shri. M. Venkatesh Director, OMPL |
| 16. | Shri. Rajesh Shyam sunder kakkar, OMPL |
| 17. | Shri. A. K. Sahoo, Director, OMPL |
| 18. | Shri Sanjay Kumar Moitra , OMPL |
| 19. | Smt Alka Mittal, Director , OMPL |
| 20. | Smt Pomila Jaspal, Director (w.e.f. 26th November 2019) , OMPL |
| 21. | Shri. M. Vinay kumar, Director, OMPL |
| **F.5** | **CFO & Company Secretary** |
| 1. | Shri Dinesh Mishra, Company Secretary, MRPL |
| 2. | Shri S. Raviprasad, CFO, upto November 04, 2019, MRPL |

| | |
|---|---|
| 3. | Shri. K Sushil Shenoy, Chief Financial Officer & Chief Executive Officer, I/c, OMPL |
| 4. | Smt. Pomila Jaspal, Director (Finance) & CFO, from November 04, 2019, MRPL |
| 5. | Shri. Sujir S Nayak,Chief Executive Officer, OMPL |
| 6. | Shri. Surendra Nayak, Chief Financial Officer,OMPL |
| 7. | Shri. K.B. Shyam Kumar, Company Secretary, OMPL |
| 8. | Mr. Rajni Kant , OVL |
| 9. | Chandan Kumar Das, CFO, PMHBL |
| 10. | Sachin Jayaswal, Company Secretary, PMHBL |
| 11. | Shri R. Kesavan, Chief Finance Officer, HPCL |
| 12. | Shri V. Murali, Company Secretary, HPCL |

- ONGC Caspian E&P B.V. liquidated on 31 July 2019.
- Winding-up procedure initiated for ONGC Videsh Rovuma Limited incorporated in Republic of Mauritius.
- ONGC Videsh Rovuma Limited incorporated in India on April 15, 2019

**50.2 Details of related party Transactions after elimination:**

**50.2.1 Transactions with Subsidiaries:**

Intergroup related party transactions and outstanding balances with subsidiaries companies are eliminated in the preparation of Consolidated Financial Statement of the group. Hence the same has not been disclosed in group related party transactions.

**50.2.2 Transactions with joint ventures**

(₹ in million)

| Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **Purchase of products from:** | | | |
| a) HPCL-Mittal Energy Ltd. | Petroleum product | 381,681.6 | 412,624.90 |
| b) Hindustan Colas Pvt. Ltd. | Petroleum product | 825.8 | 624.30 |
| c) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL) | Contaminated Product | - | - |
| **Sale of products to:** | | | |
| a) ONGC Tripura Power Company Ltd. | Sale of natural gas | 5450.94 | 6,481.80 |
| b) ONGC Petro additions Ltd. | Sale of naphtha & C2-C3 | 52730.53 | 52,459.88 |
| c) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL) | Petroleum Products | 7409.25 | 6,434.29 |
| d) ONGC Petro additions Ltd | Transfer of Naptha Pipline | 1154.50 | - |
| e) HPCL-Mittal Energy Ltd. | Petroleum Products | 1,326.3 | 1,128.00 |
| f) Hindustan Colas Pvt. Ltd. | Petroleum Products | 4,823.8 | 4,145.80 |
| g) South Asia LPG Company Pvt. Ltd | Petroleum Products | 2.00 | 2.60 |
| **Services received from:** | | | |
| a) ONGC Teri Biotech Limited | Bio-remediation services | 298.69 | 192.68 |
| b) ONGC Tripura Power Company Ltd. | Traning | - | 0.17 |
| c) ONGC Petro additions Ltd. | Reimbursement of expenses incurred by OPaL | - | 16.15 |
| d) Dahej SEZ Limited | Lease rent charges for SEZ land for C2-C3 plant | 13.99 | 12.78 |

(₹ in million)

| Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| e) MSEZ Limited | Supplies and services received & Lease rent | 1,112.30 | 1,031.61 |
| f) HPCL-Mittal Energy Ltd | Other Services availed | 161.60 | 179.80 |
| g) Hindustan Colas Pvt. Ltd. | Other Services availed | 423.00 | 113.50 |
| h) South Asia LPG Company Pvt. Ltd. | Other Services availed | 910.30 | 837.60 |
| **Services provided to:** | | | |
| a) ONGC Petro additions Limited | Manpower deputation, loading and other charges | 10.18 | 19.05 |
| | ROU Charges for pipeline received | 0.22 | 1.36 |
| b) ONGC Teri Biotech Limited | Field study charges and rent for colony accommodation | 0.67 | 0.42 |
| c) ONGC Tripura Power Company Limited | Management consultancy and interest charges/Manpower deputation | - | 0.10 |
| d) Mangalore SEZ | Other reimbursement | - | - |
| e) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL) | Reimbursement of Electrical Charges & royalty income | 12.72 | 9.75 |
| f) HPCL-Mittal Energy Ltd. | Manpower Supply Service, lease rent & other services | 207.80 | 239.60 |
| g) Hindustan Colas Pvt. Ltd. | Manpower Supply Service, lease rent & other services | 66.00 | 96.60 |
| h) South Asia LPG Company Pvt. Ltd. | Manpower Supply Service, lease rent & other services | 18.20 | 20.80 |
| i) HPCL Shapoorji Energy Pvt. Ltd. | Manpower supply service | 3.00 | 4.60 |
| j) Indradhanush Gas Grid Limited (IGGL) | Manpower deputation | 22.03 | 0.77 |
| **Dividend Income from:** | | | |
| a) ONGC Tripura Power Company Limited | Dividend Income | 504.00 | 672.00 |
| b) Dahej SEZ Limited | Dividend Income | - | 80.59 |
| c) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL) | Dividend Income | 6.00 | 21.00 |
| d) Hindustan Colas Pvt. Ltd. | Dividend Income | 189.00 | 236.30 |
| e) South Asia LPG Company Pvt. Ltd. | Dividend Income | 550.00 | 450.00 |
| f) Petronet India Ltd. | Dividend Income | - | - |
| g) HPCL-Mittal Energy Ltd. | Dividend Income | 500.30 | 499.70 |
| **Investment in equity** | | | |
| a) HPCL Shapoorji Energy Pvt. Ltd. | Investment in equity shares / Converted to Equity Shares | 1510.00 | 40.00 |
| b) Indradhanush Gas Grid Limited (IGGL) | Subscription to Equity | 70.00 | 50.00 |
| **Subscription of share warrants** | | | |
| a) ONGC Petro addition Limited | Subscription of share warrants | - | 6,201.00 |
| **Commitments given:** | | | |

(₹ in million)

| Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| a) ONGC Petro addition Limited | Backstopping support for compulsory convertible debentures during the year | - | - |
| | Backstopping support for compulsory convertible debentures-Interest accrued during the year | 6,526.65 | 447.54 |
| **Letter of Comfort:** | | | |
| a) ONGC Petro addition Limited | Letter of Comfort against term loan | - | 65,000.00 |
| | Letter of Comfort against Non-Convertible Debentures | 21,800.00 | 8,200.00 |

### 50.2.3 Outstanding balances with joint ventures

(₹ in million)

| Name of related party | Nature of transaction | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **A. Amount receivable:** | | | |
| a) ONGC Petro additions Limited | Trade and other receivables | 1,764.11 | 2,225.99 |
| b) ONGC Petro additions Limited | Transfer of Naptha Pipeline | 1,362.19 | - |
| c) ONGC Tripura Power Company Limited | Trade and other receivables | 208.72 | 348.09 |
| d) ONGC Teri Biotech Limited | Trade and other receivables | 0.07 | 0.01 |
| e) Indradhanush Gas Grid Limited (IGGL) | Trade and other receivables | 8.61 | 0.83 |
| f) Shell MRPL Aviation Fuels and Services Ltd (SMAFSL) | Trade and other receivables | 318.56 | 496.31 |
| g) ONGC Mittal Energy Limited (OMEL) | Trade and other receivables | - | - |
| h) HPCL-Mittal Energy Ltd. | Trade and other receivables | - | 109.30 |
| i) Hindustan Colas Pvt. Ltd. | Trade and other receivables | - | - |
| j) South Asia LPG Company Pvt. Ltd. | Trade and other receivables | - | 0.50 |
| k) HPCL Shapoorji Energy Pvt. Ltd. | Trade and other receivables | - | 1.10 |
| l) Mangalore SEZ Limited | Trade and other receivables | - | - |
| **B. Amount payable:** | | | |
| a) ONGC Teri Biotech Limited | Trade payables | 30.43 | 70.88 |
| b) Dahej SEZ Limited | Trade payables | - | 11.30 |
| c) ONGC Tripura Power Company Limited | Trade payables | - | 0.14 |
| d) ONGC Petro additions Limited | Trade payables | - | 16.15 |
| e) Mangalore SEZ Limited | Trade payables | 73.91 | 170.25 |
| f) HPCL-Mittal Energy Ltd. | Trade payables | 13,630.40 | 24,038.70 |
| g) Hindustan Colas Pvt. Ltd. | Trade payables | 293.70 | 271.10 |
| h) South Asia LPG Company Pvt. Ltd | Trade payables | 84.70 | 117.80 |
| **C. Loan & Advance outstanding:** | | | |
| a) ONGC Petro addition Limited | Advance against equity/share warrant pending allotment | 24,940.50 | 24,940.50 |

(₹ in million)

| Name of related party | Nature of transaction | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| b) Mangalore SEZ Limited | Capital advance & security Deposit | - | 21.12 |
| **D. Commitments:** | | | |
| a) ONGC Petro addition Limited | Unpaid subscription of share warrants | 639.50 | 639.50 |
| | Backstopping support for compulsory convertible debentures | 77,780.00 | 77,780.00 |
| | Backstopping support for compulsory convertible debentures-Interest accrued | 11,644.38 | 5,117.73 |
| **E. Letter of Comfort:** | | | |
| a) ONGC Petro addition Limited | Letter of Comfort against term loan | 65000.00 | 65,000.00 |
| | Letter of Comfort against Non-Convertible Debentures | 30000.00 | 8,200.00 |

50.2.4 Transactions with associates

(₹ in million)

| Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **A. Services received from:** | | | |
| a) Pawan Hans Limited (PHL) | Hiring of helicopter services | 1,236.59 | 1,217.86 |
| b) Petronet LNG Limited | Purchase of LNG | 11,096.15 | 8816.95 |
| | Facilities charges at C2-C3 and reimbursement of consultant fee | 881.36 | 679.08 |
| **B. Services provided to:** | | | |
| a) Pawan Hans Limited (PHL) | Miscellaneous receipt on account of liquidated damages | 250.36 | 180.69 |
| b) Petronet LNG Limited | Director sitting fee and other charges | - | 0.12 |
| **C. Income received from:** | | | |
| a) Pawan Hans Limited (PHL) | Dividend income | - | 30.20 |
| b) Petronet LNG Limited | Dividend Income | 1,875.00 | 1,875.00 |
| **D. Investment** | | | |
| a) Rohini Heliport Limited (RHL) | Investment in Equity shares | 0.05 | - |

50.2.5 Outstanding balances with associates

(₹ in million)

| Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **A. Amount payable:** | | | |
| a) Pawan Hans Limited (PHL) | Trade payables | 121.40 | 166.20 |
| b) Petronet LNG Limited | Trade payables | 359.77 | 493.31 |

50.2.6 Transactions with Trusts

| Name of related party | Nature of transaction | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|---|
| **A. Remittance of payment:** | | | |
| a) Pawan Hans Limited (PHL) | Contribution | 13,140.72 | 12,666.43 |
| b) Petronet LNG Limited | Contribution | 1,116.65 | 1,174.24 |
| c) ONGC Sahyog Trust | Contribution | 24.86 | 27.32 |
| d) ONGC PRBS Trust | Contribution | 11,413.57 | 11,095.97 |
| e) ONGC Gratuity Trust | Contribution | - | 286.80 |
| f) MRPL Providend Fund | Contribution | 525.98 | 462.76 |
| **B. Reimbursement of Gratuity payment made on behalf of Trust:** | | | |
| a) ONGC Gratuity Fund | Reimbursement | 6,530.71 | 4,676.48 |
| b) MRPL Gratuty fund | Reimbursement | 33.07 | 38.85 |
| **C. Contribution to trust:** | | | |
| a) ONGC Energy Center | For research and development | 125.00 | 190.00 |
| b) ONGC Foundation | Contribution | 1 ,161.21 | 1,075.21 |

50.2.7 Compensation of key management personnel

- Whole time directors and Company secretary

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Short term employee benefits | 154.81 | 216.03 |
| Post-employment benefits | 32.87 | 27.78 |
| Long-term benefits | 12.72 | 9.21 |
| **Total** | **200.40** | **253.03** |

- Independent directors

(₹ in million)

| Particulars | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| Sitting fees | 18.34 | 25.92 |
| **Total** | **18.34** | **25.92** |

50.3 Disclosure in respect of Government related Entities

50.3.1 Name of Government related entities and description of relationship wherein significant amount of transaction carried out:

| Sl no | Government related entities | Relation |
|---|---|---|
| 1 | Indian Oil Corporation Limited | Central PSU |
| 2 | GAIL (India) Limited | Central PSU |
| 3 | Bharat Petroleum Corporation Ltd | Central PSU |
| 4 | Chennai Petroleum Corporation Ltd | Central PSU |
| 5 | Numaligarh Refinery Ltd | Central PSU |
| 6 | Kochi Refineries Limited | Central PSU |
| 7 | Bharat Heavy Electricals Limited | Central PSU |
| 8 | United India Insurance Company Ltd | Central PSU |
| 9 | Bharat Sanchar Nigam Limited | Central PSU |

| Sl no | Government related entities | Relation |
|---|---|---|
| 10 | Mahanagar Telephone Nigam Limited | Central PSU |
| 11 | Balmer Lawrie & Co Ltd | Central PSU |
| 12 | Engineers India Limited | Central PSU |
| 13 | Shipping Corporation of India Limited | Central PSU |
| 14 | Indian Strategic Petroleum Reserves Limited (ISPRL) | Central PSU |
| 15 | New Manngalore Port trust | Central PSU |
| 16 | Brahmaputra Cracker and Polymer Ltd | Central PSU |
| 17 | Bharat Electronics Ltd | Central PSU |
| 18 | Bridge & Roof Co (India) Ltd | Central PSU |
| 19 | Konkan Railway Corporation Limited | Central PSU |
| 20 | Central Warehousing Corporations | Central PSU |
| 21 | National Insurance Company Limited | Central PSU |
| 22 | New India Assurance Company Limited | Central PSU |
| 23 | Oriental Insurance Co. Ltd | Central PSU |
| 24 | Coal India Ltd | Central PSU |
| 25 | Oil India limited | Central PSU |
| 26 | Bharat Pump and Compressor Ltd | Central PSU |
| 27 | Bharat Petro Resources Limited ( BPRL) | Central PSU |

50.3.2 Group Transactions with Government Related Entities

(₹ in million)

| Name of related party | Nature of transaction | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| a) Indian Oil Corporation Limited | Sale of crude oil , C2-C3 , SKO & LPG | 374,849.56 | 427,047.97 |
| b) Bharat Petroleum Corporation Ltd | Sale of crude oil C2-C3, SKO, HSD & LPG | 175,315.00 | 243,500.61 |
| c) Chennai Petroleum Corporation Ltd | Sale of crude oil | 55,012.99 | 64,699.72 |
| d) Numaligarh Refinery Ltd | Sale of crude oil | 20,933.18 | 26,045.09 |
| e) Kochi Refineries Limited | Sale of crude oil | 1,566.33 | 6,077.20 |
| f) GAIL (India) Limited | Sale of Natural Gas & other product | 159,405.75 | 164,837.12 |
| g) Brahmaputra Cracker and Polymer Ltd | Sale of gas | 903.14 | 883.02 |
| h) New Mangalore Port Trust | Port Services | 2.99 | 2.37 |
| i) Indian Strategic Petroleum Reserves Limited (ISPRL) | Sale of petroleum products | - | 0.14 |
| | Sale of Crude oil/ petroleum products | - | 5,342.16 |
| j) Indian Railways | Sale of petroleum products | 1,077.89 | - |
| **Purchase of product & services provided during year from:** | | | |
| a) Indian Oil Corporation Limited | Purchase of Petrol Oil & lubricant & services | 6,122.12 | 4,003.73 |
| b) Bharat Petroleum Corporation Ltd | Purchase of Petrol Oil & lubricant & services | 3,013.64 | 1,153.20 |
| c) GAIL (India) Limited | Purchase of LNG | 7,310.54 | 6,653.78 |

(₹ in million)

| Name of related party | Nature of transaction | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| d) Bharat Heavy Electricals Limited | Purchase of drilling rig related items including spares | 3,366.66 | 4,386.29 |
| e) Numaligarh Refinery Ltd | Purchase of HSD | 3.84 | 147.95 |
| f) Bharat Pump and Compressor Ltd | Purchase of spare parts | 86.13 | 258.86 |
| g) Indian Strategic Petroleum Reserves Limited (ISPRL) | Deputation of MRPL Employees | 8.03 | 9.43 |
| h) Indian Strategic Petroleum Reserves Limited (ISPRL) | Purchase of Crude Oil | 28,766.70 | - |
| i) Indian Oil Corporation Limited (IOCL) | On account of Pipeline, loading arm charges | 1.08 | - |
| **Services Received from:** | | | |
| a) United India Insurance Company Ltd | Insurance premium | 1,065.06 | 1,161.44 |
| b) Balmer Lawrie & Co Ltd | Travel expenses | 1,283.14 | 1,497.99 |
| c) Shipping corporation of India | Hiring of vessels | 7,742.56 | 7,276.66 |
| d) Bharat Electronics Ltd | Employee Access Control System | 236.72 | 793.20 |
| e) Oriental Insurance Co. Ltd | Insurance premium | 378.24 | 316.81 |
| f) New Mangalore Port Trust | Port Services | 1,113.23 | 394.52 |
| g) Bridge & Roof Co (India) Ltd | Job Work Service | 1,304.88 | 1,118.60 |
| h) Engineers India Ltd | Technical Services | 309.83 | 414.73 |
| i) New Mangalore Port Trust | Port Services | 213.62 | 1,359.55 |
| j) Konkan Railway Corporation Limited | Railway Siding | 177.27 | 0.00 |
| k) National Insurance Company Limited | Insurance premium | 0.43 | 29.38 |
| l) New India Assurance Company Limited | Insurance premium | 117.18 | 41.44 |
| m) Indian Oil Corporation Limited (IOCL) | Testing Fees | - | 3.02 |
| n) Ministry of Corporate Affairs | Services | 5.00 | - |
| o) National Informatics Centre | Services | 1.61 | - |
| p) Stock Holding Corporation of India Ltd. | Services | 5.00 | - |
| q) Central Warehousing Corporations | Services | - | 0.11 |
| r) Bharat Petroleum Corporation Ltd (BPCL) | Programme Services | 0.18 | 0.06 |
| s) Oil India limited | Pipe line service | 241.08 | 200.12 |
| **Dividend Income received from:** | | | |
| a) Indian Oil Corporation Limited | Dividend income | 7,020.38 | 13,706.46 |
| b) GAIL (India) Limited | Dividend income | 1,586.75 | 837.48 |

### 50.3.3 Outstanding balances with Government Related Entities

(₹ in million)

| Particulars | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Amount receivable:** | | | |
| a) Indian Oil Corporation Limited | Trade & other receivable | 12,671.03 | 36,692.05 |
| b) Bharat Petroleum Corporation Ltd | Trade & other receivable | 6,503.30 | 11,704.13 |
| c) Chennai Petroleum Corporation Ltd | Trade & other receivable | 2,585.29 | 4,628.93 |

(₹ in million)

| Particulars | | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| d) Numaligarh Refinery Ltd | Trade & other receivable | 1,188.63 | 1,868.36 |
| e) GAIL (India) Limited | Trade & other receivable | 10,128.05 | 11,223.94 |
| f) United India Insurance Company Ltd | Claim receivable (net) | - | 3.23 |
| g) Oil India Ltd. | Trade & other receivable | 81.91 | 650.94 |
| h) Brahmaputra Cracker and Polymer Ltd | Trade & other receivable | 338.79 | 142.66 |
| i) Kochi Refineries Limited | Trade & other receivable | 9.61 | 9.56 |
| j) Indian Strategic Petroleum Reserves Limited (ISPRL) | Trade,otherreceivable & advance given | 7.17 | 8.89 |
| k) New Mangalore Port Trust | Trade & other receivable | 300.18 | 222.66 |
| l) Coal India Ltd | Trade & other receivable | 848.41 | 724.25 |
| m) Bharat Petro Resources Limited ( BPRL) | Trade & other receivable | - | 96.29 |
| n) National Informatics Centre | Trade & other receivable | 1.61 | - |
| o) Indian Railways | Trade & other receivable | 356.02 | - |
| **Amount payable:** | | | |
| a) Indian Oil Corporation Limited | Trade & other payable | 36.68 | 354.46 |
| b) Bharat Petroleum Corporation Ltd | Trade & other payable | 265.28 | 285.21 |
| c) GAIL (India) Limited | Trade & other payable | 319.96 | 332.41 |
| d) Bharat Heavy Electricals Limited | Trade & other payable | 1,220.56 | 1,945.83 |
| e) Balmer Lawrie & Co Ltd | Trade & other payable | 22.57 | 84.78 |
| f) Shipping corporation of India | Trade & other payable | 436.17 | 1,383.88 |
| g) Numaligarh Refinery Ltd | Trade & other payable | 1.50 | 5.57 |
| h) Bharat Electronics Ltd | Trade & other payable | 226.30 | 796.65 |
| i) Oil India Limited | Trade & other payable | 24.67 | 156.95 |
| j) Bharat Pumps and compressors Ltd | Trade & other payable | 10.77 | 25.76 |
| k) Bridge & Roof Co (India) Ltd | Trade & other payable | 135.95 | 114.05 |
| l) Engineers India Ltd | Trade & other payable | 141.09 | 157.93 |
| m) Konkan Railway Corporation Limited | Trade & other payable | 16.85 | - |
| n) New Mangalore Port Trust | Trade & other payable | 0.96 | 0.74 |
| o) Central Warehousing Corporations | Trade & other payable | - | (0.08) |
| p) National Insurance Company | Trade & Other payable | 0.25 | 0.25 |
| q) Indian Strategic Petroleum Reserves Limited (ISPRL) | Trade & Other payable | 6,462.22 | - |

The above transactions with the government related entities cover transactions that are available for the Company and its subsidiaries. Further, the transactions included above covers transactions that are significant individually and collectively. The Group has also entered into other transactions such as telephone expenses, air travel, fuel purchase and deposits etc. with above mentioned and other various government related entities. These transactions are insignificant individually and collectively and hence not disclosed.

## 51 Financial instruments Disclosure

### 51.1 Capital Management

The Group's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Group is able to provide maximum return to stakeholders and benefits for other stakeholders; and

- Maintain an optimal capital structure to reduce the cost of capital.

The Group maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of net debt (borrowings as detailed in note 29,30 and 31 offset by cash and bank balances) and total equity (Refer Note 26 and 27).

The Group's financial management committees review the capital structure on a regular basis. As part of this review, the committee considers the cost of capital, risks associated with each class of capital requirements and maintenance of adequate liquidity.

### 51.1.1 Gearing Ratio

The gearing ratio is worked out as follows:

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019* |
|---|---|---|
| i) Debt | 1,155,231.42 | 1,070,346.47 |
| ii) Total cash and bank balances | 57,040.94 | 48,196.57 |
| Less : cash and bank balances required for working capital | 279.95 | 4,875.35 |
| Net cash and bank balances | 56,760.99 | 43,321.22 |
| **iii) Net Debt** | **1,098,470.43** | **1,027,025.25** |
| **iv) Total equity** | **2,247,805.08** | **2,350,408.64** |
| **v) Net Debt to equity ratio** | **48.87%** | **43.70%** |

*Restated, refer note no. 64

### 51.2 Categories of financial instruments

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| **Financial assets** | | |
| **Measured at fair value through profit or loss (FVTPL)** | | |
| (a)Investment in mutual funds | 30,228.72 | 25,082.71 |
| (b)Compulsory Convertible Preference Share | 307.48 | 116.72 |
| (c)Derivative assets | 342.15 | 1,358.09 |
| (d)Debt Instrument | 53,448.62 | 50,837.67 |
| (e)Investments in equity instruments | 0.64 | 1.14 |
| **Measured at amortised cost** | | |
| (a)Investment in GoI Special Bonds | 1,975.08 | 1,975.08 |
| (b)Trade and other receivables | 115,475.04 | 174,536.71 |
| (c)Cash and cash equivalents | 47,805.62 | 38,221.12 |
| (d)Other bank balances | 9,235.32 | 9,975.45 |
| (e)Deposit under Site Restoration Fund | 222,836.06 | 181,884.30 |
| (f) Loans | 43,975.87 | 45,518.95 |

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| (g) Other financial assets | 196,066.04 | 205,204.17 |
| **Measured at FVTOCI** | | |
| (a) Investments in equity instruments | 128,069.48 | 260,585.03 |
| **Financial liabilities** | | |
| **Measured at fair value through profit or loss (FVTPL)** | | |
| (a) Derivative Liability | 2,727.50 | 2,105.83 |
| **Measured at amortised cost** | | |
| (a) Borrowings | 1,155,231.42 | 1,070,346.47 |
| (b) Lease Liabilities | 131,700.83 | 7,070.41 |
| (c) Trade payables | 229,678.51 | 305,574.72 |
| (d) Other financial liabilities | 362,885.23 | 320,109.98 |

### 51.3 Financial risk management objectives

While ensuring liquidity is sufficient to meet Group operational requirements, the Group's financial management committee also monitors and manages key financial risks relating to the operations of the Group by analysing exposures by degree and magnitude of risks. These risks include credit risk, liquidity risk and market risk (including currency risk and price risk).

During the year, the liquidity position of the Company was comfortable. The lines of Credit/short term loan available with various banks for meeting the short term working capital/ deficit requirements were sufficient for meeting the fund requirements. The Company has also an overall limit of ₹ 100,000 million for raising funds through Commercial Paper. Cash flow/ liquidity position is reviewed on continues basis.

In case of subsidiary OVL, the Company's management seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

In case of subsidiary, HPCL, Corporation has established an Enterprise Risk Management (ERM) framework under the Corporation's Risk Management Charter and Policy 2007, which is embedded at the forefront of business strategies and focuses on the stronger, deeper and trust-based relationship with the stakeholders. It provides necessary support to the business to steer through the continuously evolving risk terrain through dynamic risk management approach that embraces disruption and enhances resiliency and trust.

The Risk Management Steering Committee (RMSC) receives regular insights on risk exposures faced by the Corporation along with the mitigation & treatment plans, thereby enabling it to provide prompt interventions. The Board is also updated regularly on the risk assessment and mitigation procedures.

Technology is enabled to support the Enterprise Risk Management processes with a focus on optimizing risk exposures and automating risk reporting across the Corporation. Reputed professional external consultants have also been engaged to establish a mechanism to bring the outside view to effectively enhance the visibility of external business risks and support the change management in the transformation of existing ERM processes

**51.4 Credit risk management**

Credit risk arises from cash and cash equivalents, investments carried at amortized cost and deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/ schemes are with public sector Asset Management Companies having highest rating. For banks, only high rated banks are considered for placement of deposits.

Bank balances are held with reputed and creditworthy banking institutions.

**In respect of Company,**

Major customers, being public sector oil marketing companies (OMCs) and gas companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 5.02% (previous year 8.44%) of total monetary assets at any time during the year.

The Company is exposed to default risk in relation to financial guarantees given to banks / vendors on behalf of subsidiaries / joint venture companies for the estimated amount that would be payable to the third party for assuming the obligation. The Company's maximum exposure in this regard on as at March 31, 2020 is ₹ 447,916.38 million (as at March 31, 2019 is ₹ 438,120.44 million).

**In respect of subsidiary company MRPL,**

Major customers, being public sector undertakings oil marketing companies having highest credit ratings, carry negligible credit risk. Concentration of credit risk to any other counterparty did not exceed 10% of total monetary assets at any time during the year.

Subsidiary Company OMPL makes sales to its customer which are secured by letter of credit other than sales made to Holding Company.

**In respect of subsidiary company OVL,**

Major customers, of the Company are reputed Oil Marketing Companies (OMCs) / International Oil Companies (IOCs) / National Oil Companies (NOCs) which have highest credit ratings, carrying negligible credit risk.

**In respect of subsidiary company HPCL,**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet their contractual obligations. The risk arises principally from the Group's Receivables from Customers and so also from Investment Securities. The risk is managed through credit approval, establishing credit limits and continuous monitoring of the creditworthiness of Customers to whom the Group extends credit terms in the normal course of business. The Group recognizes a loss allowance towards Doubtful Debts by estimating its expected losses in respect of Trade Receivables, Investments and Other Receivables. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

**Trade receivables:**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

At March 31, 2020, the company's most significant customer accounted for ₹ 8,433.40 million of the trade receivables carrying amount (31.03.2019: ₹ 10,855.40 million).

The company's uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good).

The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:-

(₹ in million)

| | 31.03.2020 | | | 31.03.2019 | | |
|---|---|---|---|---|---|---|
| | Gross carrying amount | Weighted average loss rate | Loss allowance | Gross carrying amount | Weighted average loss rate | Loss allowance |
| Past due 0-90 days | 36,113.20 | 0.03% | 12.50 | 53,981.93 | 0.03% | 15.60 |
| Past due 91–360 days | 2,920.30 | 1.17% | 34.20 | 2,732.00 | 2.95% | 80.70 |
| More than 360 days | 2,107.60 | 83.15% | 1,752.50 | 1,635.40 | 96.31% | 1,575.10 |
| | **41,141.10** | | **1,799.20** | **58,349.33** | | **1,671.40** |

**The movement in loss allowance on trade receivables is as follows:**

(₹ in million)

| | |
|---|---|
| **Balance as at 01.04.2018** | **1,331.50** |
| Add : Loss allowance recognised | 456.10 |
| Less : Amounts written off | 116.20 |
| **Balance as at 31.03.2019** | **1,671.41** |
| Add : Loss allowance recognised | 129.90 |
| Less : Amounts written off | 2.10 |
| **Balance as at 31.03.2020** | **1,799.21** |

The amounts written off relates to customers who have defaulted payments and are not expected to pay their outstanding balances, mainly due to economic circumstances.

**Cash and cash equivalents**

The Group held cash and cash equivalents of ₹ 2047.60 million at March 31, 2020 (March 31, 2019: ₹ 1,987.40 million).

The cash and cash equivalents (other than cash on hand) are held with Scheduled banks. The Group invests its surplus funds for short duration in fixed deposit with banks, Govt of India T-bills and liquid Schemes of Mutual Funds, all of which carry no mark to market risks as the Group is exposed only to low credit risk.

**Derivatives:**

The forex and interest rate derivatives were entered into with banks having an investment grade rating and exposure to counter-parties are closely monitored and kept within the approved limits. Commodity derivatives are entered with reputed Counterparties in the OTC (Over-the-Counter) Market.

**Investment in debt securities:**

Investment in debt securities are in government securities or bonds which do not carry any credit risk, being sovereign in nature.

**51.5 Liquidity risk management**

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The Group has an adequate fund and non-fund based lines from various banks. The Group has sufficient borrowing limits in place duly, approved by its Shareholders and Board. Domestic and international credit rating from reputed credit rating agencies enables access of funds both from domestic as well as international market. Group's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. Group diversifies its capital structure with a mix of instruments and financing products across varying maturities and currencies. The financing products include syndicated loans, foreign currency bonds, TREPS loan, commercial paper, non-convertible debentures, buyer's credit loan, clean loan etc. Group taps domestic as well as foreign debt markets from time to time to ensure appropriate funding mix and diversification of geographies.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

**(₹ in million)**

| Particulars | Weighted average effective interest rate | Less than 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| **As at March 31, 2020** | | | | | | |
| **Measured at amortised cost** | | | | | | |
| **Fixed Rate Borrowing:** | | | | | | |
| Short Term Borrowing | | - | 1,16,887.88 | - | - | **1,16,887.88** |
| Long Term Borrowing | | - | - | - | 22,450.97 | **22,450.97** |
| Borrowings | Long term - 4.80% Short Term - 7.74% Subsidiary OMPL Long term - 4.61% Short Term - 8.22% | 2,470.32 | 33,481.62 | 37,810.21 | 86,953.58 | **160,715.73** |
| Borrowings and interest thereon | | - | 219,111.50 | 65,956.00 | 184,415.90 | **469,483.40** |
| US$ 750 millions unsecured non-convertible Reg S Bonds | 4.72% | - | - | - | 56,165.20 | **56,165.20** |
| US$ 500 millions unsecured non-convertible Reg S Bonds | 3.76% | - | - | - | 37,701.10 | **37,701.10** |

(₹ in million)

| Particulars | Weighted average effective interest rate | Less than 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| EUR 525 millions unsecured Euro Bonds | 2.84% | - | - | 43,156.87 | - | **43,156.87** |
| US$ 600 Million Foreign Currency Bonds | 3.802% | - | - | - | 45,159.11 | **45,159.11** |
| US$ 400 Million Foreign Currency Bonds | 2.923% | - | - | 30,167.37 | - | **30,167.37** |
| **Variable Rate Borrowing:** | | | | | | |
| Term loan from bank (US$ 1000 million Facility) | 3M$Libor + 95 bps | - | - | - | 74,649.72 | **74,649.72** |
| Term Loan from Bank (US$ 500 Million Facility) | 3M$Libor + 76 bps | - | - | - | 37,475.82 | **37,475.82** |
| Term Loan from Bank (US$ 1775 Million Facility) | 3M$Libor + 95 bps | - | 57,757.71 | - | - | **57,757.71** |
| Term Loan from Bank (US$ 500 Million Facility) | 3M$Libor + 76 bps | - | - | 14,755.24 | - | **14,755.24** |
| Term Loan from Bank (JPY 38 Billion Facility) | 3MJPYLibor + 47 bps | - | - | 8,823.60 | 17,524.56 | **26,348.16** |
| **Derivative financial liabilities** | | | | | | |
| Interest rate swaps | | - | (43.50) | | | **(43.50)** |
| Commodity contracts (net settled) | | - | 604.40 | - | - | **604.40** |
| **Others financials liabilities:** | | | | | | |
| **Finance Lease Obligations #** | | - | - | - | 5.13 | **98,635.53** |
| **Finance Lease Obligations (OCL)** | | 183.56 | 819.71 | 1,636.29 | 3,323.50 | **5,963.06** |
| Trade Payable | | 109,796.19 | 120,086.71 | - | - | **2,29,882.90** |
| Payable to operators | | 6,380.64 | - | - | - | **6,380.64** |
| Bonus payable for extension of Production sharing agreement | | - | 1,031.56 | - | 3,898.30 | **4,929.86** |
| Deposit from suppliers/ vendors | | 2,715.58 | 3,297.11 | 586.96 | 2.81 | **6,602.46** |
| Interest accrued | | - | 3,598.45 | 499.65 | - | **4,098.10** |
| **Others** | | **152,344.14** | **51,637.03** | **485.88** | **159,586.15** | **364,053.20** |
| **Total** | | **273,890.44** | **608,270.18** | **203,878.07** | **729,311.85** | **19,13,980.94** |

# For Maturity Analysis of Lease Liabilities please refer to note no. 47.6

(₹ in million)

| Particulars | Weighted average effective interest rate | Less than 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| **As at March 31, 2019** | | | | | | |
| **Measured at amortised cost** | | | | | | |
| **Fixed Rate Borrowing** | | | | | | |
| Short Term Borrowing | | - | 2,15,935.73 | - | - | **2,15,935.73** |
| Borrowings | Long term - 5.41%<br>Short Term - 7.40%<br>Subsidiary OMPL<br>Long term - 7.13%<br>Short Term - 4.31% | 43,242.26 | 39,783.83 | 26,861.38 | 12,988.56 | **122,876.03** |
| Borrowings and interest thereon | | | 1,67,757.30 | 50,107.80 | 91,819.30 | **3,09,684.40** |
| US$ 750 millions unsecured non-convertible Reg S Bonds | 4.72% | - | - | - | 51,499.65 | **51,499.65** |
| US$ 500 millions unsecured non-convertible Reg S Bonds | 3.76% | - | - | - | 34,569.33 | **34,569.33** |
| EUR 525 millions unsecured Euro Bonds | 2.84% | - | - | 40,579.62 | - | **40,579.62** |
| US$ 750 millions unsecured non-convertible Reg S Bonds | 3.39% | - | 51,574.39 | - | - | **51,574.39** |
| US$ 600 Million Foreign Currency Bonds | 3.802% | - | - | - | 41,391.57 | **41,391.57** |
| US$ 400 Million Foreign Currency Bonds | 2.923% | - | - | - | 27,649.55 | **27,649.55** |
| Non-convertible redeemable debentures | 8.54% | - | - | 3,700.00 | - | **3,700.00** |
| **Variable Rate Borrowing** | | | | | | |
| Term loan from bank | 3M$Libor + 95 bps | - | - | 1,21,295.20 | - | **1,21,295.20** |
| Term Loan from Bank (US$ 500 Million Facility) | 3M$Libor + 76 bps | | | 13,509.09 | 6,754.55 | **20,263.64** |
| Term Loan from Bank (JPY 38 Billion Facility) | 3MJPYLibor + 47 bps | - | - | - | 23,516.12 | **23,516.12** |
| Short Term Loan from Bank (ONGBV) | 1M$Libor + 55 bps | - | - | - | - | **-** |
| Loan against TDR | 0.03 | - | - | - | - | **-** |
| **Others financials liabilities:** | | | | | | |

(₹ in million)

| Particulars | Weighted average effective interest rate | Less than 1 month | 1 month -1 year | 1 year – 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| Interest rate swaps | | | (354.80) | (213.60) | - | **(568.40)** |
| Commodity contracts (net settled) | | | (482.30) | - | - | **(482.30)** |
| Forward exchange contracts (Net) | | | 48.40 | - | - | **48.40** |
| Finance Lease Obligations (standalone) | | | 31.65 | 94.95 | 251.09 | **377.69** |
| Finance Lease Obligations (OCL) | - | 185.46 | 796.82 | 1,491. 50 | 3,808.84 | **6,282.62** |
| Loan from related party | - | - | - | - | - | **-** |
| Trade Payable | - | 1,25,146.82 | 1,80,580.36 | - | - | **3,05,727.18** |
| Non-recourse deferred credit (net) | - | | 396.89 | - | - | **396.89** |
| Payable to operators | - | 4,852.37 | - | - | - | **4,852.37** |
| Bonus payable for extension of Production sharing agreement | - | - | 945.87 | - | 4,424.03 | **5,369.90** |
| Deposit from suppliers/ vendors | - | 2,143.34 | 2,218.38 | 123.35 | 101.63 | **4,586.70** |
| Interest accrued | - | - | 2,782.34 | 1,695.59 | - | **4,477.93** |
| Others | - | 1,25,638.34 | 63,582.12 | - | 1,44,521.40 | **3,33,741.86** |
| **Total** | **-** | **301,208.58** | **725,596.98** | **259,244.88** | **4,43,295.62** | **17,29,346.06** |

The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The Group has access to committed credit facilities as described below:


Committed to conduct business in a legal, ethical and transparent manner, ONGC observes the highest standards of Corporate Governance

**In respect of the Company,**

The Company along with its wholly owned subsidiary ONGC Videsh Limited, had set up Euro Medium Term Note (EMTN) Program for US$ 2 billion on August 27, 2019 which was listed on Singapore Stock Exchange and subsequently on India International Exchange (India INX). EMTN program is an uncommitted facility which has provision for the Company and its wholly owned subsidiary ONGC Videsh Limited to raise funds from overseas bond markets with required flexibility on timings, tenors, currencies, interest rates etc.

The Company priced its maiden offering of US$ bonds amounting to US $300 million at an attractive coupon of 3.375% per annum payable semi-annually for meeting capital expenditure in accordance with the External Commercial Borrowing guidelines issued by the Reserve Bank of India. The bond was priced at 99.253% to provide a yield to maturity of 3.464% per annum and will mature in December 05, 2029. This was the tightest coupon for 10 year or longer tenor offering from India ever achieved by any Indian Corporate at the time of issuance.

The Company has access to committed credit facilities and the details of facilities used are given below. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

**Unsecured bank overdraft facility, reviewed annually and payable at call:**

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Amount used | - | 18.33 |
| Amount unused | 2,900 | 81.67 |

#At the year-end, the cash credit limit was ₹ 13,000 million (Previous year ₹ 43,400 million) considering business requirement of the Company. The cash credit limit of ₹ 10,100 million (Previous year ₹ 43,300 million) was utilized as working capital loan.

Besides the above, the Company had arrangement for unutilized working credit loan facilities of ₹ 44,480 million as on March 31, 2020 with other banks.

The Company also had an unutilized limit of ₹ 90,000 million for raising funds through Commercial Paper.

**In respect of subsidiary company MRPL,**

The Group has access to financing facilities as described below, of which ₹ 3,838.02 million were unused at the end of the reporting period (As at March 31, 2019 ₹ 8,379.91 million.) The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Secured bank overdraft facility, payable at call: | 10,000.00 | 11,620.50 |
| amount used | 6,161.98 | 3,240.59 |
| amount unused | 3,838.02 | 8,379.91 |
| | **10,000.00** | **11,620.50** |

**In respect of subsidiary company OVL,**

The amounts included in contractual maturity for its non-derivative financial liabilities table above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a gross basis:

(₹ in million)

| Particulars | Less than 3 months | 3 months – 6 months | 6 months – 1 year | More Than 1 year | Total | Carrying amount |
|---|---|---|---|---|---|---|
| **As at March 31, 2020**<br>Gross settled:<br>**Derivative liabilities**<br>- foreign exchange forward contracts | - | - | - | 1,932.44 | 1,932.44 | 1,932.44 |
| **Total** | | | | **1,932.44** | **1,932.44** | **1,932.44** |
| Gross settled:<br>**Derivative assets**<br>- foreign exchange forward contracts | - | - | - | 137.34 | 44.44 | 181.78 |
| **Total** | | | | **137.34** | **44.44** | **181.78** |
| **As at March 31, 2019**<br>Gross settled:<br>**Derivative liabilities**<br>- foreign exchange forward contracts | - | - | - | 1,980.62 | 1,980.62 | 1,980.62 |
| **Total** | **-** | **-** | **-** | **1,980.62** | **1,980.62** | **1,980.62** |
| Gross settled:<br>**Derivative assets**<br>- foreign exchange forward contracts | - | - | - | 113.10 | 113.10 | 113.10 |
| **Total** | **-** | **-** | **-** | **113.10** | **113.10** | **113.10** |

**In respect of subsidiary company HPCL, the details of derivative financial liabilities are as follows:**

(₹ in million)

| Derivative financial liabilities | Contractual cash flows | | | | | |
|---|---|---|---|---|---|---|
| | 31.03.2020 | | | 31.03.2019 | | |
| | Upto 1 year | 1-3 years | more than 3 years | Upto 1 year | 1-3 years | more than 3 years |
| Interest rate swaps | 43.50 | - | - | 354.80 | -213.60 | - |
| Commodity contracts (net settled) | 604.40 | - | - | 482.30 | - | - |
| Forward exchange contracts (Gross settled) | - | - | - | - | - | - |
| - Inflows | - | - | - | 20,040.60 | - | - |
| - Outflows | - | - | - | 20,089.00 | - | - |
| **Total** | **560.90** | **-** | **-** | **788.70** | **213.60** | **-** |

## 51.6 Market Risk

In respect of group, market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency risk and interest rate risk.

The primary commodity price risks that the Group is exposed to international crude oil and gas prices that could adversely affect the value of the Group's financial assets or expected future cash flows. Substantial or extended decline in international prices of crude oil and natural gas may have an adverse effect on the Group's reported results.

The group is constantly carrying out macro level analysis and keeping a vigilant eye on global reports & analysis being done by global analyst & firms. With spread of pandemic globally and later due to lockdown, the supply chain have witnessed minor disruption, however it is expected that India being a net importer of oil & gas, the Company's customer base would not be adversely affected for a long time save for some temporary blips. The Company feel that the impact of COVID on crude price may be a temporary phenomenon as the price is expected to bounce back, though range bound in medium to long term.

Subsidiary Company OVL enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

(a) interest rate swaps to mitigate the variable of rising interest rate.

(b) Derivative contracts to hedge its exposure in respect of Euro bond and for JPY Loan.

**51.7 Foreign currency risk management**

In case of company, Sale price of crude oil is denominated in United States dollar (US$) though billed and received in Indian Rupees (₹). The Company is, therefore, exposed to foreign currency risk principally out of ₹ appreciating against US$. Foreign currency risks on account of receipts / revenue and payments / expenses are managed by netting off naturally-occurring opposite exposures through export earnings, wherever possible and carry unhedged exposures for the residual considering the natural hedge available to it from domestic sales.

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters.

During the year the Company has approved the Foreign exchange and Interest Risk Management Policy [RMP] with objective to ensure that foreign exchange exposures on both revenue and balance sheet accounts are properly computed, recorded and monitored, risks are limited to tolerable levels and an efficient process is created for reporting of risk and evaluation of risk management operations.

The RMP primary objective is to risk limitation/reduction and to constitute a committee with appropriate authority and structured responsibility of all activities of Company with regard to management of foreign exchange risk.

The Company shall constitute Forex Risk Management Committee (FRMC) to enable risk to be identified, assessed, monitored and managed / mitigated appropriately within the legal and regulatory framework. FRMC of the Company has been entrusted with the responsibility to assist the Board through Audit Committee in overseeing and approving the company's Foreign Exchange and Interest risk Management framework.

The Company has also approved Hedging policy so that exposures are identified and measured across Company, accordingly appropriate hedging can be done on net exposure basis. The company has adopted structured risk management policy to hedge foreign exchange risk within acceptable risk limit. Hedging instrument includes plain vanilla forward (including plain vanilla swaps) and option contract. FRMC shall decide and take decision regarding selection of hedging instrument based on market volatility, market condition, legal framework, global events, macro-economic situation etc. All the decision and strategies shall be in line and within the approved Foreign exchange and Interest Risk Management Policy. During the year no hedging was resorted to, due to negative net exposure for the period.

Similarly, subsidiary MRPL, undertakes transactions denominated in different foreign currencies, primarily for purchase of crude oil and export sales and has borrowings denominated in foreign currency; consequently, exposed to exchange rate fluctuations.

In respect of subsidiary company OVL, the functional currency is US$. The company undertakes transactions denominated in different foreign currencies and is consequently exposed to exchange rate fluctuations due to overseas operations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in million)

| Particulars | Liabilities as at | | Assets as at | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| US$ | 596,863.02 | 541,779.19 | 10,412.80 | 19,994.73 |
| GBP | 1,464.65 | 892.56 | - | - |
| EURO | 44,271.81 | 41,431.26 | - | - |
| JPY | 26,385.85 | 23,548.73 | - | - |
| Others | 74.73 | 23.97 | 0.76 | - |

51.7.1 **Foreign currency sensitivity analysis**

The Group is principally exposed to foreign currency risk against currency other than functional currency. Sensitivity of profit or loss arises mainly against EURO, JPY and ₹ borrowings in case of OVL and from US$ denominated receivables and payables in other cases.

**In respect of the Company,**

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between US$-₹ currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in million)

| US$ sensitivity at year end | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Assets:** | | |
| Weakening of ₹ by 5% | 280.28 | 545.02 |
| Strengthening of ₹ by 5% | (280.28) | (545.02) |
| **Liabilites:** | | |
| Weakening of ₹ by 5% | (9,919.97) | (8,029.58) |
| Strengthening of ₹ by 5% | 9,919.97 | 8,029.58 |

**In respect of subsidiary company MRPL,**

(₹ in million)

| US$ sensitivity at year end | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Receivables:** | | |
| Weakening of ₹ by 5% | 145.20 | 311.65 |
| Strengthening of ₹ by 5% | (145.20) | (311.65) |
| **Payable** | | |
| Weakening of ₹ by 5% | (6,781.67) | (7,115.03) |
| Strengthening of ₹ by 5% | 6,781.67 | 7,115.03 |

**In respect of subsidiary company OVL,**

The Company is exposed to foreign currency risk against currency other than functional currency. Sensitivity of profit or loss arises mainly against EURO, JPY and ₹ borrowing.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between EURO-US$, JPY-US$ and US$-₹ currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the year end is presented below:

(₹ in million)

| US$ sensitivity at year end | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---|---|
| **Borrowing** | | |
| Euro-US$ appreciation by 5% | 2,240.90 | 2,097.83 |
| Euro-US$ depreciation by 5% | (2,240.90) | (2,097.83) |
| JPY-US$ appreciation by 5% | 1,329.37 | 1,193.11 |
| JPY-US$ depreciation by 5% | (1,329.37) | (1,193.11) |
| US$-₹ appreciation by 5% | - | 200.80 |
| US$-₹ depreciation by 5% | - | (200.80) |

**In case of Company,**

Sensitivity of Revenue from operation (net of levies) to change in +/- Re. 1 in exchange rate between ₹ -US$ currency pair is presented as under:

(₹ in million)

| Sensitivity of Revenue from operation | 2019-2020 | 2018-2019 |
|---|---|---|
| Impact on Revenue from operation (net of levies) for exchange rate | (+/-) 10,418.66 | (+/-) 11,962.04 |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**In case of subsidiary company HPCL,**

The table below shows sensitivity of open forex exposure to US$/₹ movement. We have considered 1% (+/-) change in US$/₹ movement, increase indicates appreciation in US$/₹ whereas decrease indicates depreciation in US$/₹ . The indicative 1% movement is not directional and does not reflect management's forecast on currency movement.

(₹ in million)

| Effect in ₹ | Impact on profit or loss due to 1 % increase / decrease in currency | | | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| | March 31, 2020 | | March 31, 2019 | |
| 1% movement | 1% | | 1% | |
| US$ | (2,484.80) | 2,484.80 | (2,193.00) | 2,193.00 |

**51.7.2 Forward foreign exchange contracts**

The Company has not entered into any forward foreign exchange contracts during the reporting period.

The subsidiary company OVL generally enters into forward exchange contracts to cover specific foreign currency payments and receipts to reduce foreign exchange fluctuation risk. In current year, the Company has entered certain forward contracts to cover exposure towards EURO bond.

**In case of subsidiary company HPCL,**

The Company is exposed to currency risk mainly on account of its borrowings and import payables in foreign currency. Our exposures are mainly denominated in U.S. dollars. The Company has used generic derivative contracts to mitigate the risk of changes in foreign currency exchange rates in line with Company's forex risk management policy. The Company has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Company does not use derivative financial instruments for trading or speculative purposes.

| Category | Instrument | Currency | Cross Currency | 31.03.2020 | 31.03.2019 | Buy/Sell |
|---|---|---|---|---|---|---|
| Hedges of recognized assets and liabilities | Forward contract | US$ | ₹ | - | $ 300.65 mn | Buy |
| | | | | - | $ 12.92 mn | Sell |

51.8 **Interest rate risk management**

The Group has availed borrowings at fixed and floating interest rates, hence is exposed to interest rate risk.

51.8.1 **Interest rate sensitivity analysis**

**In respect of company,**

The Company is exposed to interest rate risk because the Company has borrowed funds benchmarked to overnight MCLR, Treasury Bills and US$ LIBOR. The Company's exposure to interest rates on financial liabilities are detailed in note 29.1.

The Company invests the surplus fund generated from operations in term deposits with banks and mutual funds. Bank deposits are made for a period of upto 12 months carry interest rate as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk. Average interest earned on term deposit and a mutual fund for the year ended March 31, 2020 was 4.85% p.a. (Previous year 6.82% p.a.).

**In respect of subsidiary company MRPL,**

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate borrowings, the analysis is prepa red assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for disclosing the sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's profit for the year ended March 31, 2020 would decrease/increase by ₹ 669.11 million (for the year ended March 31, 2019 : decrease/ increase by ₹ 628.60 million). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings (considered on closing balance of borrowings as at year end and excluding working capital loans).

**In respect of subsidiary company OVL,**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting year. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the analysis is as under:

(₹ in million)

| Particulars | For the year ended March 31, 2020 | | | | | For the year ended March 31, 2019 | | |
|---|---|---|---|---|---|---|---|---|
| | US$ 775 million (previous year US$ 1,775 million) Term loan | US$ 500 million Term loan | JPY 38 billion Term loan | US$ 500 million Term loan (New) | US$ 1000 million Term loan | US$ 1,775 million Term loan | US$ 500 million Term loan | JPY 38 billion Term loan |
| (a) Impact on profit or loss for the year for increase in interest rate | 274.80 | 69.75 | 123.99 | 177.29 | 354.58 | 620.77 | 103.19 | 119.85 |
| (b) Impact on profit or loss for the year for decrease in interest rate | (274.80) | (69.75) | (123.99) | (177.29) | (354.58) | (620.77) | (103.19) | (119.85) |

**Interest rate swap contracts**

The subsidiary company OVL is engaged in E&P business outside India. Its revenues of crude oil and natural gas are principally denominated in US$. Further, price benchmarks wherever applicable are also principally in US$. The Company has therefore swapped the coupon and the principal amount of 8.54 % Unsecured Redeemable Debenture (face value of ₹ 3,700.00 Million) into US$. These contracts matured during the year 2019-20.

**In respect of subsidiary company HPCL,**

Company has long-term foreign currency syndicated loans with floating rate, which expose the company to cash flow interest rate risk. The borrowings at floating rate were denominated in US$. The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Company agrees with other parties to exchange, at specified intervals (i.e. quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Company monitors the interest rate movement and manages the interest rate risk based on the Company's Forex Risk Management Policy. The Company also has a Forex Risk Management Cell (FRMC) which actively review the forex and interest rate exposures. The Company does not uses derivative financial instruments for trading or speculative purposes.

'The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Following is the derivative financial instruments to hedge the interest rate risk as of dates:

(₹ in million)

| Category | Instrument | Currency | Cross Currency | 31.03.2020 | 31.03.2019 |
|---|---|---|---|---|---|
| Hedges of floating rate foreign currency loans - $ 250 million (31.03.2019: $ 500 million) | Interest rate swaps | US$ | ₹ | 18,916.30 | 34,580.00 |

#### Interest rate risk exposure

Company's interest rate risk arises mainly from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in million)

| | Carrying amount | |
|---|---|---|
| | 31.03.2020 | 31.03.2019 |
| **Fixed-rate instruments** | | |
| Financial assets | 55,140.80 | 52,671.10 |
| Financial liabilities | 242,169.40 | 1,41,816.40 |
| **Variable-rate instruments** | | |
| Financial assets | 26,523.30 | 27,964.30 |
| Financial liabilities | 1,72,911.00 | 1,40,099.00 |

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at Reporting Date would have impacted profit or loss [increased / (decreased)] by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate movement. This analysis assumes that all other variables, in particular, foreign currency exchange rate remaining constant.

(₹ in million)

| | Profit or loss | | | |
|---|---|---|---|---|
| | 25 bp increase | 25 bp decrease | 25 bp increase | 25 bp decrease |
| | 31.03.2020 | | 31.03.2019 | |
| Floating rate borrowings | (294.70) | 294.70 | (240.60) | 240.60 |
| Interest rate swaps (notional principal amount) | 41.40 | (41.40) | 69.40 | (69.40) |
| **Cash flow sensitivity (net)** | **(253.30)** | **253.30** | **(171.20)** | **171.20** |

### 51.9 Commodity Risk

#### In respect of subsidiary company HPCL,

The Company's Profitability is exposed to the risk of fluctuation in prices of Crude Oil and Petroleum products in international markets. Company monitors and reduces the impact of the volatility in International Oil prices based on approved Oil Price Risk Management Policy by entering into derivative contracts in the OTC market.

The Company also has Oil Price Risk Management Committee (OPRMC) which actively reviews and monitors risk management principles, policies and risk management activities.

Category-wise quantitative break-up of Commodity derivative contracts entered into by the Company and Outstanding as at balance sheet date is given below:

| Particulars | Quantity (in Mn Barrels) | |
|---|---|---|
| | 31.03.2020 | 31.03.2019 |
| Crude/Product Swaps | 4.23 | 2.11 |

The sensitivity to a reasonable possible change of 10% in the price of crude/product swaps on the outstanding commodity hedging positions as on Balance sheet date would increase/decrease the profit or loss by amounts shown below. This 10% movement is directional and does not reflect any forecast of price movement.

(₹ in million)

| Particulars | Effect on Profit before Tax | | | |
|---|---|---|---|---|
| | 10% Increase | 10% Decrease | 10% Increase | 10%Decrease |
| | 31.03.2020 | | 31.03.2019 | |
| Crude/Product Swaps | 28.00 | (28.00) | (130.00) | 130.00 |

### Derivatives & Hedging

The company enters into derivative contracts for hedging purpose, to mitigate the commodity price risk, on Highly probable forecast transactions as detailed above. Effective 01 January 2020, the Corporation has applied Hedge Accounting on commodity derivative transactions entered subsequent to 01 January 2020 as per Ind AS 109 (Financial Instruments). Consequent to this a Mark to Market debit amounting to ₹ 241.10 million has been accounted in Other Comprehensive Income which will be recycled to Statement of Profit and Loss in subsequent period on settlement of respective contracts.

All these hedges are accounted for as Cash Flow Hedges.

### Hedge Effectiveness:

The company has established a hedge ratio of 1:1 for the hedging relationship as the underlying risk of the commodity forward contracts are identical to the hedged risk component. Hedge item and the hedging instruments have economic relationship as the terms of the commodity forward contracts match with the terms of hedge items. Considering the economic relationship and characteristics of the hedging instrument being aligned to the hedged item, the fair value changes in the hedging instrument reasonably approximates the fair value changes in the hedged Item (in absolute amounts).

### Source of Hedge Effectiveness:

The company has identified the following sources of hedge ineffectiveness which are not expected to be material:

a. Counterparty Credit Risk impacting the fair value of the hedge instrument and hedge item.

b. Difference in the timing of the cash flows of the hedged items and the hedge instruments

c. Different indexes used to hedge risk of the hedged item.

d. Changes to forecasted amounts of cash flows of hedged items and hedging instruments.

### Disclosures of effects of Cash Flow Hedge Accounting:

The company has applied Hedge Accounting prospectively for the highly probable forecast transactions as stated above, entered after 01 January 2020. Consequently, disclosure is made only for the transactions designated for Hedge Accounting.

**The company is holding the following derivative contracts:**

(₹ in million)

| As at March 31, 2020 | Maturities | | | | | |
|---|---|---|---|---|---|---|
| | Less than 1 Month | 1-3 Months | 3-6 Months | 6-12 Months | More than 12 Months | Total |
| **Commodity Forward Contracts** | | | | | | |
| Nominal Volume (Quantity in Mn Barrels) | 0.0 | 4.5 | 3.8 | 1.5 | 0.0 | 9.8 |
| Nominal amount (₹ /Crore) | 0.0 | 240.6 | 158.5 | 104.7 | 0.0 | 503.8 |

The Impact of Hedging Instruments in Balance sheet is as under:

(₹ in million)

| As at March 31, 2020 | Commodity forward contract-Margin Hedging |
|---|---|
| Nominal Amount | 503.84 |
| Carrying Amount | -241.13 |
| Line item in Balance sheet that include Hedge Instrument | Other Financial Assets/ Other Financial Liabilities |

The Impact of Cash flow Hedge in the statement of Profit and Loss and Other comprehensive Income (OCI):

(₹ in million)

| As at March 31, 2020 | Highly Probable Forcast Transaction |
|---|---|
| Hedging Gain / (Loss) recognised in OCI* | (241.10) |
| Income tax on Above | 60.70 |
| **Net amount recognised in Cash flow Hedge Reserve** | (180.40) |
| Line item in the Statement of Profit and Loss that includes the reclassification adjustment | Revenue/Purchases |

*The Company expects that the amount of Loss recognised in cash flow hedge reserve through Other comprehensive income (OCI) will be recovered in future period through gains in underlying transactions.

**51.10 Price risks**

The Company's equity securities price risk arises from investments held and classified in the balance sheet either at fair value through OCI or at fair value through profit or loss. The Company's equity investments in IOC and GAIL are publicly traded. The fair value of these investments is marked to an active market which factors the uncertainties arising out of COVID-19.

Investment of short-term surplus funds of the Company in liquid schemes of mutual funds provides high level of liquidity from a portfolio of money market securities and high quality debt and categorized as 'low risk' product from liquidity and interest rate risk perspectives.

**51.10.1 Price sensitivity analysis**

In respect of Company,

The sensitivity of profit or loss in respect of investments in equity shares at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Other comprehensive income for the year ended March 31, 2020 would increase/ decrease by ₹ 6,292.85 million (for the year ended March 31, 2019 would increase/ decrease by ₹ 12,781.32 million) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

The Sensitivity of Revenue from operation to change in +/- 1 US$ in prices of crude oil, natural gas & value added products (VAP)

(₹ in million)

| Sensitivity of Revenue from operation | 2019-2020 | 2018-2019 |
|---|---|---|
| Impact on Revenue from operation (net of levies) for US$ in prices of crude oil, natural gas & VAP | (+/-)57,914.67 | (+/-) 60,043.89 |

**In respect of subsidiary, OVL,**

The sensitivity of profit or loss in respect of investments in mutual funds at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Profit before tax for the year ended March 31, 2020 would increase/decrease by ₹ 1,511.44 million (For the year ended March 31, 2019 would increase/decrease by ₹ 1,254.14 million) as a result of the changes in net asset value of investment in mutual funds.

**In respect of subsidiary, HPCL,**

The table below summarises the impact of increases/decreases in prices on Other comprehensive Income for the period

(₹ in million)

| Particulars | Equity Instruments through OCI | | | |
|---|---|---|---|---|
| | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| | 31.03.2020 | | 31.03.2019 | |
| **Equity Investment in Oil India Ltd** | 22.10 | (22.10) | 49.60 | (49.60) |

**51.11 Fair value measurement**

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

**51.11.1 Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

**In respect of company:**

(₹ in million)

| Financial Assets/ (Financial Liabilities) | Fair value as at | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | | |
| Investment in Equity Instruments (quoted) | 125,857.06 | 255,626.50 | Level 1 | Quoted bid prices from Stock exchange-NSE Ltd. |
| Compulsorily Convertible Preference Share | 220.69 | 95.69 | Level 2 | Discounted Free Cash Flow Methodology |
| Investment in Equity Instruments | 0.32 | 0.32 | Level 2 | Discounted Free Cash Flow Methodology |
| Employee Loans | 13,911.86 | 12,313.84 | Level 2 | Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate. |
| Financial Guarantee | (1,335.14) | (991.37) | Level 2 | Interest Rate Differential Model. |
| Finance Lease Obligation | (98,265.75) | (417.96) | Level 2 | Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate. |
| Security Deposits from Contractors | (6,588.05) | (4,541.36) | Level 2 | Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate. |

**In respect of subsidiary company OVL,**

Some of the Company's financial assets are measured at fair value at the end of each reporting year. The following table gives information about how the fair values of these financial assets are determined

(₹ in million)

| Particulars | Fair value as at | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | | |
| **Financial assets** | | | | |
| Investment in mutual funds | 30,228.72 | 25,082.71 | Level 1 | NAV declared by respective Asset Management Companies |
| Derivative assets | 181.78 | 282.27 | Level 1 | Mark to Market valuation report provided by banks. |
| Employee Loans | 188.72 | 196.49 | Level 2 | Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate. |

(₹ in million)

| Particulars | Fair value as at | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | | |
| **Financial Liabilities** | | | | |
| Derivative liabilities | 1,932.44 | 1.980.62 | Level 1 | Mark to Market valuation report provided by banks. |
| Deemed Capital Contribution from Holding Company (Financial Guarantee and Loans) | 5,092.99 | 4,345.87 | Level 2 | Interest Rate Differential Model. |
| Finance Lease Obligation | 369.78 | 369.78 | Level 2 | Valuation based upon risk adjusted discount rate applied to get present value of annuity till perpetuity (Annuity capitalisation model). |
| Finance Lease Obligation | 5,963.06 | 6282.62 | Level 2 | Discounted Cash Flows i.e. present value of expected receipt/payment discounted using appropriate discounting rate. |

In respect of subsidiary company HPCL,

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of the Financial Assets and Financial Liabilities that are recognised and measured at fair value and amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, Group has classified its Financial Assets and Financial Liabilities into the three levels prescribed under the accounting standard. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. An explanation of each level is provided under Significant Accounting Policy.

(₹ in million)

| | 31.03.2020 | | | 31.03.2019 | | |
|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | |
| Investments | | | | | | |
| - Investment in Equity Instruments | 2212.51 | | | 4,958.50 | - | - |
| - Investment in Debt Instruments | 53448.60 | | | 50,837.60 | - | - |
| - Others | | | | - | 0.50 | - |
| Loans & Advances | | | | - | - | - |
| - Employee Loans | | 3,915.00 | | - | 3,595.90 | - |
| - Other Loans | | 14,379.40 | | | 15,596.90 | |
| Derivative Assets | | 160.40 | | - | 1,075.80 | - |
| **Total** | **55,661.10** | **18,454.80** | | **55,796.10** | **20,299.10** | **-** |
| **Financial liabilities** | | | | | | |
| Borrowings | | | | | | |
| - Foreign Currency Bonds | | 34,357.80 | | - | 33,934.90 | - |
| - Non Convertible Debentures | | 76,405.50 | | | | |
| - Oil Industry Development Board Loan | | 30,119.80 | | - | 7,046.70 | - |
| Derivative Liabilities | | 795.10 | | - | 125.20 | - |
| **Total** | | **141,678.20** | | **-** | **41,106.80** | **-** |

Valuation techniques used to determine Fair Value

| Type | Valuation technique |
|---|---|
| Derivative instruments - forward exchange contracts | Discounted cash flow i.e. fair value of foreign exchange forward contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract. |
| Commodity derivatives | Fair value of commodity derivative contracts is estimated by determining the difference between the contractual price and the current forward price for the residual maturity of the contract. |
| Derivative instruments - interest rate swap | Discounted cash flows i.e. Present value of expected receipt/payment. |
| Non current financial assets and liabilities measured at amortised cost | Discounted cash flows. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates. |

51.12 **Offsetting**

**In respect of subsidiary company HPCL,**

The following table presents the recognized financial instruments that are eligible for offset and other similar arrangements but are not offset, as at 31.03.2020 and 31.03.2019. The column 'net amount' shows the impact on the Company's balance sheet if all set-off rights are exercised.

(₹ in million)

| | Effect of offsetting on the balance sheet | | | Related amounts not offset | |
|---|---|---|---|---|---|
| | Gross amounts | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Financial Instrument collateral | Net Amount |
| **March 31, 2020** | | | | | |
| **Financial assets** | | | | | |
| Trade Receivables | 77,319.00 | (37,977.10) | 39,341.90 | (1,382.20) | 37,959.70 |
| **Financial liabilities** | | | | | |
| Trade Payables | 152,665.00 | (37,977.10) | 114,687.90 | | 114,687.90 |
| Other Current Financial Liabilities | 233,859.10 | | 233,859.10 | (1,382.20) | 232,476.90 |
| **March 31, 2019** | | | | | |
| **Financial assets** | | | | | |
| Trade Receivables | 64,377.20 | (7,699.30) | 56,677.90 | (2,413.60) | 54,264.30 |
| **Financial liabilities** | | | | | |
| Trade Payables | 179,033.00 | (7,699.30) | 171,333.70 | - | 171,333.70 |
| Other Current Financial Liabilities | 195,346.10 | - | 195,346.10 | (2,413.60) | 192,932.50 |

51.13 **Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements except as per note 51.11 approximate their fair values.

## 52 Disclosure of Interests in Joint Operation:

### 52.1 Joint Operations in India

In respect of certain unincorporated PSC/NELP/HELP/CBM blocks, the Company's Joint Operation (JO) with certain body corporates have entered into Production Sharing Contracts (PSCs) / Revenue Sharing Contracts with GoI for operations in India. As per signed PSC, RSC & JOA, Company has direct right on Assets, liabilities, income & expense of blocks. Details of these Joint Operation Blocks are as under:

| Sl. No. | Blocks | Company's Participating Interest | | Others Partners and their PI in the JO/ Operatorship |
|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | |
| **A** | **Jointly Operated JOs** | | | |
| 1 | Panna, Mukta and Tapti (refer note 57.1.5) | 40% | 40% | BGEPIL 30%, RIL 30% |
| 2 | NK-CBM-2001/1 | 55% | 55% | IOC 20%, PEPL 25% |
| **B** | **ONGC Operated JOs** | | | |
| 3 | AA-ONN-2001/2 | 80% | 80% | IOC 20% |
| 4 | CY-ONN-2002/2 | 60% | 60% | BPRL 40% |
| 5 | KG-ONN-2003/1 | 51% | 51% | Vedanta Ltd (erstwhile Cairn India Ltd)-49% |
| 6 | CB-ONN-2004/1 | 60% | 60% | GSPC 40%, |
| 7 | CB-ONN-2004/2 | 55% | 55% | GSPC 45% |
| 8 | CB-ONN-2004/3 | 65% | 65% | GSPC 35% |
| 9 | CY-ONN-2004/2 | 80% | 80% | BPRL 20% |
| 10 | MB-OSN-2005-1 | 80% | 80% | GSPC 20% |
| 11 | Raniganj (refer note 52.1.9) | 74% | 74% | CIL 26% |
| 12 | Jharia (refer note 52.1.9) | 74% | 74% | CIL 26% |
| 13 | BK-CBM-2001/1 | 80% | 80% | IOC 20% |
| 14 | WB-ONN-2005/4 | 75% | 75% | OIL 25% |
| 15 | GK-OSN-2009/1 | 40% | 40% | AWEL 20%, GSPC 20%, IOC 20% |
| 16 | GK-OSN-2009/2* | 40% | 40% | AWEL 30%, IOC 30% |
| 17 | GK-OSN-2010/1 | 60% | 60% | OIL-30%, GAIL-10% |
| 18 | KG-OSN-2009/2* | 90% | 90% | APGIC-10% |
| 19 | MB-OSN-2005/3 | 70% | 70% | EEPL-30% |
| 20 | KG-OSN-2001/3 (Note no 52.1.10) | 80% | 80% | GSPC-10%, JODPL (10%) |
| 21 | CY-ONHP-2017/1 | 60% | - | BPRL-40% |
| **C** | **Operated by JO Partners** | | | |
| 22 | Ravva | 40% | 40% | Vedanta Ltd (erstwhile Cairn India Ltd) (Operator) 22.5%, VIL 25%, ROPL 12.5% |
| 23 | CY-OS-90/1 (PY3) | 40% | 40% | HEPI (operator) 18%, HOEC 21% TPL 21% |
| 24 | RJ-ON-90/1(Note no. 52.1.7) | 30% | 30% | Vedanta Ltd (erstwhile Cairn India Ltd) (Operator) 35%, CEHL 35% |
| 25 | CB-OS/2 –Development Phase | 50% | 50% | Vedanta Ltd (erstwhile Cairn India Ltd) (operator) 40% , TPL 10% |
| 26 | CB-ON/7 | 30% | 30% | HOEC (Operator) 35%, GSPC 35% |
| 27 | CB-ON/3 – Development Phase | 30% | 30% | EOL (Operator)70% |
| 28 | CB-ON/2- Development phase | 30% | 30% | GSPC (Operator) 56%, Geo-Global Resources 14% |
| 29 | AA-ONN-2010/2 | 30% | 30% | OIL -50%(Operator), GAIL-20% |
| 30 | AA-ONN-2010/3 | 40% | 40% | OIL-40%(Operator), BPRL-20% |
| 31 | CB-ONHP-2017/9 | 40% | - | BPRL-60% (Operator) |
| 32 | AA-ONHP-2017/10 | 30% | - | OIL-70% (Operator) |
| 33 | AA-ONHP-2017/13 | 30% | - | OIL-70% (Operator) |

*The blocks have been proposed for relinquishment.

Note: There is no change in Previous year details unless otherwise stated.

**Abbreviations:-** APGIC- AP Gas Infrastructure Corporation Limited, AWEL- Adani Welspun Exploration Limited, BGEPIL- British Gas Exploration & Production India Limited, BPRL- Bharat Petro Resources Limited, CEHL- Cairn Energy Hydrocarbons Limited, CIL- Coal India Limited, EEPL- Essar Exploration & Production Limited, EOL-Essar Oil Limited, EWP – East West Petroleum, GAIL- Gas Authority of India Limited, GSPC- Gujarat State Petroleum Corporation Limited, HEPI-Hardy Exploration & Production India Limited, HOEC- Hindustan Oil Exploration Company Limited, IOC- Indian Oil Corporation Limited, JODPL- Jubilant Offshore Drilling Private Limited, OIL- Oil India Limited, PEPL-Prabha Energy Private Limited, RIL- Reliance Industries Limited, ROPL- Ravva Oil (Singapore) Private Limited, TPL- Tata Petrodyne Limited, VIL- Videocon Industries Limited.

**52.1.1** During the year the Company has entered into Revenue Sharing Contracts with Government of India for 15 blocks acquired under Open Acreage Licensing Policy (OALP) as detailed below:

| Sl.No. | OALP Round | Name of Revenue sharing contracts/Blocks | Participating Interest | Nature of Activity |
|---|---|---|---|---|
| 1 | II | CB-ONHP-2018/2 | 100% | Exploration |
| 2 | III | CY-ONHP-2018/2 | 100% | Exploration |
| 3 | III | CY-ONHP-2018/3 | 100% | Exploration |
| 4 | III | AA-ONHP-2018/4 | 100% | Exploration |
| 5 | III | BP-ONHP-2018/1 | 100% | Exploration |
| 6 | III | MB-OSHP-2018/1 | 100% | Exploration |
| 7 | III | MB-OSHP-2018/2 | 100% | Exploration |
| 8 | III | MN-DWHP-2018/1 | 100% | Exploration |
| 9 | IV | BP-ONHP-2019/1 | 100% | Exploration |
| 10 | IV | VN-ONHP-2019/1 | 100% | Exploration |
| 11 | IV | VN-ONHP-2019/2 | 100% | Exploration |
| 12 | IV | VN-ONHP-2019/3 | 100% | Exploration |
| 13 | IV | VN-ONHP-2019/4 | 100% | Exploration |
| 14 | IV | VN-ONHP-2019/5 | 100% | Exploration |
| 15 | IV | RJ-ONHP-2019/1 | 100% | Exploration |

Similarly, during the year the Company has entered into Revenue Sharing Contracts with Government of India in respect five fields awarded under Discovered Small Field (DSF) Round II as detailed below:

| S.N. | DSF Round | Name of Revenue sharing contracts/Blocks | Participating Interest | Nature of Activity |
|---|---|---|---|---|
| 1 | II | MB/OSDSF/CA/2018 | 100% | Development |
| 2 | II | MB/OSDSF/NMT/2018 | 100% | Development |
| 3 | II | MB/OSDSF/D-33/2018 | 100% | Development |
| 4 | II | MB/OSDSF/SB-15/2018 | 100% | Development |
| 5 | II | RJ/ONDSF/Chinnewala/2018 | 100% | Development |

**52.1.2** In respect of CY-ONHP-2017/1 block, the approval of Government of India was received on November 26, 2019 for farm out of 40% stake to Bharat Petro Resources Limited (BPRL) with effective date as February 20, 2019. Similarly, the approval of Government of India was received on November 26, 2019 for farm in agreement entered for the blocks AA-ONHP-2017/10, AA-ONHP-2017/13 & CB-ONHP-2017/9 to acquire 30% stake from Oil India Limited in the blocks AA-ONHP-2017/10 & AA-ONHP-2017/13 with effective date as February 19, 2019 and 40% stake from BPRL in the block CB-ONHP-2017/9 with effective date as February 20, 2019.

52.1.3 **Financial position of the Joint Operation –Company's share are as under:**

The financial statements of 154 nos. (124 in FY 2018-19), out of 160 nos. (137 in FY 18-19) Joint operation block (JOs/NELP/HELP), have been incorporated in the accounts to the extent of Company's participating interest in assets, liabilities, income, expenditure and profit / (loss) before tax on the basis of statements certified in accordance with production sharing contract and in respect of balance 6 (13 in FY 2018-19) Joint operation blocks (JOs/NELP/CBM blocks), the figures have been incorporated on the basis of uncertified statements prepared under the production sharing contracts. Both the figures have been adjusted for changes as per note no. 3.8. The financial positions of JO/NELP/HELP are as under:-

**As at March 31, 2020** **(₹ in million)**

| Particulars | Current Assets | Non Current Assets | Current Liabilities | Non Current Liabilities | Revenue | Profit or (Loss) from continuing operations | Other Compre-hensive Income | Total Comprehen-sive Income |
|---|---|---|---|---|---|---|---|---|
| NELP -100% PI (11) | 148.28 | 127,833.05 | 437.06 | 1,079.18 | 90.91 | (16,369.27) | (17.06) | (16,386.32) |
| HELP -100% PI (16) | 9.65 | 4.04 | 0.03 | - | - | (1,673.77) | 0.02 | (1,673.74) |
| DSF 100% (5) | 3.69 | 5.63 | - | - | - | (1.92) | - | (1.92) |
| NELP/Pre NELP Block with other partner (29) | 37,836.42 | 135,458.88 | 40,573.20 | 12,784.32 | 98,093.63 | 8,442.56 | (6.04) | 8,436.52 |
| HELP Blocks with other partners (4) | 106.66 | 1.55 | 40.55 | - | - | (99.68) | - | (99.68) |
| Surrendered (95) | 871.59 | 44.08 | 16,357.86 | 59.07 | - | (998.41) | - | (998.41) |
| **Total (160)** | **38,976.29** | **263,347.23** | **57,408.70** | **13,922.57** | **98,184.54** | **(10,700.49)** | **(23.08)** | **(10,723.57)** |
| **Further Break-up of above blocks as under:** | | | | | | | | |
| Audited (142) | 6,569.67 | 212,001.10 | 16,783.57 | 3,557.69 | 2,912.51 | (31,161.90) | (22.71) | (31,184.61) |
| Certified (9)# | 31,919.34 | 49,362.54 | 37,714.69 | 9,233.94 | 95,188.66 | 20,482.91 | - | 20,482.91 |
| Unaudited (9) | 487.28 | 1,983.59 | 2,910.44 | 1,130.94 | 83.37 | (21.50) | (0.37) | (21.87) |
| **Total (160)** | **38,976.29** | **263,347.23** | **57,408.70** | **13,922.57** | **98,184.54** | **(10,700.49)** | **(23.08)** | **(10,723.57)** |

# Certified by other Chartered Accountants as per PSC provisions.

**As at March 31, 2019** **(₹ in million)**

| Particulars | Current Assets | Non Current Assets | Current Liabilities | Non Current Liabilities | Revenue | Profit or (Loss) from continuing operations | Other Compre-hensive Income | Total Comprehen-sive Income |
|---|---|---|---|---|---|---|---|---|
| NELP -100% PI (11) | 56.00 | 86,879.20 | 446.75 | 10.49 | 46.78 | (11,960.69) | 6.44 | (11,954.25) |
| HELP -100% PI (2) | 0.31 | 1.21 | - | - | - | (77.78) | - | (77.78) |
| Block with other partner (29) | 60,196.02 | 145,067.89 | 40,939.27 | 28,211.74 | 124,202.49 | 19,968.57 | 0.07 | 19,968.64 |
| Surrendered (95) | 4,939.24 | 44.40 | 15,685.24 | 59.07 | - | 1,153.62 | (0.06) | 1,153.56 |
| **Total (137)** | **65,191.58** | **231,992.69** | **57,071.26** | **28,281.29** | **124,249.27** | **9,083.71** | **6.45** | **9,090.16** |

| Particulars | Current Assets | Non Current Assets | Current Liabilities | Non Current Liabilities | Revenue | Profit or (Loss) from continuing operations | Other Compre-hensive Income | Total Comprehen-sive Income |
|---|---|---|---|---|---|---|---|---|
| **Further Break-up of above blocks as under:** | | | | | | | | |
| Audited (120) | 10,559.86 | 172,891.58 | 15,050.88 | 1,770.94 | 2,882.87 | (25,013.84) | 6.45 | (25,007.39) |
| Certified (4)# | 5,626.78 | 20,515.30 | 5,520.45 | 18,216.49 | 16,963.56 | 6,697.93 | - | 6,697.93 |
| Unaudited (13) | 49,004.94 | 38,585.81 | 36,499.92 | 8,293.86 | 104,402.84 | 27,399.63 | - | 27,399.63 |
| **Total (137)** | **65,191.58** | **231,992.69** | **57,071.25** | **28,281.29** | **124,249.27** | **9,083.72** | **6.45** | **9,090.17** |

# Certified by other Chartered Accountants as per PSC provisions.

52.1.4 Additional Financial information related to Joint Operation blocks are as under:

As at March 31, 2020 **(₹ in million)**

| Particulars | Cash and Cash Equivalents | Current Financial Liabilities | Depreciation and Amortisation | Interest Income | Interest Expense |
|---|---|---|---|---|---|
| NELP -100% PI (11) | 0.02 | 333.85 | 11,263.91 | 0.16 | 0.90 |
| HELP -100% PI (16) | - | 0.03 | 19.84 | 0.11 | - |
| DSF 100% (5) | - | - | - | 0.23 | - |
| NELP/Pre NELP Block with other partner (29) | 445.65 | 36,825.52 | 19,457.78 | 1,209.18 | 1,830.04 |
| HELP Blocks with other partners (4) | - | 40.55 | 32.78 | - | - |
| Surrendered (95) | 0.09 | 16,303.04 | 0.00 | 18.46 | - |
| **Total (160)** | **445.76** | **53,502.98** | **30,774.31** | **1,228.14** | **1,830.94** |
| **Further Break-up of above blocks as under:** | | | | | |
| Audited (142) | 98.98 | 15,869.41 | 21,095.39 | 13.47 | 183.80 |
| Certified (9)# | 217.60 | 34,752.49 | 10,058.11 | 1,168.51 | 1,548.25 |
| Unaudited (9) | 129.18 | 2,881.07 | -379.20 | 46.17 | 98.88 |
| **Total (160)** | **445.76** | **53,502.98** | **30,774.31** | **1,228.14** | **1,830.94** |

# Certified by other Chartered Accountants as per PSC provisions.

As at March 31, 2019 **(₹ in million)**

| Particulars | Cash and Cash Equiv-alents | Current Financial Liabilities | Depreciation and Amorti-sation | Interest Income | Interest Expense |
|---|---|---|---|---|---|
| NELP -100% PI (11) | 0.02 | 354.72 | 3,886.92 | 0.06 | 0.98 |
| HELP -100% PI (2) | - | - | 6.52 | 0.01 | - |
| Block with other partner (29) | 120.95 | 33,924.58 | 15,985.74 | 1,106.69 | 2,174.43 |
| Surrendered (95) | 0.18 | 15,621.77 | 0.18 | 224.84 | - |
| **Total (137)** | **121.15** | **49,901.07** | **19,879.36** | **1,331.60** | **2,175.41** |
| **Further Break-up of above blocks as under:** | | | | | |
| Audited (120) | 0.14 | 14,227.17 | 9,915.26 | 225.16 | 166.80 |
| Certified (4)# | 13.90 | 2,339.20 | 5,294.33 | 742.75 | 1,314.02 |
| Unaudited (13) | 107.11 | 33,334.70 | 4,669.77 | 363.69 | 694.59 |
| **Total (137)** | **121.15** | **49,901.07** | **19,879.36** | **1,331.60** | **2,175.41** |

# Certified by other Chartered Accountants as per PSC provisions.

**52.1.5** In respect of 3 NELP/Pre NELP blocks (Previous year 3) which have expired as at March 31, 2020, the Company's share of Unfinished Minimum Work Programme (MWP) amounting to ₹ 448.91 million (Previous year ₹ 1,025.40 million) has not been provided for since the Company has already applied for further extension of period in these blocks as 'excusable delay'/ special dispensations citing technical complexities, within the extension policy of NELP Blocks, which are under active consideration of Government of India (GoI). The delays have occurred generally on account of pending statutory clearances from various Government Authorities like Ministry of Defence, Ministry of Commerce & Industry, environmental clearances, State Government permissions etc. The above MWP amount of ₹ 448.91 million (Previous year ₹ 1,025.40 million) is included in MWP commitment under Note no. 57.3.2.(i).

As per the Production Sharing Contracts signed by the Company with the GoI, the Company is required to complete Minimum Work Programme (MWP) within stipulated time. In case of delay in completion of the MWP, Liquidated Damages (LD) are payable for extension of time to complete MWP. Further, in case the Company does not complete MWP or surrender the block without completing the MWP, the estimated cost of completing balance work programme is required to be paid to the GoI. LD (net of reversal) amounting to ₹ (226.60) million (Previous year ₹ 434.18 million) and cost of unfinished MWP (net of reversal) ₹ 35.99 million (Previous year ₹ 1,080.61 million), paid/payable to the GoI is included in survey and wells written off expenditure respectively.

**52.1.6** Government of India has approved the relinquishment of 30% Participating Interest (PI) of ONGC in SGL Field with future interest in block RJ-ON/6 in Jaisalmer Basin Rajasthan and assignment of PI to Focus Energy Limited (Operator) and other JV partners on the condition that Focus Energy Limited (Operator) will pay towards 100 % past royalty obligation, PEL/ML fees, other statutory levies (total amount ₹ 2,011.89 million as on March 31, 2020) and waive off development/production cost payable by the Company in SGL Field of the block as well as take all future 100% royalty obligation of the Company as licensee. The process of entering into Farm-out Agreement and amendment in Production Sharing Contract (PSC) is under progress. Pending the execution of agreements, no adjustment is made in the accounts in respect of relinquishment of RJ-ON/6.

**52.1.7** The Company is having 30% Participating interest in Block RJ-ON-90/1 alongwith Vedanta Limited (erstwhile Cairn India Limited) (Operator) and Cairn Energy Hydrocarbons Limited There are certain unresolved issues including cost recovery and sharing in respect of exploration, development and production cost in the Block between the Company and Operator of the Block amounting to US$ 1,380.02 million (₹ 1,04.163.79 million) as on March 31, 2019, (based on unaudited End of Year Statements provided by Operator). The amount under dispute related to cost recovery and sharing for FY 2019-20 is yet to be finalised. In the opinion of Company, it is not required to pay exploration cost of US$ 75.48 million (₹ 5,697.57 million), being 30% of US$ 251.62 million (₹ 18,991.90 million), out of the above amount, as per PSC.

Further, the Operator has also claimed exploration cost (beyond exploration phase as per PSC) of US$ 156.53 million (₹ 11,815.26 million) being 30% of US$ 521.78 Million (₹ 39,384.20 million) from the Company upto FY 2019-20 (Previous year US$ 174.03 Million and equivalent ₹ 12,037.88 million) from the Company, which in view of Company is not tenable. The Company has shown a sum of US$ 232.02 million (₹ 17,512.87 million) under Contingent Liabilities, as the issues are presently under Arbitration proceedings.

Pending settlement of issues, an amount of US$ 205.37 Million (₹ 15,501.36 million), which is 30% of US$ 684.57

million (₹ 51,671.21 million) pertaining to development and production cost have been accounted for as per the participating interest of the Company.

Royalty on production is being paid by the Company as licensee and the share of JV Partners of Royalty is recoverable through revenue from Sale of Crude Oil and Gas as per PSC. Accordingly, an amount of ₹ 12,198.65 million outstanding from JV Partners has been included in the revenue upto March 31, 2020.

**52.1.8** The primary period of twenty five years of the Production Sharing Contract (PSC) of the Block Block RJ-ON-90/1 expired on May 14, 2020. The Contractors in the Block had applied for extension of the PSC for a period of 10 years, which was approved by Government in October 2018 under the pre-NELP Extension Policy as per notification dated April 7, 2017, subject to certain conditions. One of the conditions for extension, stipulated by Government relates to notification of certain audit exceptions raised for FY 2016-17 as per PSC provisions and requires payment of Additional Profit Petroleum, in case these exceptions are accepted by Contractors. In connection with these audit exceptions, US$ 156.03 million (₹ 11,777.12 million) relating to the share of Company out of total US$ 520.10 million (₹ 39,257.15 million) has been raised by DGH on May 12, 2020. The other Partners in the JV have disputed the demand with a Notice of Arbitration dated May 14, 2020 against the Government. The Company is not a Party to the Arbitration against Government and will pay the amount, once liability, if any, arises out of the Audit Exceptions for the year 2016-17 is finalized for the Contractors. The Company share of US$ 156.03 million (₹ 11,777.12 million) in the Audit Exceptions has already been shown under Contingent liabilities.

As all the conditions required for extension of PSC could not be complied with and the Addendum for extension of the PSC could not be signed by the Contractors and Government on or before May 14, 2020, Government has allowed the Contractors to continue the Petroleum operations for a period of three months or signing of PSC amendment, whichever is earlier. It is expected that Addendum for extension of the PSC will be signed by all Parties within this period. Accordingly, the accounts of the Company's share in the Block for FY 2019-20 has been prepared on a 'going concern' basis.

**52.1.9** In respect of Jharia CBM Block, revised Feasibility Report (FR) has been approved in the 27th Steering Committee (SC) held on September 9, 2019. In light of better techno-economics, the Company has decided to implement the revised FR as phases in the light of overlap issue with Bharat Coking Coal Limited and early implementation and monetization. Therefore, Parbatpur and adjoining area was taken up in Phase-I under the approved FR and accordingly, implementation strategy for Stage-I has been approved by the Competent Authority of ONGC on November 21, 2019 and 36th Operating Committee (OC) meeting for Jharia CBM Block held on December 10, 2019. The same was communicated to the Partner, Coal India Limited (CIL) and was approved by the Board of Directors of CIL in its meeting held on January 10, 2020. Process for location and release and awarding of contract for cadastral and route survey has been initiated. As per Performa provided by DGH, all the formalities for enhancement of PI of CIL to 26% has been completed by both the Company (Assignor) and CIL (Assignee) and the signed documents has been submitted to DGH for the approval of GoI on January 27, 2020.

In respect of Raniganj CBM Block, the Feasibility Report (FR) is under process exploring different variants to optimize the cost. Bengal Aerotropolis Projects Limited (BAPL) has submitted price offer for the two land patches for Raniganj. Work Program and Budget for RE 2019-20, BE 2020-21 has been approved in the Steering Committee. The issue of connectivity of proposed locations in Raniganj with Urja

Ganga Pipeline is being discussed with GAIL (India) Limited, Kolkata. Government of West Bengal has granted PML for 311.79 Sq. km including the BAPL overlap area on February 10, 2020. Pending final decision on the Block, an impairment provision of ₹ 617.36 million has been provided in the books.

**52.1.10** During the year 2017-18 the Company had acquired the entire 80% Participating Interest (PI) of Gujarat State Petroleum Corporation Limited (GSPC) along with operatorship rights, at a purchase consideration of US$ 995.26 million (equivalent ₹ 62,950.20 million) for Deen Dayal West (DDW) Field in the Block KG-OSN-2001/3.

A farm-in Farm-out agreement (FIFO) was signed with GSPC on March 10, 2017 and the said consideration has been paid on August 04, 2017 being the closing date. In the current year 2019-20, accounting for the final closing adjustment (i.e., working capital and other adjustments) to sale consideration viz. transactions from the economic date up to the closing date has been carried out and a sum of ₹ 1,034.01 million is net payable to GSPC as final settlement, net of risks and infirmities of ₹ 25.00 million which had been incorporated and the same is under deliberation.

As per FIFO, the Company is entitled to receive sums as adjustments to the consideration already paid based on the actual gas production and the differential in agreed gas price. Pending executing mother wells and estimating future production, the contingent adjustment to consideration remains to be quantified.

The Company has also paid part consideration of US$ 200 million (equivalent ₹ 12,650.00 million) for six discoveries other than DDW Field in the Block KG-OSN-2001/3 to GSPC towards acquisition rights for these discoveries in the Block KG-OSN-2001/3 to be adjusted against the valuation of such fields based on valuation parameters agreed between GSPC and the Company.

Our employees are the bedrock, the heart and soul of ONGC, who are undeterred in the face of challenges

## 52.2 Joint Operation outside India

The details of Group's joint operations are as under:

| S.no | Name of the Project and Country of Operation | Group's participating share (%) | Other Consortium Members | Operator | Project status |
|---|---|---|---|---|---|
| 1. | Azeri, Chirag, Guneshli Fields (ACG), Azerbaijan, Offshore | 2.31 | BP - 30.37%<br>SOCAR - 25.00%<br>Chevron - 9.57%<br>INPEX - 9.31%<br>Equinor^ - 7.27%<br>Exxon-Mobil - 6.79%<br>TPAO - 5.73%<br>Itochu - 3.65% | BP | The project is under development and production |
| 2. | Block 06.1, Vietnam, Offshore | 45 | Rosneft Vietnam B.V. - 35%<br>Petro Vietnam - 20% | Rosneft Vietnam B.V. | The project is under development and production |
| 3. | Block 5A, South Sudan, Onshore | 24.125 | Petronas - 67.875%<br>Nilepet - 8% | Joint Operatorship by all partners. | The project is under exploration, development and production however the field continues to be under shut down since December 2013. Presently production resumption activities are underway while awaiting for execution addendum to EPSA for Block 5A. |
| 4. | Block A-1, Myanmar, Offshore | 17 | POSCO Daewoo Cooperation - 51%<br>MOGE- 15%<br>GAIL – 8.5%<br>KOGAS – 8.5% | POSCO Daewoo Cooperation | The project is under Production. |
| 5. | Block A-3, Myanmar, Offshore | 17 | POSCO Daewoo Cooperation - 51%<br>MOGE- 15%<br>GAIL – 8.5%<br>KOGAS – 8.5% | POSCO Daewoo Cooperation | The project is under production |
| 6. | Block Area 1, Mozambique, Offshore | 10## | Total - 26.5%<br>MITSUI-20%<br>ENH-15%<br>BPRL-10%<br>BREML-10% #<br>PTTEP-8.5% | TEPMA-1 | The project is under development |
| 7. | Block B2, Myanmar, Onshore | 97 | Machinery and Solutions Company Ltd. - 3% | ONGC Videsh | The project is under exploration |
| 8. | Block CPO-5, Colombia, Onshore | 70 | PetroDorado – 30% | ONGC Videsh | The project is under exploration |
| 9. | Block EP3, Myanmar, Onshore | 97 | Machinery and Solutions Company Ltd. - 3% | ONGC Videsh | The project is under exploration |

| S.no | Name of the Project and Country of Operation | Group's participating share (%) | Other Consortium Members | Operator | Project status |
|---|---|---|---|---|---|
| 10. | Block Farsi, Iran, Offshore | 40 | IOC – 40%<br>OIL - 20% | ONGC Videsh | The project's exploration phase under Exploration Service Contract (ESC) ended on 24 June 2009. Agreement on MDP and Development Service Contract is yet to be agreed. |
| 11. | Block RC-9, Colombia, Offshore | 50 | Ecopetrol - 50% | Ecopetrol | The project is under exploration |
| 12. | Block RC-10, Colombia, Offshore | 50 | Ecopetrol - 50% | ONGC Videsh | The project is under exploration |
| 13. | Block SS 04, Bangladesh, Offshore | 45 | OIL-45%<br>BAPEX-10% | ONGC Videsh | The project is under exploration |
| 14. | Block SS 09, Bangladesh, Offshore | 45 | OIL-45%<br>BAPEX-10% | ONGC Videsh | The project is under exploration |
| 15. | Block SSJN-7, Colombia, Onshore | 50 | Pacific - 50% | Pacific | The project is under exploration |
| 16. | Block XXIV, Syria, Onshore | 60 | IPRMEL - 25%<br>Triocean-15% | IPR MEL | The project is temporarily shut down due to deteriorated law and order situation in the country since April 2012 |
| 17. | Sakhalin -1, Russia, Offshore | 20 | ENL - 30%<br>SODECO - 30%<br>SMNG - 11.5%<br>R N Astra - 8.5% | ENL | The project is under development and production. |
| 18. | Satpayev Contract Area 3575,<br>Kazakhstan, Offshore | 25 | KMG – 75% | SOLLP | The project is under winding up |
| 19. | SHWE Offshore Pipeline, Myanmar, Offshore | 17 | Posco Daewoo Corporation – 51%<br>MOGE- 15%<br>GAIL – 8.5%<br>KOGAS – 8.5% | Posco Daewoo Corporation | Pipeline is completed and is under use for transportation of gas from Blocks A1/A3, Myanmar |
| 20. | Port Sudan Product Pipeline, Sudan | 90 | OIL – 10% | ONGC Videsh | Pipeline is completed and handed over to Govt. of Sudan |
| 21. | Block 2a & 4, GNPOC. Sudan, (Through ONGC Nile Ganga B.V.) | 25 | CNPC - 40%<br>Petronas - 30%<br>Sudapet - 5% | Joint Operatorship (GNPOC) | The project had been surrendered and EPSA terminated on 31st August 2019 |
| 22. | Block 1a, 1b, & 4, GPOC. South Sudan, (Through ONGC Nile Ganga B.V.) | 25* | CNPC - 40%<br>Petronas - 30%<br>Nilepet - 5% | Joint Operatorship (GPOC) | The project is under production. |
| 23. | Block BC-10 Brazil, Offshore (Through ONGC Campos Ltda.) | 27 | Shell – 50%<br>QPI – 23% | Shell | The project is under development and production |

| S.no | Name of the Project and Country of Operation | Group's participating share (%) | Other Consortium Members | Operator | Project status |
|---|---|---|---|---|---|
| 24. | Block BM-SEAL-4 Brazil, Offshore (Through ONGC Campos Ltda.) | 25 | Petrobras- 75% | Petrobras | The project is under exploration |
| 25. | Block PEL-0037, Offshore Namibia through ONGC Videsh Vankorneft Pte. Ltd | 30* | Tullow Namibia Ltd - 35%<br>Pancontinental Namibia (Pty) Ltd - 30%<br>Paragon Oil & Gas ( Pty) Ltd - 5% | Tullow Namibia Ltd | Notice of Withdrawal for relinquishment of OVVL PI was served in January, 2020. The Block stands relinquished as on date. |
| 26. | Lower Zakum Abu Dhabi (through Falcon Oil and gas B.V.) | 4 | IndOil Global B.V. - 3%<br>BPRL International Ventures B.V. - 3%<br>ADNOC-60%<br>Japan's Inpex-10%<br>CNPC-10%<br>Eni-5%<br>TOTAL-5% | Adnoc Offshore | The project is under development and production |
| 27. | Block-32, Offshore Israel (through Indus East Mediterranean Exploration Ltd.) | 25 | OIL - 25%IOCL - 25%BPRL - 25% | ONGC Videsh | The Minimum Work Program as per terms of the License has been completed. Currently approval is being obtained for relinquishment of the Block |

Note: There is no change in previous year details unless otherwise stated

**Abbreviations used:**

TOTAL - Total S.A, France; BAPEX - Bangladesh Petroleum Exploration & Production Company Limited; BP - British Petroleum; BPRL - Bharat PetroResources Limited; BREML - Beas Rovuma Energy Mozambique Limited; Chevron - Chevron Corporation; CNPC- China National Petroleum Corporation; Daewoo - Daewoo International Corporation; Ecopetrol - Ecopetrol S.A, Colombia; ENH - Empresa Nacional De Hidrocarbonates, E.P.; ENL - Exxon Neftegas Limited; Exxon Mobil - Exxon Mobil Corporation; GAIL - GAIL (India) Limited; INPEX - INPEX Corporation; IOC - Indian Oil Corporation Limited; IPRMEL - IPR Mediterranean Exploration Limited; Itochu - Itochu Corporation; KMG - Kazmunaygas; KOGAS - Korea Gas Corporation; MITSUI - MITSUI & Co. Limited; MOGE - Myanmar Oil and Gas Enterprise; Nilepet - Nile Petroleum Corporation; OIL - Oil India Limited; ONGC Videsh - ONGC Videsh Limited; Pacific - Pacific Stratus Energy, Colombia; Petrobras - Petrobras Colombia Ltd; PetroDorado - PetroDorado South America S.A.; Petronas - Petronas Carigali Overseas Sdn-Bhd; Petrovietnam - Vietnam Oil and Gas Group; PTTEP - PTT Public Company Limited; QPI- Qatar Petroleum International; SMNG - Sakhalinmorneftegas Shelf; SOCAR - State Oil Company of Azerbaijan Republic; SODECO - Sakhalin Oil Development Company Limited; SOLLP - Satpavey Operating LLP; STATOIL - Den Norske Stats Oljeselskap; TPAO - Turkiye Petrolleri A.O; Triocean - TriOcean Mediterranean, TEPMA=Total E&P Mozambique Area 1 Limitada

* Block surrendered during the year FY 2019-20

^ Earlier Statoil - Den Norske Stats Oljeselskap.

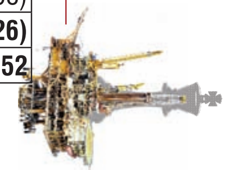
# ONGC Videsh holds 60% shares in BREML.

## Held by OVRL India Limited (wholly owned subsisdiary of ONGC Videsh Limited) w.e.f January 1, 2020

52.2.1 The Financial position of the Joint Operation projects/ blocks are as under:

As at March 31, 2020 (₹ in million)

| Particulars | Current Assets | Non-Current Assets | Current Liabilities | Non-Current Liabilities | Total Revenue | Profit or Loss from continuing operations | Profit or Loss from discontinued operations | Other Comprehen-sive Income | Total Comprehen-sive Income |
|---|---|---|---|---|---|---|---|---|---|
| **A. Audited as at 31 March, 2020** | | | | | | | | | |
| Block 06.1, Vietnam | 1,316.84 | 7,937.53 | 1,316.00 | 1,843.76 | 10,243.24 | 4,703.84 | - | - | 4,703.84 |
| Block Sakhalin 1, Russia | 16,434.88 | 229,490.74 | 8,185.92 | 34,349.11 | 82,032.87 | 32,284.56 | - | - | 32,284.56 |
| **Total (A)** | **17,751.72** | **237,428.27** | **9,501.91** | **36,192.86** | **92,276.11** | **36,988.39** | **-** | **-** | **36,988.39** |
| **B. Audited as of 31 December, 2019** | | | | | | | | | |
| Block CPO 5, Colombia | 373.20 | 847.69 | 1,239.73 | - | 5,209.26 | 4,548.39 | - | - | 4,548.39 |
| **Total (B)** | **373.20** | **847.69** | **1,239.73** | **-** | **5,209.26** | **4,548.39** | **-** | **-** | **4,548.39** |
| **C. Unaudited** | | | | | | | | | |
| Port Sudan Product Pipeline, Sudan | 6.35 | 0.00 | 1,917.51 | - | - | 185.81 | - | - | 185.81 |
| Block Farsi, Iran | 67.62 | (0.04) | 3.35 | - | - | (13.83) | - | - | (13.83) |
| Block SS-04, Bangladesh | 48.23 | 60.22 | 50.29 | - | - | (40.45) | - | - | (40.45) |
| Block SS-09, Bangladesh | 79.49 | 9.31 | 41.03 | - | - | (36.78) | - | - | (36.78) |
| GNPOC & GPOC, Sudan | 5,349.52 | 32,893.07 | 9,413.90 | 2,961.56 | 11,432.79 | (15,414.25) | - | - | (15,414.25) |
| BC-10, Brazil & Block BM-SEAL-4 | 3,615.93 | 32,524.42 | 2,076.94 | 19,039.18 | 15,551.68 | (2,058.39) | - | - | (2,058.39) |
| Block A-1, Myanmar | 2,715.23 | 11,317.68 | 1,817.24 | - | 8,318.93 | 4,414.22 | - | - | 4,414.22 |
| Block A-3, Myanmar | 419.42 | 2,441.72 | 917.64 | - | 5,366.59 | 1,893.38 | - | - | 1,893.38 |
| SHWE Offshore Pipeline, Myanmar | 265.71 | 1,434.32 | 248.08 | - | 2,536.02 | 1,790.93 | - | - | 1,790.93 |
| Block Area 1, Mozambique | 231.52 | 229,291.04 | 2,597.66 | - | - | (7,907.39) | - | (121.02) | (8,028.41) |
| Block ACG, Azerbaijan | 1,085.14 | 39,915.98 | 1,031.56 | 11,777.09 | 8,214.24 | (2,140.64) | - | - | (2,140.64) |
| Block SSJN-7, Colombia | - | - | 45.81 | - | - | (112.31) | - | - | (112.31) |
| Block RC-9, Colombia | - | (0.00) | 7.67 | - | - | (1.44) | - | - | (1.44) |
| Block RC-10, Colombia | 39.19 | 0.03 | - | - | - | (0.70) | - | - | (0.70) |
| Myanmar Block EP 3, O/S (Non-Op) | 25.36 | 0.41 | 72.10 | - | - | (47.57) | - | - | (47.57) |
| Myanmar Block B2 Onshore | 224.99 | 0.06 | 320.82 | - | - | (51.45) | - | - | (51.45) |
| Block 5A, South Sudan | 728.68 | 5,234.37 | 673.28 | - | - | (4,920.83) | - | - | (4,920.83) |
| Block Satpayev, Kazakhstan | 3.71 | 8.07 | 0.14 | - | - | (220.96) | - | - | (220.96) |
| Block 24, Syria | 64.31 | 0.41 | 631.91 | - | - | (4.58) | - | - | (4.58) |
| **Total ( C)** | **14,970.39** | **355,131.06** | **21,866.94** | **33,777.82** | **51,420.26** | **(24,687.24)** | **-** | **(121.02)** | **(24,808.26)** |
| **Grand Total** | **33,095.31** | **593,407.02** | **32,608.59** | **69,970.69** | **148,905.63** | **16,849.54** | **-** | **(121.02)** | **16,728.52** |



As at March 31, 2019

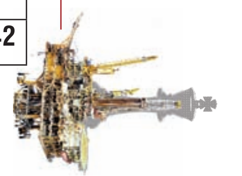
(₹ in million)

| Particulars | Current Assets | Non-Current Assets | Current Liabilities | Non-Current Liabilities | Total Revenue | Profit or Loss from continuing operations | Profit or Loss from discontinued operations | Other Comprehensive Income | Total Comprehensive Income |
|---|---|---|---|---|---|---|---|---|---|
| **A. Audited as at 31 March, 2019** | | | | | | | | | |
| Block 06.1, Vietnam | 2,072.54 | 8,133.66 | 1,296.18 | 1,622.85 | 9,741.39 | 4,606.00 | - | - | 4,606.00 |
| Port Sudan Product Pipeline, Sudan | 3.98 | - | 396.89 | - | - | (62.83) | - | - | (62.83) |
| Block Farsi, Iran | 1.88 | 0.17 | 66.17 | - | - | (88.79) | - | - | (88.79) |
| Block SS-04, Bangladesh | 12.76 | 39.09 | 56.25 | - | - | (11.60) | - | - | (11.60) |
| Block SS-09, Bangladesh | 5.38 | 0.51 | 20.79 | - | - | (33.61) | - | - | (33.61) |
| GNPOC & GPOC, Sudan | 4,272.25 | 23,927.40 | 10,026.25 | 142.30 | 6,784.04 | (475.13) | - | - | (475.13) |
| BC-10, Brazil & Block BM-SEAL-4 | 4,960.40 | 40,980.76 | 3,153.09 | 22,287.68 | 16,813.05 | (3,356.94) | - | - | (3,356.94) |
| **Total (A)** | **11,329.19** | **73,081.59** | **15,015.62** | **24,052.83** | **33,338.48** | **577.10** | **-** | **-** | **577.10** |
| **B. Audited as of 31 December, 2018** | | | | | | | | | |
| Block Sakhalin 1, Russia | 16,856.46 | 2,36,252.48 | 7,881.77 | 29,991.98 | 86,428.88 | 37,341.21 | - | - | 37,341.21 |
| Block RC-9, Colombia | - | - | 6.75 | - | - | (86.15) | - | - | (86.15) |
| Block RC-10, Colombia | 0.29 | 0.02 | 75.23 | - | - | (1,511.56) | - | - | (1,511.56) |
| Block CPO 5, Colombia | 1,268.77 | 87.10 | 21.33 | - | 2,468.28 | 1,468.63 | - | - | 1,468.63 |
| **Total (B)** | **18,125.52** | **2,36,339.60** | **7,985.08** | **29,991.98** | **88,897.16** | **37,212.13** | **-** | **-** | **37,212.13** |
| **C. Unaudited** | | | | | | | | | |
| Block ACG, Azerbaijan | 580.53 | 40,549.39 | 838.74 | 10,450.47 | 6,885.96 | 1,614.15 | - | - | 1,614.15 |
| Block SSJN-7, Colombia | - | - | - | - | - | - | - | - | - |
| Block A-1, Myanmar | 1,455.56 | 11,366.36 | 2,181.43 | - | 4,323.38 | 2,188.18 | - | - | 2,188.18 |
| Block A-3, Myanmar | 86.28 | 2,865.49 | 1,095.17 | - | 4,407.61 | 2,219.06 | - | - | 2,219.06 |
| SHWE Offshore Pipeline, Myanmar | 55.08 | 1,507.67 | 528.88 | - | 1,603.12 | 1,118.14 | - | - | 1,118.14 |
| Myanmar Block EP 3, O/S (Non-Op) | 66.45 | 0.18 | 128.19 | - | - | (88.09) | - | - | (88.09) |
| Myanmar Block B2 Onshore | 285.55 | 26.57 | 117.29 | - | - | (681.79) | - | - | (681.79) |
| Block Area 1, Mozambique | 510.64 | 2,00,129.01 | 483.63 | - | - | 24.08 | - | - | 24.08 |
| Block 5A, South Sudan | 135.93 | 8,971.41 | 1,174.57 | - | - | (5,956.43) | - | - | (5,956.43) |
| Block Satpayev, Kazakhstan | 198.27 | 9.03 | - | - | - | 136.26 | - | - | 136.26 |
| Block 24, Syria | 59.71 | 0.38 | 574.07 | - | - | (0.69) | - | - | (0.69) |
| **Total ( C)** | **3,434.00** | **2,65,425.49** | **7,121.97** | **10,450.47** | **17,220.07** | **572.87** | **-** | **-** | **572.87** |
| **Grand Total** | **32,888.71** | **5,74,846.68** | **30,122.67** | **64,495.28** | **1,39,455.71** | **38,362.10** | **-** | **-** | **38,362.10** |

**52.2.2** Additional Financial information related to Joint Operation blocks are as under:

**As at March 31, 2020** **(₹ in million)**

| Particulars | Cash and Cash Equivalents | Current Financial Liabilities | Non-Current Financial Liabilities | Depreciation and Amortisation | Interest Income | Interest Expense | Income Tax Expense or Income |
|---|---|---|---|---|---|---|---|
| Block 06.1, Vietnam | 210.87 | 1,316.00 | - | 1,991.85 | 0.77 | - | - |
| Port Sudan Product Pipeline, Sudan | 4.43 | 1,917.51 | - | - | 0.08 | - | - |
| Block Farsi, Iran | 15.73 | 3.35 | - | 0.00 | 0.18 | - | - |
| Block SS-04, Bangladesh | 38.84 | 50.29 | - | (0.00) | - | - | - |
| Block SS-09, Bangladesh | 55.52 | 41.03 | - | (0.00) | - | - | - |
| GNPOC & GPOC, Sudan | 2,601.59 | 9,413.90 | 2,961.56 | 2,485.82 | - | - | (1,640.04) |
| BC-10, Brazil & Block BM-SEAL-4 | 1,419.16 | 2,012.71 | 15,802.67 | 8,685.62 | 122.33 | 2,234.83 | (1,058.31) |
| Block Sakhalin 1, Russia | 5,122.53 | 7,701.77 | - | 14,379.12 | 114.15 | - | 17,118.37 |
| Block RC-9, Colombia | - | 7.67 | - | - | 0.72 | - | - |
| Block RC-10, Colombia | - | - | - | 0.00 | 1.67 | - | - |
| Block CPO 5, Colombia | 17.41 | 1,239.73 | - | 0.03 | 4.16 | - | - |
| Block ACG, Azerbaijan | 2.60 | 2,008.07 | 3,898.30 | 2,598.18 | 1.93 | - | 1,013.69 |
| Block SSJN-7, Colombia | - | 45.81 | - | - | - | - | - |
| Block A-1, Myanmar | 206.07 | (995.51) | - | 2,676.48 | - | - | (320.49) |
| Block A-3, Myanmar | 372.61 | 647.54 | - | 883.36 | - | - | 829.94 |
| SHWE Offshore Pipeline, Myanmar | 19.33 | 15.55 | - | 198.45 | - | - | 440.25 |
| Myanmar Block EP 3, O/S (Non-Op) | 23.11 | 72.10 | - | (0.00) | - | - | - |
| Myanmar Block B2 Onshore | 222.89 | 320.82 | - | (0.00) | - | - | - |
| Block Area 1, Mozambique | 0.01 | 2,596.54 | - | 0.40 | - | - | - |
| Block 5A, South Sudan | 315.61 | 673.28 | - | 31.46 | - | - | - |
| Block Satpayev, Kazakhstan | 3.71 | 0.14 | - | 1.68 | - | - | - |
| Block 24, Syria | - | 631.91 | - | 0.00 | - | - | - |
| **Grand Total** | **10,652.01** | **29,720.22** | **22,662.53** | **33,932.44** | **245.99** | **2,234.83** | **16,383.42** |



As at March 31, 2019 (₹ in million)

| Particulars | Cash and Cash Equiv-alents | Current Financial Liabilities | Non-Current Financial Liabilities | Depreciation and Amortisation | Interest Income | Interest Expense | Income Tax Expense or Income |
|---|---|---|---|---|---|---|---|
| **A. Audited as on 31 March, 2019** | | | | | | | |
| Block 06.1, Vietnam | 224.78 | 1,296.18 | - | 1,648.71 | 1.34 | - | - |
| Port Sudan Product Pipeline, Sudan | 3.98 | 396.89 | - | - | 0.08 | - | - |
| Block Farsi, Iran | 1.88 | 66.17 | - | - | 0.04 | - | - |
| Block SS-04, Bangladesh | 12.76 | 56.25 | - | - | - | - | - |
| Block SS-09, Bangladesh | 5.38 | 20.79 | - | - | - | - | - |
| GNPOC & GPOC, Sudan | 258.53 | 10,026.25 | 142.30 | 3,106.68 | 308.94 | 115.25 | (2,316.12) |
| BC-10, Brazil & Block BM-SEAL-4 | 1,450.15 | 2,038.83 | 20,395.36 | 10,084.67 | 84.69 | 4,625.97 | - |
| **Total (A)** | **1,957.46** | **13,901.36** | **20,537.66** | **14,840.06** | **395.09** | **4,741.22** | **(2,316.12)** |
| **B. Audited as of 31 December, 2018** | | | | | | | |
| Block Sakhalin 1, Russia | 3,153.22 | 7,587.40 | - | 13,840.77 | 28.55 | - | 17,192.46 |
| Block RC-9, Colombia | - | 6.75 | - | - | 1.31 | - | - |
| Block RC-10, Colombia | 0.29 | 75.23 | - | 0.07 | 1.75 | - | - |
| Block CPO 5, Colombia | 0.98 | 21.33 | - | 0.01 | 6.23 | - | - |
| **Total (B)** | **3,154.49** | **7,690.71** | **-** | **13,840.85** | **37.84** | **-** | **17,192.46** |
| **C. Unaudited** | | | | | | | |
| Block ACG, Azerbaijan | 2.07 | 838.74 | 4,424.03 | 2,815.57 | 0.74 | - | 1,021.23 |
| Block SSJN-7, Colombia | - | - | - | - | - | - | - |
| Block A-1, Myanmar | 43.97 | 588.81 | - | 1,432.39 | 0.08 | - | (238.62) |
| Block A-3, Myanmar | 72.70 | 133.52 | - | 744.20 | 0.10 | - | 427.31 |
| SHWE Offshore Pipeline, Myanmar | 16.42 | 11.59 | - | 225.04 | 0.03 | - | 163.71 |
| Myanmar Block EP 3, O/S (Non-Op) | 66.45 | 128.19 | - | - | - | - | - |
| Myanmar Block B2 Onshore | 285.55 | 117.29 | - | - | - | - | - |
| Block Area 1, Mozambique | 3.93 | 483.63 | - | (13.85) | - | - | - |
| Block 5A, South Sudan | 69.76 | 1,174.57 | - | 64.96 | - | - | - |
| Block Satpayev, Kazakhstan | 1.63 | - | - | 0.99 | 0.01 | - | - |
| Block 24, Syria | - | 574.07 | - | 0.04 | - | - | - |
| **Total ( C)** | **562.48** | **4,050.41** | **4,424.03** | **5,269.34** | **0.96** | **-** | **1,373.63** |
| **Grand Total** | **5,674.43** | **25,642.48** | **24,961.69** | **33,950.25** | **433.89** | **4,741.22** | **16,249.97** |

## 52.3 Joint Operation in respect of subsidiary HPCL

**52.3.1** The subsidiary has entered into production sharing oil & gas exploration contracts in India in consortium with other body corporate. These consortia are:

| Name of the Block | Participating Interest of HPCL in % | |
|---|---|---|
| | As on March 31, 2020 | As on March 31, 2019 |
| **In respect of HPCL** | | |
| **In India** | | |
| **Under NELP IV** | | |
| KK- DWN-2002/2 | 20.00 | 20.00 |
| KK- DWN-2002/3 | 20.00 | 20.00 |
| CB- ONN-2002/3 | 15.00 | 15.00 |
| **Under NELP V** | | |
| AA-ONN-2003/3 | 15.00 | 15.00 |
| **Under NELP VI** | | |
| CY-DWN-2004/1 | 10.00 | 10.00 |
| CY-DWN-2004/2 | 10.00 | 10.00 |
| CY-DWN-2004/3 | 10.00 | 10.00 |
| CY-DWN-2004/4 | 10.00 | 10.00 |
| CY-PR-DWN-2004/1 | 10.00 | 10.00 |
| CY-PR-DWN-2004/2 | 10.00 | 10.00 |
| KG-DWN-2004/1 | 10.00 | 10.00 |
| KG-DWN-2004/2 | 10.00 | 10.00 |
| KG-DWN-2004/3 | 10.00 | 10.00 |
| KG-DWN-2004/5 | 10.00 | 10.00 |
| KG-DWN-2004/6 | 10.00 | 10.00 |
| MB-OSN-2004/1 | 20.00 | 20.00 |
| MB-OSN-2004/2 | 20.00 | 20.00 |
| RJ-ONN-2004/1 | 22.22 | 22.22 |
| RJ-ONN-2004/3 | 15.00 | 15.00 |
| **Under NELP IX** | | |
| MB-OSN-2010/2 | 30.00 | 30.00 |
| **Cluster – 7** | 60.00 | 60.00 |
| **In respect of PPCL** | | |
| **In India** | | |
| SR ONN 2004/1 | 10.00 | 10.00 |
| AA ONN 2010/1 | 20.00 | 20.00 |
| Sanganpur Field | 50.00 | 50.00 |
| **Outside India** | | |
| Yolla Field (Australia) License T/L-1 | 11.25 | 11.25 |
| Trefoil Field (Australia) Permit T/18P | 9.75 | 9.75 |

**52.3.1.1** The block CB-ONN-2002/3 was awarded under NELP IV bidding round and the production sharing contract was signed on 06.02.2004. The exploration Minimum Work Program has been completed. Production from SE#3/4 wells of the Block is in progress, which had started during FY 2017-18. The share of the assets, liabilities, income and expenditure is considered based on the Management certified financials for the FY 2019-20.

**52.3.1.2** In respect of Cluster – 7, the matter is under litigation. The share of the assets, liabilities, income and expenditure is considered based on the Management Certified financials for FY 2019-20.

**52.3.1.3** Other than above, the remaining blocks are in the process of relinquishment/ under relinquishment and the share of the assets, liabilities, income and expenditure, if any, is considered based on information received from these blocks.

**52.3.2 In respect of step-down subsidiary PPCL**

**52.3.2.1** ONGC Onshore Marginal Fields

The Company was awarded Service Contracts dated 28th April, 2004, for development of ONGC's Hirapur, Khambel and West Bechraji onshore marginal oil fields.

The Company executed Agreements for development of Hirapur, Khambel and West Bechraji onshore marginal fields with Valdel Oil and Gas Private Limited (VALDEL) with equal share in the Service Contracts. The Service Contracts in respect of Khambel and West Bechraji had been terminated in February, 2009 by ONGC and the Service Contract with respect to Hirapur field is operating currently. The Company's share of assets and liabilities as at 31st March 2020 and the Income and expenditure for the year in respect of above joint venture is as follows:

**(₹ in million)**

| | Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| A | Property, Plant & Equipment (Gross) | 99.90 | 99.80 |
| B | Intangible asset under development | 13.60 | 13.60 |
| C | Other Net Non-Current Assets | 2.40 | 0.30 |
| D | Net Current Assets (*) | 34.50 | 15.80 |
| E | Income | 8.30 | 9.10 |
| F | Expenditure | 16.10 | 12.20 |

(*) Includes receivable from joint venture amounting to ₹ 27.40 million. (As at March 31, 2019 ₹ 15.70 million.)

**52.3.2.2** Sanganpur Field

The Company acquired 50% participating interest in Sanganpur field from M/s Hydrocarbon Development Company Pvt. Ltd. (HDCPL) effective 1st September, 2004. Accumulated amount prior to acquisition of Sanganpur field amounting ₹ 11.82 million have been included in Sanganpur field Assets. The Company has accounted its proportionate share in the Sanganpur field based on estimated un-Audited accounts as at March 31, 2017.

In FY 2014-15, the operator of the block M/s HDCPL has committed default in the payment to its contractor. The petition was filed by contractor ETA Star Golding limited for non-payment of its invoices by M/s HDCPL in their another asset wherein Bombay High Court vide order dated 14th Nov, 2014 in Company Petition 550 of 2013 had passed order for appointment of liquidator for assets and business of Company M/s HDCPL. However, as per Production Sharing contract (PSC), the ownership of underlying hydrocarbon lies with GoI, hence Sanganpur field was not attached and operations in the field were continued. Further, MoP&NG vide its letter dated June 2, 2017 has terminated the PSC and all operations in the field were called off. Since the appointment of official liquidator, the bank account of HDCPL were seized, HDCPL has neither raised any invoice to IOCL for transfer of crude nor raised any cash call to PPCL for operation in the field. The payment of Royalty and Cess to concerned authorities is also pending since then.

Said order of Bombay High Court was challenged by HDCPL before its Division Bench and is still pending before the Court. In the meantime, HDCPL had initiated an arbitration proceeding against MoPNG for termination of PSC. However, PPCL is not a part of it. Under Section 9 of Arbitration and Conciliation Act, Directorate General of hydrocarbon (DGH) on behalf of MoP&NG has initiated proceeding for possession of the field.

MoP&NG vide its letter dated June 2, 2017 has terminated the PSC. Accordingly, Company had created a 'Provision for Write-off of Sanganpur Assets' of ₹ 66.50 millon in FY 2017-18.

The Company's share of assets and liabilities as at March 31, 2020 and the Income, expenditure for the year in respect of above joint venture is as follows:

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Property, Plant & Equipment (Gross) | - | - |
| Other Net Non-Current Assets | (0.20) | (0.20) |
| Net Current Assets (*) | (1.00) | (1.00) |
| Income | - | - |
| Expenditure | - | - |

(*) Includes payable to joint venture amounting to ₹ 0.40 million (as at March 31, 2019: ₹ 0.40 million)

**52.3.2.3** ONGC Offshore Marginal Fields (Cluster-7)

The Company along with Consortium member, M/s Hindustan Petroleum Corporation Limited (HPCL) (PI - 60%) and M/s M3nergy (PI – 30%) was awarded a Contract vide letter of award dated 31st March, 2006 for the development of ONGC's offshore marginal Oilfields viz. B -192, B - 45 and WO – 24. The Service Contract for Cluster-7 was signed on 27th September, 2006 between ONGC and Consortium members. The Company is the Executing Contractor and its participating interest (PI) is 10%.

The said Service Contract was terminated by ONGC. Subsequently, HPCL/PPCL started arbitration proceedings against M3nergy which are still in progress, hence the joint bank account has not been closed on the advice of the legal department-HPCL.

**52.3.2.4** SR – ONN – 2004 / 1 (South Rewa Block)

The Company along with Consortium member M/s Jaiprakash Associates Limited (PI - 90%) was awarded PSC for the SR-ONN-2004/1 block vide letter dated 12th February, 2007 of Ministry of Petroleum & Natural Gas (MOP & NG) under NELP – VI round. The Company is the executing contractor and its PI is 10%. The PSC was signed on 2nd March, 2007.

Consortium has proposed to relinquish the block effective from 23rd October, 2014 and Operating Committee Resolution (OCR) for relinquishment of the block has been submitted to Directorate General of Hydrocarbon (DGH). DGH vide its letter dated Feb. 5, 2018 has communicated that the Block stands relinquished with effect from 23.10.2014 subject to the compliance of PSC and the P&NG rules.

The South Rewa Block has standing inventory of ₹ 37.60 million in which the company has share of 10%. The company is in the process of carrying out elaborate valuation of the inventory for further disposal. The same has been recorded at cost. The Company's share of assets and liabilities as at 31st March, 2020 in respect of above joint venture is as follows:

(₹ in million)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Property, Plant and Equipment (Gross) | 0.01 | 0.01 |
| Intangible asset under development | - | - |
| Other Net Non-Current Assets | 0.07 | 0.07 |
| Net Current Assets (*) | 30.74 | 30.75 |
| Expenditure | 0.01 | 0.01 |

(*) Includes receivables from joint venture amounting to ₹ 27.00 million (as at March 31, 2019:₹ 27.00 million).

## 53 In respect of subsidiary company, HPCL-Estimated Hydrocarbon Proven Reserves as on 31st March, 2020 in the Oil fields are as follows:

**53.1** Domestic Operations (Hirapur - On-shore Marginal Fields)

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|
| | MM BBLS | MMT | MM BBLS | MMT |
| Recoverable Reserves (*) | 2.13 | 0.286 | 2.14 | 0.288 |

(*) The Company Share is 50% of total

**53.2** International Operations (Yolla Field, Australia – License T/L 1 – Offshore Filed)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| | MM BoE | MM BoE |
| Recoverable Reserves (*) | 1.237 | 1.609 |

(*) For respective share of the company

**53.3** Quantitative Particulars of Petroleum:

| Total Dry Crude Production | FY 2019-20 (BoE) | FY 2018-19 (BoE) |
|---|---|---|
| Hirapur Field (*) | 14,101 | 15,633 |
| Yolla Field (T/L1) Australia | 287,559 | 429,541 |
| **TOTAL** | **301,660** | **445,174** |

(*) For total share in Field.

## 54 Disclosure of Interests in subsidiaries:

For disclosure related to name and interests in subsidiaries, refer note no. 4.

## 55 Disclosure of Interests in Joint Arrangements and Associates:

For disclosure related to joint venture and associatesrefer note no. 14.1.10 and 14.1.11.

## 56 Disclosure under Indian Accounting Standard 36 – Impairment of Assets

**56.1** The Company is engaged mainly in the business of oil and gas exploration and production in Onshore and Offshore. In case of onshore assets, the fields are using common production/transportation facilities and are sufficiently economically interdependent to constitute a single cash generating unit (CGU). Accordingly, impairment test of all onshore fields is performed in aggregate of all those fields at the Asset Level. In case of Offshore Assets, a field is generally considered as CGU except for fields which are developed as a Cluster, for which common facilities are used, in which case the impairment testing is performed in aggregate for all the fields included in the cluster.

**56.2** The Value in Use of producing/developing CGUs is determined under a multi-stage approach, wherein future cash flows are initially estimated based on Proved Developed Reserves. Under the circumstances where further development of the fields in the CGUs is under progress and where the carrying value of the CGUs is not likely to be recovered through exploitation of proved developed reserves alone, the Proved and probable reserves (2P) of the CGUs are also taken for the purpose of estimating future cash flows. In such cases, full estimate of the expected cost of evaluation/development is also considered while determining the value in use.

56.3 In assessing value in use, the estimated future cash flows from the continuing use of assets and from its disposal at the end of its useful life are discounted to their present value. The present value of cash flows has been determined by applying discount rates of 15.55% (as at March 31, 2019 - 14.71 %) for Rupee transactions and 10.07% (as at March 31, 2019 : 9.79%) for crude oil and value added products revenue, which are measured in US$. Future cash inflows from sale of crude oil and value added products have been computed using Management's best estimate of future crude oil and value added products. Future cash flows from sale of natural gas are also computed based on the expected future prices on the basis of notification issued by the Government of India (GoI) and discounted applying the rate applicable to the cash flows measured in US$ in view of the pricing guidelines issued by GoI.

56.4 The outbreak of COVID-19 pandemic globally and in India has caused significant disturbance and slowdown of economic activity. During this period, there has been significant volatility in oil prices. The Company has considered possible effects of COVID-19 on the recoverability of its Cash Generating Units in accordance with Ind AS. The Company has considered the business conditions to make an assessment of the implications of the Pandemic on estimate of future crude oil and natural gas prices and production based on internal and external information / indicators of future economic condition. Based on the assessment, the Company has recorded an impairment to the extent the carrying amount exceeds the value in use and has disclosed the same as exceptional amounting to ₹ 48,990.47 million. This mainly consisting of Onshore CGU Sibsagar (₹ 15,619.17 million), Rajahmundry Onshore (₹ 12,962.26 million), Offshore CGUs S1 Vashishta at Eastern Offshore Asset (₹ 5,227.19 million), G1 GS-15 (₹ 1,469.88 million), B-193 Cluster, B-Series and B-127 at Western offshore (₹ 9,486.90 million), NELP Joint Venture block KG-OSN-2001/3 (₹ 4,163.34 million) and GS-29 Field of Eastern Offshore Asset (₹ 61.73 million).

56.5 The Company has assessed the impairment as at March 31, 2020 for its CGUs. During the year, ₹ 54,685.26 million (As on 31 March, 2019: ₹ 3,827.50 million) has been provided for impairment loss which mainly consisting of CGUs mentioned above as exceptional item, CWIP facilities of Western Offshore (₹ 5,311.74million), onshore CGUs Silchar and Jodhpur (₹ 761.61 million) and Tapti field (₹ 188.71 million).

56.6 During the year ₹ 1,837.59 million (Previous year ₹ 503.28 million) of impairment loss has been reversed. This mainly pertains to WO-16 cluster of Western Offshore amounting to ₹ 1,415.96 million.

56.7 The following 2P reserves for respective CGU were considered as a basis for the impairment testing as at March 31, 2020:

| Name of the CGU | Quantity of Reserves used for Impairment Assessment (In MMT) |
|---|---|
| S1 Vashishta | 5.23 |
| Silchar Onshore Asset | 0.77 |
| Jodhpur | 0.18 |
| RJ-ON-90/1 (Pre NELP PSC Block) | 15.19 |
| Sibsagar Onshore Asset | 39.83 |
| WO 16 (Western Offshore) | 8.20 |
| Ravva (Pre NELP PSC Block) | 1.27 |

| Name of the CGU | Quantity of Reserves used for Impairment Assessment (In MMT) |
|---|---|
| Ankleshwar Onshore Asset | 19.20 |
| B-193 (Western Offshore) | 6.56 |
| Ratna (Western Offshore) | 8.53 |
| KG-OSN-2001/3 | 20.99 |

**56.8** Impairment testing of assets under exploratory phase (Exploratory wells in progress) has been carried out as on March 31, 2020 and an amount of ₹ 16,915.56 million (year ended March 31, 2019 ₹ 8,839.71 million) has been provided during the year 2019-20 as impairment loss mainly at GK-28/42 in Western Offshore (₹ 2,101.35 million), GS-OSN-2004/1 in Kutch offshore (₹ 7,237.09 million) and D1 Field of KG-DWN-98/2 (₹ 3,935.31 million). Further, ₹ 3,908.05 million (year ended March 31, 2019 ₹ 223.58 million) impairment losses has been reversed as exploratory phase assets have been written off at Sibsagar and Rajahmundry.

**56.9** The Sensitivity of impairment loss to change in (+/-) US$ 5 per barrel in management estimated future crude oil prices is presented as under:

**(₹ million)**

| Sensitivity of impairment loss | (-) US$ 5 | (+) US$ 5 |
|---|---|---|
| Impact on impairment loss for change in future crude oil prices | (+) 42,867.95 | (-) 18,552.73 |

**56.10** In respect of subsidiary OVL, the company carried out impairment test as at March 31, 2020 in respect of its Cash Generating Units (CGUs) based on value in use method. The Company identified impairment in respect of 5 CGUs and provided for impairment of ₹ 31,265.00 million during the year ended March 31, 2020 (for the year ended March 31, 2019 net impairment of ₹ 15,762.16 million was recognised in respect of two CGUs). The current year provision for impairment is considered as exceptional item.

The following 2P reserves of the respective CGUs have been considered for the impairment assessment:

| No | CGU | Proved and Probable Reserves (MMTOE) as at March 31, 2020 |
|---|---|---|
| 1 | Imperial, Russia | 49.952 |
| 2 | Sakhalin, Russia | 111.361 |
| 3 | Vankor, Russia | 104.309 |
| 4 | Area-1,Mozambique | 218.41 |
| 5 | Block-5A, South Sudan | 6.312 |
| 6 | GPOC, South Sudan | 6.328 |
| 7 | Lower Zakum, Abu Dhabi | 25.766 |
| 8 | MECL, Colombia | 1.321 |
| 9 | Block BC-10, Brazil | 2.912 |
| 10 | PIVSA, Venezuela | 4.357 |
| 11 | Carabobo-1, Venezuela | 13.644 |
| 12 | ACG, Azerbaijan | 9.958 |
| 13 | Block 06.1, Vietnam | 9.202 |
| 14 | Block A1 & A3, Myanmar | 14.045 |

56.11 The subsidiary OVL has considered the equity share investment, preference share investment, loans given and accrued interest thereon, to its wholly owned subsidiary Imperial Energy as carrying value of investment for the purpose of impairment assessment. The cash flows for assessing the value in use have been considered estimating the life of blocks till 2061 based on the reserves estimates as per GKZ, the State Commission for Mineral Resources as well as the existing provisions in the Russian sub soil law which states that "The time lines of use of a subsoil area can be extended at the initiative of the subsoil user in case it is necessary to complete prospecting and appraisal or development of a mineral deposits or carry out abandonment/liquidation measures subject to absence of violations of the license terms by this subsoil user." The existing validity period of licenses of various blocks are ranging from upto 2022 to till 2038 which can be extended at the initiative of the user.

The production for next five years have been estimated in alignment with the work program from 2020-21 to 2024-25 and thereafter as per the design documents approved by the regulator.

56.12 In respect of subsidiary HPCL, Considering the Government policies and modalities of compensating the oil marketing companies towards under-recoveries, future cash flows have been worked out based on the desired margins for deciding on impairment of related Cash Generating Units. Since there is no indication of impairment of assets as at Balance Sheet date as per the assessment carried out, no impairment has been considered. In view of assumptions being technical, peculiar to the industry and Government policy, the auditors have relied on the same.

## 57 Contingent liabilities, Contingent Assets and commitments (to the extent not provided for)

### 57.1 Contingent Liabilities: Claims / disputes not acknowledged as debt:-

(₹ in million)

| S. No. | Particular | As at March 31,2020 | As at March 31,2019 |
|---|---|---|---|
| **I** | **In respect of Group** | | |
| | Income tax | 107,079.31 | 147,742.22 |
| | Excise Duty | 17,856.68 | 13,714.02 |
| | Custom Duty | 3,437.94 | 1,955.82 |
| | Royalty(Note 57.1.2) | 604.84 | 612.88 |
| | Cess | 6.45 | 6.57 |
| | Sales Tax | 45,157.61 | 47,043.21 |
| | Octroi and other Municipal Taxes | 66.89 | 66.89 |
| | AP Mineral Bearing Land (Infrastructure) Cess | 3,234.71 | 3,117.08 |
| | Specified Land Tax (Assam) | 11,039.96 | 5,199.72 |
| | Claims of contractors in Arbitration/Court. | 182,635.82 | 196,206.03 |
| | Service Tax | 53,786.56 | 48,497.36 |
| | GST | 63,582.29 | 37,956.78 |
| | Employees Provident Fund | 66.35 | 66.35 |
| | Other Matters | 196,542.53 | 184,168.99 |
| **Sub Total ( A )** | | **685,097.94** | **686,353.90** |
| **II** | **In respect of Joint Ventures and Associates** | | |
| | Income tax | 712.19 | 83.37 |
| | Excise Duty | 1,539.66 | 715.68 |
| | Custom Duty | 104.98 | 116.97 |
| | Sales Tax | 2,661.86 | 2,562.33 |
| | Service Tax | 185.53 | 81.09 |
| | GST | - | - |
| | Claims of contractors in Arbitration/Court. | 2,213.01 | 2,059.36 |
| | Other | 2,358.41 | 2,819.00 |
| **Sub Total ( B )** | | **9,775.65** | **8,437.80** |
| **Total ( A+B )** | | **694,873.59** | **694,791.71** |

57.1.1 The Group's pending litigations comprise claims against the Group and proceedings pending with Tax / Statutory/ Government Authorities. After review of all its pending litigations and proceedings, the Group has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

57.1.2 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 Tribunals. The Ahmedabad Tribunal adjourned the matter sine-die vide order dated June 25, 2019, against which the Company has filed writ petition before Gujarat High Court. The Company had also obtained legal opinion as per which the Service Tax/GST on Royalty 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 (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 final hearing has not yet taken place. The Company also filed writ of mandamus (9961/2019) before Hon'ble High Court of Madras seeking stay on the levy of GST on royalty. The Hon'ble High Court of Madras heard the matter on April 3, 2019 and issued notice to Central 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 March 31, 2020) works out towards Service Tax is ₹ 39,001.85 million (Previous year ₹ 38,616.33 million) and GST is ₹ 61,041.86 million (Previous year ₹ 37,956.11 million). 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 ₹ 13,509.56 million (Previous year ₹ 13,725.72 million) and ₹ 45,531.20 million (Previous year ₹ 28,065.77 million) respectively.

57.1.3 The Company had reviewed pending disputed cases pertaining to pre-GST regime in light of Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019 (SVLDRS) announced in Budget 2019 which was in force till January 15, 2020. This amnesty scheme provided for payment of only 30/50% disputed tax amount with full waiver of interest and penalty, under litigation category, to settle the disputed case. Based on opinion of the consultant, declarations have been filed for total 104 cases having tax demand of ₹ 3083.48 million. To settle these cases, the Company had paid ₹ 1,356.57 million (net off pre-deposit of ₹ 212.76 million) under the scheme, out of which ₹ 544.15 million is recoverable from OMCs in respect of settlement of differential excise duty demand on LPG (Domestic) & SKO (PDS) whereas ₹ 359.00 million is recoverable in respect of settlement of PMT JV cases.

57.1.4 There are certain unresolved issues including cost recovery and sharing in respect of exploration, development and production cost in the Block between the Company and Operator - Vedanta Limited (erstwhile Cairn India Limited) of the Block RJ-ON-90/1. Pending settlement of issues, the company has shown an amount of US$ 232.02 million (equivalent ₹ 17,512.87 million) under contingent liability as on March 31, 2020. For further details please refer note no. 52.1.7.

57.1.5 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 04, 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) equivalent to ₹ 122,583.29 million @ ₹ 75.48 (closing rate as on March 31, 2020). 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. In the view of the Company, any changes approved, if any, for increase in the Cost Recovery Limit (CRL) by the Management Committee (MC) as per the term of the PSCs the liability to DGH would potentially reduce.

The English Court has delivered its final verdict on May 02, 2018 following which the Arbitral Tribunal re-considered some of its earlier findings from the 2016 FPA and ruled in favour of BGEPIL and RIL (Revised Award). The Government of India, BGEPIL and RIL have challenged parts of the Revised Award.

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

DGH vide letter dated January 14, 2019 has advised to the contractors to re-cast the accounts for Panna-Mukta and Mid and South Tapti Fields for the year 2017-18. Pending finalization of the decision of the Arbitral Tribunal, the JV partners and the Company 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 US$ 1,624.05 million equivalent to ₹ 122,583.29 million has been considered as contingent liability.

During the year 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.

**57.1.6 In respect of subsidiary, OVL**

The Service Tax Department had issued a demand cum show-cause notice dated October 11, 2011 requiring the Company to show cause why service tax amounting to ₹ 28,163.14 million (including Education Cess and SHE cess), the interest on such amount and penalty should not be demanded and recovered from the Company. Service Tax Department has calculated these tax amounts based on foreign currency expenditure reported in the Company's financial statements covering the reporting periods from April 1, 2006 to December 31, 2010 and contending that these expenses represent business auxiliary services rendered by the Company foreign branches and operator of the Joint Venture/ Consortium to the Company. Subsequently, five more demand-cum-show cause notices have been issued based on similar contentions covering the period upto March 31, 2015 to show cause why service tax amounting to ₹ 32,863.61 million (including Education cess and SHE cess), the interest on such amount and penalty should not be demanded and recovered from the Company. A demand-cum-show cause notice has been issued based on similar contentions covering the period April 1, 2015 to March 31, 2017 to show cause why service tax amounting to ₹ 15,633.22 million (including Education cess and SHE cess), the interest on such amount and penalty should not be demanded and recovered from the Company. Further, a demand-cum-show cause notice dt. 10.02.2020 has been issued based on similar contentions covering the period April 1, 2017 to June 30, 2017 to show cause why service tax amounting to ₹ 2119.93 million (including Education cess and SHE cess), the interest on such amount and penalty should not be demanded and recovered from the Company.The Company is of the view that the said service tax is not payable and contesting the same. No provision is required to be made in the financial statements at this stage. In the assessment of the management based on independent and competent legal opinion obtained during the previous year and other attendant factors including circular no. 35/9/2018-GST dated March 05, 2018 issued by Central Board of Excise and Customs, the possibility of the success of the Company's position is extremely high and the possibility of the success of contentions of the Department is very low. Since the chances of possibility of the service tax itself have been evaluated by the management as being remote/very low, the chances of assessment of interest and penalty are evaluated to be much lower. Accordingly, the amounts covered by the abovementioned show-cause notices (i.e. tax amount as well as potential interest and penalty thereon) are not considered as contingent liability in accordance with the applicable accounting standards. Further, according to the legal opinion obtained by the Company, a show-cause notice in itself does not qualify as a demand and the chance of the claim being payable by the Company is remote as the Company has a very good case to argue and succeed before the concerned authorities based on the legal position as on date.

**57.1.7** **In respect of subsidiary MRPL**, there is a claim from the custom department for customs duty amounting to ₹ 2,121.14 million along with applicable interest and penalties totally amounting to ₹ 6,168.37 million in respect of classification of tariff of the reformate for the purpose of payment of import duty. An appeal has been filed before the Appellate Authority contesting the entire demand. Pending outcome of the appeal proceedings, no provision for the said demand has been made in the books.

**57.1.8** **In respect of subsidiary PMHBL,**

In the following cases of claims against the company, no reliable estimate could be made of the liability:

a) 11 Writ Petition case filed by land owners against PMHBL at Hon'ble High Court of Karnataka, Bangalore for enhancement of compensation against order of Hasan District Court.

b) Four cases filed by Land owners at Mangalore District Court for enhancement of Compensation.

c) One writ Petition filed by by the Land owner in the High Court of Karnataka, Bangalore against the order of Chikkamangalure District Court for enhancement of Compensation.

57.2 **Contingent asset**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

In respect of subsidiary, OVL,contingent assets represent interest in respect of carried finance upto balance sheet date in respect of exploratory and development assets that would be recognized on certainty of receipt, the details of the same are mentioned below:-

**(₹ in million)**

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Contingent Asset | 927.93 | 619.82 |

57.3 **Commitments**

57.3.1 **Capital Commitments:**

a. Estimated amount of contracts remaining to be executed on capital account:-

i. In respect of the Group:₹ 635,753.83 million (as at March 31, 2019: ₹ 564,671.19 million).

ii. In respect of Group Share in Joint Ventures:₹ 2,833.41million (as at March 31, 2019: ₹ 2,695.41 million).

b. Unconditional purchase obligation:

i. In respect of the Group:₹ 6,407.14 million (as at March 31, 2019:₹ 6,407.14 million).

57.3.2 **Other Commitments**

(a) Estimated amount of Minimum Work Programme (MWP) committed under various 'Production Sharing Contracts' with Government of India / Nominated Blocks:

i. In respect of NELP/HELP blocks in which the Company has 100% participating interest: ₹ 28,381.59 million (Previous year₹ 2,941.23 million).

ii. In respect of NELP/HELP blocks in Joint Operations, Company's share: ₹ 2,646.45 million (Previous year₹ 1,018.94 million).

iii. In respect of DSF blocks in which the Company has 100% participating interest: ₹ 15,318.90 million (Previous year Nil)

iv. In respect of subsidiary OVL, estimated amount of Minimum Work Programme (MWP) is ₹ 9,824.85 million (as at March 31, 2019: ₹ 9,770.02 million).

(b) In respect of ONGC Petro Additions Limited, A Joint Venture Company ₹ 639.50million (previous year ₹ 639.50 million) on account of subscription of Share Warrants with a condition to convert it to shares after a balance payment of ₹ 0.25/- per share.

(c) The Company has entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon of Compulsorily Convertible Debentures (CCDs) amounting to ₹ 77,780.00 million (previous year ₹ 77,780.00 million) issued by ONGC Petro additions Limited in three tranches. The cumulative interest till March 31, 2020 is amounting to ₹ 11,644.38 million (Previous year ₹ 5,117.73 million).

The first tranche and second tranche of CCDs amounting to ₹ 56,150.00 million and ₹ 16,710 million have been extended for a period of 18 months and due for maturity in January 2021 and

November 2021 respectively while the third tranche of CCD amounting to ₹ 4,920 million will be due for maturity in March 2021.

(d) The Company along with its subsidiary Mangalore Refinery and Petrochemicals Limited has entered into an arrangement for backstopping support towards repayment of principal and cumulative coupon amount for three years compulsorily convertible debentures amounting to ₹ 10,000.00 million (Previous year Nil) issued by ONGC Mangalore Petrochemicals Limited. The backstopping support provided by the Company along with Mangalore Refinery and Petrochemicals Limited according to their respective shareholding i.e. 49% by the Company and 51% by Mangalore Refinery and Petrochemicals Limited.

**(e) In respect of subsidiary MRPL,**

a. Pending commitment on account of Refinery-MRPL is in possession of certain land provisionally measuring 36.69 acres ceded by HPCL for use by MRPL Phase III expansion and upgradation work .The consideration for such land is mutually agreed to be by way of swapping of land in possession of MRPL/HPCL. The final documentation in this regard is pending to be executed.

b. Pending commitment on account of Refinery performance improvement programme by M\s. Shell Global International Solution (M/s.Shell GIS) as at March 31, 2020 US$1.46 million net of advance (As at March 31, 2019 US$ 1.46 million net of advance).

c. The Subsidiary company, OMPL has taken 441.438 acres of land taken on lease for a period of 47 years and 10 months from Mangalore SEZ Limited. The annual lease rental payable to Mangalore SEZ Limited is ₹ 23.40 million. The company has recognized lease liability of ₹ 282.36 million in accordance with Ind AS 116 “Leases”.

d. The Subsidiary company, OMPL has entered into tripartite agreement with Mangalore SEZ Limited and Mangalore Refinery & Petrochemicals Limited for supply of 3.86 million gallons per day (MGD) of water by Mangalore SEZ Limited for 15 years. The annual charges payable to Mangalore SEZ Limited is ₹ 85.60 million.

e. Subsidiary Company OMPL has entered into Zone O&M agreement with Mangalore SEZ Limited (MSEZL) wherein MSEZL is required to provide the services of Zone Operation and Maintenance against payment of Zone O&M Charges as per the terms and conditions mutually agreed upon. The annual charges payable to Mangalore SEZ Limited is ₹ 38.61 million with annual escalation of 3%.

f. Subsidiary Company OMPL expects incentive income of ₹ 53.96 million pertaining to current year exports which are pending for recognition and same will be booked as revenue on fulfilling the recognition conditions.

**(f) In respect of subsidiary HPCL**

a. Guarantees given to others includes ₹ 7,915.10 million (as at March 31, 2019 ₹ 5,969.40 million) towards share of jointly controlled entities and associates and ₹ 2,762.50 million (as at March 31, 2019 ₹ 2,525.00 million) towards share of jointly controlled operations.

b. In respect of PPCL, Company was awarded an Exploration block AA ONN 2010/1 in Tripura under NELP IX in consortium with ABG Energy Ltd (ABG). The Product Sharing Contract (PSC) was signed with Government of India (GOI) by the consortium on August 30, 2012. Company has 20% PI (Participating Interest) and ABG 80% PI. As per the Joint Bidding agreement, ABG will carry Company during the exploration phase i.e. Company’s share of 20% expenditure during exploration phase shall be borne by ABG. In case of any discovery, 10% of Company’s share paid by ABG will be recovered by them out of profit petroleum and 10% will be paid by them anyway. As per discussions before signing of PSC and written confirmation, ABG was to

submit back up guarantee to Company to enable Company to submit bank guarantee to GOI for their share of 20%. The value of bank guarantee to be submitted by ABG to Company is US$ 1.801 Million. ABG did not submit bank guarantee of their 80% share by due date to GOI. Also since back up guarantee was not submitted by ABG to Company, Company also could not submit the bank guarantee for their 20% share to GOI.

In view of non-submission, GOI terminated the PSC dated 30th August 2012 vide letter dated 15th October 2013 and has imposed liquidated damages of US$ 9,142,500 vide letter dated 6thFeb 2015 as per Article 5.6 of PSC. Company has kept ABG on notice that it is their responsibility to pay the entire quantum of liquidated damages, including the share of Company, if Company is compelled to pay its share of liquidated damages by the GOI, and if such payment is made, then company will have to claim this money from ABG.

Company had invoked arbitration against ABG in the matter on 10th October 2016. After appointment of arbitrator on behalf of ABG by Delhi High Court Order dated 22nd September 2017, three-member tribunal has been constituted. The first preliminary sitting of the Arbitral Tribunal was held at New Delhi on 06.04.2018. On 30.10.2019 Arbitral Tribunal has passed award for an amount of US$ 18,01,000/- with interest in favor of PPCL along with costs of proceedings subject to the condition that on receipt of the amount by PPCL from ABG, the said amount shall be passed on by PPCL to GOI within a period of three months from the date of receipt of the amount.

c. In respect of HBL, EPCC Vendors – NCLT case: In the month of Oct 2018, one of the EPCC vendor has filed petition against HBL in NCLT, Kolkata Bench under IBC Code 2016 in which party has raised a claim of ₹ 198.10 million in lieu of unpaid operational debt, interest on alleged debt and legal expenses. On 12.02.2020, order against HBL was passed by NCLT, Kolkata accepting application/ petition of Vendor and thereby NCLT appointed Insolvency Resolution Professional (IRP). However, being aggrieved, against the NCLT Kolkata Order, Management sought stay against execution of NCLT Kolkata order and Hon'ble Supreme court granted interim stay against the impugned order on 06.03.2020. The next date of hearing in the matter was 05.05.2020. However, the hearing was adjourned due to Covid-19 and next date is yet to be fixed.

Central Pollution Control Board (CPCB) has vide their letter dated 28.05.2019 to HBL Sugauli unit imposed penalty of ₹ 9.10 million for the period 07.03.2018 to 04.04.2018 and 05.12.2018 to 21.04. 2019 in lieu of Environmental Compensation Cost as per the recent directives of National Green Tribunal. As the plants of HBL are in Gangetic Basin and due to National Mission for clean Ganga, CPCB is very strict in implementation of pollution norms. The Management had given various representation to CPCB for seeking waiver from the said charges, however no reprieve was allowed therefore after obtaining relevant legal opinion, the company has paid the penalty ₹ 0.09 million on 09.09.2019 and the same is reflected under Other Expenses.

## 58 Disclosure under Guidance Note on Accounting for "Oil and Gas Producing Activities" (Revised)

58.1 Group's share of Proved Reserves on the geographical basis is as under:

| Particulars | Details | Crude Oil (MMT) | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| A. In India | | | | | | | |
| **Offshore** | Opening | 183.00 | 187.73 | 198.91 | 182.37 | 381.91 | 370.10 |
| | Addition | 11.86 | 19.63 | 1.98 | 46.84 | 13.84 | 66.48 |
| | Production | 14.53 | 15.01 | 19.10 | 19.74 | 33.63 | 34.75 |
| | Changes* | - | (9.35) | 0.17 | (10.57) | 0.17 | (19.92) |
| | **Closing** | **180.33** | **183.00** | **181.62** | **198.91** | **361.95** | **381.91** |
| **Onshore** | Opening | 140.61 | 179.21 | 123.08 | 145.56 | 263.69 | 324.77 |
| | Addition | 4.67 | 17.05 | 4.30 | 8.94 | 8.97 | 25.99 |
| | Production | 8.17 | 8.43 | 5.58 | 5.87 | 13.75 | 14.30 |
| | Changes* | (0.22) | (47.22) | (0.27) | (25.55) | (0.49) | (72.77) |
| | **Closing** | **136.89** | **140.61** | **121.53** | **123.08** | **258.42** | **263.69** |
| **Total** | Opening | 323.61 | 366.94 | 321.99 | 327.93 | 645.60 | 694.88 |
| | Addition | 16.53 | 36.69 | 6.28 | 55.79 | 22.81 | 92.48 |
| | Production | 22.70 | 23.44 | 24.68 | 25.61 | 47.38 | 49.05 |
| | Changes* | (0.22) | (56.58) | (0.44) | (36.12) | (0.66) | (92.70) |
| | **Closing** | **317.22** | **323.61** | **303.15** | **321.99** | **620.37** | **645.60** |

Refer note no. 5.2 (d) for procedure of estimation of reserves.

| Project | Details | Crude Oil (MMT) ^ | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| B. Outside India | | | | | | | |
| **GNOP, Sudan** | Opening | 6.669 | 6.925 | - | - | 6.669 | 6.925 |
| | Addition | - | - | - | - | - | - |
| | Deduction/ Adjustment | 6.572 | (0.001) | - | - | 6.572 | (0.001) |
| | Production | 0.097 | 0.257 | - | - | 0.097 | 0.257 |
| | **Closing** | **-** | **6.669** | **-** | **-** | **-** | **6.669** |

| Project | Details | Crude Oil (MMT) ^ | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| **GPOC, South Sudan** | Opening | 6.843 | 6.377 | - | - | 6.843 | 6.377 |
| | Addition | - | 0.597 | - | - | - | 0.597 |
| | Deduction/ Adjustment | 0.085 | - | - | - | 0.085 | - |
| | Production | 0.564 | 0.131 | - | - | 0.564 | 0.131 |
| | **Closing** | **6.194** | **6.843** | **-** | **-** | **6.194** | **6.843** |
| **Block 5A, South Sudan** | Opening | 5.886 | 5.886 | - | - | 5.886 | 5.886 |
| | Addition | - | - | - | - | - | - |
| | Deduction/ Adjustment | - | - | - | - | - | - |
| | Production | - | - | - | - | - | - |
| | **Closing** | **5.886** | **5.886** | **-** | **-** | **5.886** | **5.886** |
| **Sakhalin-1, Russia** | Opening | 31.082 | 34.139 | 52.457 | 71.353 | 83.539 | 105.492 |
| | Addition | 3.595 | (0.570) | 2.532 | (18.274) | 6.127 | (18.844) |
| | Deduction/ Adjustment | 0.002 | (0.002) | - | | 0.002 | (0.002) |
| | Production | 2.555 | 2.489 | 0.617 | 0.622 | 3.172 | 3.111 |
| | **Closing** | **32.120** | **31.082** | **54.372** | **52.457** | **86.492** | **83.539** |
| **Block 06.1, Vietnam** | Opening | 0.630 | 0.627 | 5.942 | 6.987 | 6.572 | 7.614 |
| | Addition | - | 0.019 | - | 0.505 | - | 0.524 |
| | Deduction/ Adjustment | - | - | - | - | - | - |
| | Production | 0.011 | 0.016 | 1.848 | 1.550 | 1.859 | 1.566 |
| | **Closing** | **0.619** | **0.630** | **4.094** | **5.942** | **4.713** | **6.572** |
| **AFPC, Syria** | Opening | 2.581 | 2.581 | - | - | 2.581 | 2.581 |
| | Addition | - | - | - | - | - | - |
| | Deduction/ Adjustment | - | - | - | - | - | - |
| | Production | - | - | - | - | - | - |
| | **Closing** | **2.581** | **2.581** | **-** | **-** | **2.581** | **2.581** |
| **BC-10, Brazil** | Opening | 1.257 | 1.572 | 0.166 | 0.192 | 1.423 | 1.764 |
| | Addition | 0.516 | 0.199 | 0.001 | 0.007 | 0.517 | 0.206 |
| | Deduction/ Adjustment | 0.001 | (0.001) | 0.001 | - | 0.002 | (0.001) |
| | Production | 0.542 | 0.515 | 0.035 | 0.033 | 0.577 | 0.548 |
| | **Closing** | **1.230** | **1.257** | **0.131** | **0.166** | **1.361** | **1.423** |

| Project | Details | Crude Oil (MMT) ^ | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| **MECL, Colombia** | Opening | 1.604 | 2.021 | - | - | 1.604 | 2.021 |
| | Addition | - | 0.014 | - | - | - | 0.014 |
| | Deduction/ Adjustment | 0.001 | (0.001) | - | - | 0.001 | (0.001) |
| | Production | 0.406 | 0.432 | - | - | 0.406 | 0.432 |
| | **Closing** | **1.197** | **1.604** | **-** | **-** | **1.197** | **1.604** |
| **IEC, Russia** | Opening | 14.225 | 14.431 | 3.853 | 3.889 | 18.078 | 18.320 |
| | Addition | 5.896 | - | - | - | 5.896 | - |
| | Deduction/ Adjustment | 0.001 | (0.001) | 1.410 | 0.001 | 1.4110 | - |
| | Production | 0.196 | 0.207 | 0.045 | 0.035 | 0.241 | 0.242 |
| | **Closing** | **19.924** | **14.225** | **2.398** | **3.853** | **22.322** | **18.078** |
| **PIVSA, Venezuela** | Opening | 7.937 | 8.194 | - | - | 7.937 | 8.194 |
| | Addition | | (0.002) | - | - | | (0.002) |
| | Deduction/ Adjustment | 6.663 | (0.002) | - | - | 6.663 | (0.002) |
| | Production | 0.147 | 0.257 | - | - | 0.147 | 0.257 |
| | **Closing** | **1.127** | **7.937** | **-** | **-** | **1.127** | **7.937** |
| **Carabobo - 1, Venezuela** | Opening | 4.088 | 4.202 | - | - | 4.088 | 4.202 |
| | Addition | | - | - | - | | - |
| | Deduction/ Adjustment | 3.263 | - | - | - | 3.263 | - |
| | Production | 0.084 | 0.114 | - | - | 0.084 | 0.114 |
| | **Closing** | **0.741** | **4.088** | **-** | **-** | **0.741** | **4.088** |
| **Block XXIV, Syria** | Opening | 1.803 | 1.803 | - | - | 1.803 | 1.803 |
| | Addition | - | - | - | - | - | - |
| | Deduction/ Adjustment | - | - | - | - | - | - |
| | Production | - | - | - | - | - | - |
| | **Closing** | **1.803** | **1.803** | **-** | **-** | **1.803** | **1.803** |
| **Block-A1 & A3, Myanmar** | Opening | - | - | 9.647 | 8.467 | 9.647 | 8.467 |
| | Addition | - | - | - | 1.877 | - | 1.877 |
| | Deduction/ Adjustment | - | - | - | | - | - |
| | Production | - | - | 1.056 | 0.697 | 1.056 | 0.697 |
| | **Closing** | **-** | **-** | **8.591** | **9.647** | **8.591** | **9.647** |

| Project | Details | Crude Oil (MMT) ^ | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| **ACG, Azer-baijan** | Opening | 9.428 | 3.780 | - | - | 9.428 | 3.780 |
| | Addition | 1.125 | 6.304 | - | - | 1.125 | 6.304 |
| | Deduction/ Adjustment | | | - | - | | - |
| | Production | 0.595 | 0.656 | - | - | 0.595 | 0.656 |
| | **Closing** | **9.958** | **9.428** | **-** | **-** | **9.958** | **9.428** |
| **Vankor, Russia** | Opening | 78.017 | 74.612 | 16.288 | 15.860 | 94.305 | 90.472 |
| | Addition | 0.031 | 7.546 | 11.832 | 2.088 | 11.863 | 9.634 |
| | Deduction/ Adjustment | 0.001 | 0.001 | 0.001 | (0.001) | 0.002 | 0.001 |
| | Production | 3.492 | 4.140 | 1.489 | 1.660 | 4.981 | 5.800 |
| | **Closing** | **74.555** | **78.017** | **26.630** | **16.288** | **101.185** | **94.305** |
| **Lower Zakum, Abu Dhabi** | Opening | 14.905 | 13.233 | - | - | 14.905 | 13.233 |
| | Addition | - | 2.429 | - | - | | 2.429 |
| | Deduction/ Adjustment | - | - | - | - | | - |
| | Production | 0.800 | 0.757 | - | - | 0.800 | 0.757 |
| | **Closing** | **14.105** | **14.905** | **-** | **-** | **14.105** | **14.905** |
| **Total Reserves** | Opening | 186.955 | 180.382 | 88.353 | 106.748 | 275.308 | 287.130 |
| | Addition | 11.163 | 16.536 | 14.365 | (13.797) | 25.528 | 2.739 |
| | Deduction/ Adjustment | 16.589 | (0.007) | 1.412 | 0.001 | 18.001 | (0.007) |
| | Production | 9.489 | 9.971 | 5.090 | 4.597 | 14.579 | 14.568 |
| | **Closing** | **172.040** | **186.955** | **96.216** | **88.353** | **268.256** | **275.308** |

58.2 Group's share of Proved Developed Reserves on the geographical basis is as under:

| Particulars | Details | Crude Oil (MMT) | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| A. In India | | | | | | | |
| **Offshore** | Opening | 130.29 | 127.23 | 145.00 | 112.31 | 275.29 | 239.54 |
| | Addition | 28.47 | 20.76 | 2.59 | 55.61 | 31.06 | 76.37 |
| | Production | 14.53 | 15.01 | 19.09 | 19.74 | 33.62 | 34.75 |
| | Changes* | - | (2.69) | - | (3.18) | - | (5.87) |
| | **Closing** | **144.23** | **130.29** | **128.50** | **145.00** | **272.73** | **275.29** |
| **Onshore** | Opening | 103.49 | 133.03 | 74.50 | 89.56 | 177.99 | 222.59 |
| | Addition | (22.92) | 3.72 | (25.87) | 5.78 | (48.79) | 9.50 |
| | Production | 8.17 | 8.43 | 5.59 | 5.88 | 13.76 | 14.30 |
| | Changes* | (0.22) | (24.83) | (0.26) | (14.96) | 0.48 | (39.79) |
| | **Closing** | **72.18** | **103.49** | **42.78** | **74.50** | **114.96** | **177.99** |
| **Total** | Opening | 233.78 | 260.26 | 219.50 | 201.86 | 453.28 | 462.12 |
| | Addition | 5.55 | 24.48 | (23.28) | 61.40 | (17.73) | 85.88 |
| | Production | 22.70 | 23.44 | 24.68 | 25.61 | 47.38 | 49.05 |
| | Changes* | (0.22) | (27.52) | (0.26) | (18.15) | (0.48) | (45.67) |
| | **Closing** | **216.41** | **233.78** | **171.28** | **219.50** | **387.69** | **453.28** |

| Project | Details | Crude Oil (MMT) ^ | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| B. Outside India | | | | | | | |
| **GNOP, Sudan** | Opening | 1.341 | 1.597 | - | - | 1.341 | 1.597 |
| | Addition | - | - | - | - | - | - |
| | Deduction/ Adjustment | 1.244 | (0.001) | - | - | 1.244 | (0.001) |
| | Production | 0.097 | 0.257 | - | - | 0.097 | 0.257 |
| | **Closing** | **-** | **1.341** | **-** | **-** | **-** | **1.341** |
| **GPOC, South Sudan** | Opening | 3.884 | 4.312 | - | - | 3.884 | 4.312 |
| | Addition | 0.003 | (0.297) | - | - | 0.003 | (0.297) |
| | Deduction/ Adjustment | | | - | - | | - |
| | Production | 0.564 | 0.131 | - | - | 0.564 | 0.131 |
| | **Closing** | **3.323** | **3.884** | **-** | **-** | **3.323** | **3.884** |

| Project | Details | Crude Oil (MMT) ^ | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| **Block 5A, South Sudan** | Opening | 2.565 | 2.565 | - | - | 2.565 | 2.565 |
| | Addition | - | - | - | - | - | - |
| | Deduction/ Adjustment | - | - | - | - | - | - |
| | Production | - | - | - | - | - | - |
| | **Closing** | **2.565** | **2.565** | **-** | **-** | **2.565** | **2.565** |
| **Sakhalin-1, Russia** | Opening | 15.192 | 16.737 | 28.479 | 9.506 | 43.670 | 26.243 |
| | Addition | 5.830 | 0.943 | 1.293 | 19.594 | 7.123 | 20.537 |
| | Deduction/ Adjustment | 0.001 | (0.001) | 0.001 | (0.001) | 0.002 | (0.002) |
| | Production | 2.555 | 2.489 | 0.617 | 0.622 | 3.172 | 3.111 |
| | **Closing** | **18.466** | **15.192** | **29.154** | **28.479** | **47.619** | **43.670** |
| **Block 06.1, Vietnam** | Opening | 0.630 | 0.611 | 5.942 | 3.500 | 6.572 | 4.111 |
| | Addition | - | 0.035 | - | 3.993 | - | 4.028 |
| | Deduction/ Adjustment | - | | - | 0.001 | - | 0.001 |
| | Production | 0.011 | 0.016 | 1.848 | 1.550 | 1.859 | 1.566 |
| | **Closing** | **0.619** | **0.630** | **4.094** | **5.942** | **4.713** | **6.572** |
| **AFPC, Syria** | Opening | 2.206 | 2.206 | - | - | 2.206 | 2.206 |
| | Addition | - | - | - | - | - | - |
| | Deduction/ Adjustment | - | - | - | - | - | - |
| | Production | - | - | - | - | - | - |
| | **Closing** | **2.206** | **2.206** | **-** | **-** | **2.206** | **2.206** |
| **BC-10, Brazil** | Opening | 1.257 | 1.456 | 0.166 | 0.091 | 1.423 | 1.547 |
| | Addition | 0.428 | 0.315 | | 0.108 | 0.428 | 0.423 |
| | Deduction/ Adjustment | 0.001 | (0.001) | 0.006 | | 0.007 | (0.001) |
| | Production | 0.542 | 0.515 | 0.035 | 0.033 | 0.577 | 0.548 |
| | **Closing** | **1.142** | **1.257** | **0.125** | **0.166** | **1.267** | **1.423** |
| **MECL, Colombia** | Opening | 1.229 | 1.568 | - | - | 1.229 | 1.568 |
| | Addition | - | 0.092 | - | - | - | 0.092 |
| | Deduction/ Adjustment | 0.001 | (0.001) | - | - | 0.001 | (0.001) |
| | Production | 0.406 | 0.432 | - | - | 0.406 | 0.432 |
| | **Closing** | **0.822** | **1.229** | **-** | **-** | **0.822** | **1.229** |

| Project | Details | Crude Oil (MMT) ^ | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| **IEC, Russia** | Opening | 4.470 | 4.677 | 1.012 | 1.047 | 5.482 | 5.724 |
| | Addition | 1.426 | 0.001 | - | - | 1.426 | 0.001 |
| | Deduction/ Adjustment | - | 0.001 | 0.276 | | 0.276 | 0.001 |
| | Production | 0.196 | 0.207 | 0.045 | 0.035 | 0.241 | 0.242 |
| | **Closing** | **5.700** | **4.470** | **0.691** | **1.012** | **6.391** | **5.482** |
| **PIVSA, Venezuela** | Opening | 0.665 | 0.922 | - | - | 0.665 | 0.922 |
| | Addition | 0.610 | (0.002) | - | - | 0.610 | (0.002) |
| | Deduction/ Adjustment | 0.001 | (0.002) | - | - | 0.001 | (0.002) |
| | Production | 0.147 | 0.257 | - | - | 0.147 | 0.257 |
| | **Closing** | **1.127** | **0.665** | **-** | **-** | **1.127** | **0.665** |
| **Carabobo - 1, Venezuela** | Opening | 1.925 | 2.039 | - | - | 1.925 | 2.039 |
| | Addition | - | - | - | - | - | - |
| | Deduction/ Adjustment | 1.100 | - | - | - | 1.100 | - |
| | Production | 0.084 | 0.114 | - | - | 0.084 | 0.114 |
| | **Closing** | **0.741** | **1.925** | **-** | **-** | **0.741** | **1.925** |
| **Block XXIV, Syria** | Opening | 0.049 | 0.049 | - | - | 0.049 | 0.049 |
| | Addition | - | - | - | - | - | - |
| | Deduction/ Adjustment | - | - | - | - | - | - |
| | Production | - | - | - | - | - | - |
| | **Closing** | **0.049** | **0.049** | **-** | **-** | **0.049** | **0.049** |
| **Block-A1 & A3, Myanmar** | Opening | - | - | 4.032 | 5.044 | 4.032 | 5.044 |
| | Addition | - | - | - | (0.316) | - | (0.316) |
| | Deduction/ Adjustment | - | - | - | (0.001) | - | (0.001) |
| | Production | - | - | 1.056 | 0.697 | 1.056 | 0.697 |
| | **Closing** | **-** | **-** | **2.976** | **4.032** | **2.976** | **4.032** |
| **ACG, Azerbaijan** | Opening | 9.081 | 3.334 | - | - | 9.081 | 3.334 |
| | Addition | 0.091 | 6.403 | - | - | 0.091 | 6.403 |
| | Deduction/ Adjustment | - | | - | - | - | - |
| | Production | 0.595 | 0.656 | - | - | 0.595 | 0.656 |
| | **Closing** | **8.577** | **9.081** | **-** | **-** | **8.577** | **9.081** |

| Project | Details | Crude Oil (MMT) ^ | | Gas (Billion Cubic Meter) | | Total Oil Equivalent (MMTOE)# | |
|---|---|---|---|---|---|---|---|
| | | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 | As at March 31, 2020 | As at March 31, 2019 |
| **Vankor, Russia** | Opening | 70.599 | 41.100 | 14.722 | 8.654 | 85.321 | 49.754 |
| | Addition | 0.016 | 33.639 | 0.410 | 7.728 | 0.426 | 41.367 |
| | Deduction/ Adjustment | 0.001 | | 0.001 | (0.000) | 0.002 | (0.000) |
| | Production | 3.492 | 4.140 | 1.489 | 1.660 | 4.981 | 5.800 |
| | **Closing** | **67.122** | **70.599** | **13.642** | **14.722** | **80.764** | **85.321** |
| **Lower Zakum, Abu Dhabi** | Opening | 11.445 | 10.905 | - | - | 11.445 | 10.905 |
| | Addition | | 1.297 | - | - | | 1.297 |
| | Deduction/ Adjustment | | | - | - | | - |
| | Production | 0.800 | 0.757 | - | - | 0.800 | 0.757 |
| | **Closing** | **10.645** | **11.445** | **-** | **-** | **10.645** | **11.445** |
| **Total Reserves** | Opening | 126.538 | 94.078 | 54.354 | 27.843 | 180.892 | 121.921 |
| | Addition | 8.404 | 42.426 | 1.703 | 31.107 | 10.107 | 73.533 |
| | Deduction/ Adjustment | 2.349 | (0.005) | 0.284 | (0.001) | 2.633 | (0.006) |
| | Production | 9.489 | 9.971 | 5.090 | 4.597 | 14.579 | 14.568 |
| | **Closing** | **123.104** | **126.538** | **50.683** | **54.354** | **173.787** | **180.892** |

^ Crude oil includes Condensate.

#MMTOE denotes "Million Metric Tonne Oil Equivalent" and for calculating Oil equivalent of Gas, 1000 M3 of Gas has been taken to be equal to 1 MT of Crude Oil.

Variations in totals, if any, are due to internal summations and rounding off.

*In respect of company, the changes shown above are due Discovered Small Field (DSF) Bid Round – II (2018). In Discovered Small Field (DSF) Bid Round – II (2018), 12 out of 17 contract areas falling in the Company's acreages were awarded to other parties and 5 contract areas were awarded to the Company. Accordingly, estimates of the fields within DSF-II boundary (Proved Developed Reserves: 0.48 MMTOE, Proved Reserves 0.66 MMTOE) have been removed from the Company's reserves as on March 31, 2020.

In respect of subsidiary OVL,

Reserves of the Company as at October 1, 2013 were certified by Third Party Certifying (TPC) agencies. The certified 1P reserves were lower by 45.538 MMT as compared with the estimates of Reserve Estimates Committee (REC) of the parent company i.e. Oil & Natural Gas Corporation of India Limited (ONGC) in respect of certain projects. However, the management of the Company did not agree with the assumptions of the TPC in this regard and adopted the reserves figures as approved by the REC. The group has awarded a contract to M/s DeGolyer & MacNaughton (D&M) for the audit of its Oil & Gas Reserves disclosed above. The audit couldn't be completed due to the impact of the global pandemic (Covid-19).

Due to non activity in Block 5A, South Sudan, AFPC, Syria and Block XXIV, Syria, there is no change in reserve status as per REC report.

59 Subsidiary OMPL operates in special economic zone (SEZ) in Mangalore, accordingly is eligible for certain economic benefits such as exemptions from GST, custom duty, excise duty, service tax , value added tax, entry tax, etc. which are in the nature of government assistance. These benefits are subject to fulfillment of certain obligations by the Company.

60 The Board had accorded consent for amalgamation of the subsidiary ONGC Mangalore Petrochemicals Limited with the Mangalore Refinery and Petrochemicals Limited (MRPL), subject to necessary approvals. The Company had received "No Objection" vide letter dated April 18, 2018 from Ministry of Petroleum & Natural Gas. No effect is considered towards the same in the financial statements as it is still at a preliminary stage.

61 In respect of subsidiary OVL, Exploratory wells in progress includes ₹ 1,307.03 millions in respect of Block 5A South Sudan where preparation for resumption of oil production activities is in progress. Oil production activities were under shutdown since December 2013 due to security situation in Block 5A South Sudan.

62 In respect of subsidiary OVL, the company is the operator in respect of block CPO-5, Colombia. The levies applicable on the non-operating partner are discharged by way of sale of crude oil. The company recognises in its book of accounts only its share of revenue and the statutory levies.

63 Carabobo One AB, a wholly owned subsidiary of ONGC Videsh, generally provides its audited financial statements for the purpose of group consolidation. However, due to prevailing global pandemic COVID-19 and consequent lockdown in Venezuela, Carabobo One AB could not get its financial statements audited for FY2019-20. The consolidated financial statements have been prepared considering the unaudited financial statements of Carabobo One AB.

## 64 Disclosure as per Ind AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements'.

**64.1** In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and Ind AS 1 'Presentation of Financial Statements', the Group has retrospectively restated its Balance Sheet as at March 31, 2019 and April 1, 2018 (beginning of the preceding period) and Statement of Profit and Loss for the year ended March 31, 2019 for the reasons as stated below.

**64.1.1** 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 Group has now opted to recognize the non-monetary government grant at nominal value. Accordingly the Group 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.

**64.1.2** During the year based on the opinion of Expert Advisory Committee of the Institute of Chartered Accountants of India, the Group has changed the accounting policy on accounting of excess decommissioning provision written back where by any change in the present value of the estimated decommissioning provision other than the periodic unwinding of discount is adjusted to the decommissioning provision and to the carrying amount of the related asset. In case reversal of decommissioning provision exceeds the carrying amount of the related asset including written down value (WDV) of the capitalised portion of decommissioning provision in the carrying amount of related asset (as against the WDV of capitalised component of decommissioning provision of the related asset done hitherto), the excess amount is recognized in the Consolidated Statement of Profit and Loss.

This change in accounting policy has resulted in decrease in carrying value of oil and gas asset, valuation of inventory, excess decommissioning provision written back, change in inventory of finished goods, and depletion expenditure in earlier years.

**64.1.3** Certain changes have also been made in the Significant Accounting Policy at note no.3.18 and other minor improvements / changes in some polices for improved disclosures, understandability and clarity. However, such changes has no impact on the Consolidated Ind AS financial statements.

**Reconciliation of financial statement line items which are retrospectively restated are as under (to the extent practicable):**

ONGC is the largest producer of oil and gas in India with over 76% contribution to domestic production

64.2 Reconciliation of restated items of Consolidated Balance Sheet as at March 31, 2019 and April 01, 2018 (₹ in million)

| Particulars | Note No. 64.5 | As at March 31, 2019 | | | As at April 01, 2018 | | |
|---|---|---|---|---|---|---|---|
| | | As previously reported | Adjustment | As restated | As previously reported | Adjustment | As restated |
| Oil and Gas Assets | 2 & 3 | 1,466,001.65 | (22,207.79) | 1,443,793.86 | 1,430,877.68 | (19,185.29) | 1,411,692.39 |
| Other Property, Plant and Equipment | 3 | 715,008.53 | (2,626.14) | 712,382.39 | 681,340.56 | - | 681,340.56 |
| Capital work in progress - Oil and gas facilities in progress | 1 | 132,308.54 | - | 132,308.54 | 118,891.88 | (7,156.89) | 111,734.99 |
| Non-current tax assets (net) | 4 | 105,213.16 | 18.64 | 105,231.80 | 108,313.73 | 19.44 | 108,333.17 |
| Inventories | 1, 2 & 3 | 351,806.57 | (465.91) | 351,340.66 | 305,571.21 | (563.38) | 305,007.83 |
| Others* | | 2,186,682.05 | 850.80 | 2,187,532.85 | 1,957,354.29 | - | 1,957,354.29 |
| **Total assets** | | **4,957,020.50** | **(24,430.40)** | **4,932,590.10** | **4,602,349.35** | **(26,886.12)** | **4,575,463.23** |
| Other equity* | 1, 2, 3 & 4 | 2,118,506.08 | (12,061.08) | 2,106,445.00 | 1,976,023.04 | (12,549.38) | 1,963,473.66 |
| Deferred tax liabilities (net) | 4 | 473,667.98 | (6,447.44) | 467,220.54 | 415,059.44 | (6,721.01) | 408,338.43 |
| Other non-current liabilities | 1&3 | 12,275.15 | (6,795.16) | 5,479.99 | 11,822.99 | (7,615.73) | 4,207.26 |
| Others | | 2,352,571.29 | 873.28 | 2,353,444.57 | 2,199,443.88 | - | 2,199,443.88 |
| **Total equity and liabilities** | | **4,957,020.50** | **(24,430.40)** | **4,932,590.10** | **4,602,349.35** | **(26,886.12)** | **4,575,463.23** |

* Others include adjustment on account of restatement by Joint venture company OTPC resulting in decrease in Group other equity by ₹ 22.48 million.

64.3 Reconciliation of restated items of Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(₹ in million)

| Particulars | Note No. 64.5 | As previously reported | Adjustment | Regrouping/ Reclassification | As restated |
|---|---|---|---|---|---|
| Revenue from Operations | | 4,534,605.67 | - | 2,222.31 | 4,536,827.98 |
| Other income | 3 | 81,487.64 | (2,537.46) | (1,651.62) | 77,298.56 |
| Purchase of Stock-in-Trade | | 1,653,422.35 | - | 964.84 | 1,654,387.19 |
| Changes in inventories of finished goods, stock-in-trade and work in progress | 3 | (30,947.30) | (8.91) | - | (30,956.21) |
| Production, transportation, selling and distribution expenditure | 3 | 2,057,184.99 | (88.56) | (394.15) | 2,056,702.29 |
| Depreciation, depletion, amortisation and impairment | 3 | 240,262.17 | (3,225.14) | - | 237,037.03 |
| Total tax expense | 5 | 208,802.11 | 274.36 | - | 209,076.47 |
| **Profit for the year** | 6 | 338,869.29 | 510.79 | 0.00 | 339,380.08 |
| **Total comprehensive income for the year** | | 329,903.98 | 510.79 | 0.00 | 330,414.77 |
| **Earning Per Share** | | | | | |
| **Basic and diluted (in ₹ )** | 6 | 23.81 | 0.04 | - | 23.85 |

64.4 Reconciliation of Consolidated Statement of Cash Flows for the year ended March 31, 2019

(₹ in million)

| Particulars | Note No. 64.5 | As previously reported | Adjustment | Regrouping/ Reclassification | As restated |
|---|---|---|---|---|---|
| Net Profit after tax | 6 | 338,869.29 | 510.79 | - | 339,380.08 |
| Income Tax | 5 | 208,802.11 | 274.36 | - | 209,076.47 |
| Depreciation, Depletion, Amortisation and Impairment | 3 | 240,262.32 | (3,225.14) | (0.15) | 237,037.03 |
| Excess provision written back | 3 | (9,167.05) | 1,716.88 | (1,895.38) | (9,345.55) |
| Amortization of Government Grant | 3 | 642.50 | (820.58) | 8.00 | (170.08) |
| Operating Profit before Working Capital Changes | | 865,381.74 | (1,578.55) | 2,197.85 | 866,001.04 |
| Inventories | 3 | (46,698.49) | (97.47) | (21.89) | (46,817.85) |
| Trade payable and other liabilities | 7 | 93,923.18 | 1,482.36 | (994.83) | 94,410.71 |

**64.5 Notes:**

**64.5.1** On change in accounting policy as per 64.1.1, has resulted in decrease in of carrying value of Capital work in Progress by ₹ 7,156.89 million received in earlier years as non-monetary grant and consequent reversal of other non- current liabilities - Deferred Government Grant by ₹ 7,615.73 million and reduction in inventory of store and spares by ₹ 458.84 million as at April 1, 2018.

**64.5.2** On change in accounting policy as per 64.1.2 above, for the period pertaining to years prior to 2018-19 has resulted in decrease in Gross Value of Oil & Gas Assets by ₹ 26,631.99 million and consequent reduction in accumulated depletion by ₹ 7,446.70 million as at April 1, 2018 (reduction in WDV of Oil & Gas Assets by ₹ 19,185.29 million as at April 1, 2018). The decrease in depletion has also resulted in decrease in value of inventory of Raw material, Finished and Semi -finished goods by ₹ 104.54 million as at April 1, 2018. This has resulted in total decrease in other equity by ₹ 19,289.83 million as at April 1, 2018.

**64.5.3** For the Previous year 2018-19, the change in accounting policy as per 64.1.1 resulted is a reduction in Other Property Plant and equipment by ₹ 2,846.59 million as at March 31, 2019 and consequent reduction is depreciation ₹ 220.45 million for Previous year 2018-19. Further there is also a decrease in Gross Value of Oil & Gas Assets by ₹ 4,310.30 million and consequent reduction in depletion expenditure by ₹ 539.79 million. There is also a reduction in inventory of Stores and Spares by ₹ 398.50 million as at March 31, 2019. The total reduction in assets has a corresponding reversal of non- current liabilities - Deferred Government Grant by ₹ 6,795.16 million.

Further, for the Previous year 2018-19, the change in accounting policy as per 64.1.2 above there is a decrease in Oil & Gas Assets by ₹ 1,716.88 million and consequent reduction in depletion expenditure by ₹ 2,464.90 million (total reduction in WDV of Oil & Gas Assets by ₹ 22,207.79 million as at March 31, 2019 including ₹ 19,185.29 million as at April 1, 2018). The decrease in depletion has also resulted in decrease in value of inventory of Raw material, Finished and Semi -finished goods by ₹ 67.41 million as at March 31, 2019. This has resulted in total decrease in other equity by ₹ 18,527.16 million for the year ended March 31, 2019.

For the Previous year 2018-19, the change in accounting policy as per 64.1.1 has resulted in decrease in other income – miscellaneous receipts by ₹ 820.58 million and the change in accounting policy as per 64.1.2 has also resulted in decrease in other income – excess decommissioning provision written back by ₹ 1,716.88 million. Further due to reduction in the value of opening and closing inventories of raw material, Finished/Semi Finished Goods there is a decrease in Change inventories of Finished/ Semi Finished Goods in Stock in Trade and work in progress by ₹ 8.91 million. There is also a reduction in Production, transportation, selling and distribution expenditure - Consumption of Raw materials, Stores and Spares by ₹ 88.56 million due to change in accounting policy as per 64.1.2.

**64.5.4** On change in accounting policy as per 64.1.2 above, for the period pertaining to years prior to 2018-19 has resulted in increase in Non-current tax assets (net) by ₹ 19.44 million and decreased in Deferred tax liabilities (net) by ₹ 6,721.01 million. This has resulted in total increase in other equity by ₹ 6,740.45 million as at April 1, 2018.

Further, for the previous year 2018-19, the change in accounting policy as per 64.1.2 above there is decrease in Non-current tax assets (net) by ₹ 0.80 million (net increase in Non-current tax assets (net) by ₹ 18.64 million as at March 31, 2019 including ₹ 19.44 million as at April 1, 2018) and there is increase in Deferred tax liabilities (net) by ₹ 273.57 million (net decrease in Deferred tax liabilities (net) by ₹ 6,447.44 million as at March 31, 2019 including ₹ 6,721.01 million as at April 1, 2018). This has resulted in total increase in other equity by ₹ 6,466.08 million as at March 31, 2019.

**64.5.5** There is a change in the tax expenses by ₹ 274.36 million due to the restatement of the consolidated Statement of Profit and Loss for the Previous year 2018-19.

**64.5.6** Further there is an increase in consolidated profit after tax for the Previous year by ₹ 510.79 million and consequently there is an increase in consolidated Earning per Share from ₹ 23.81 per share to ₹ 23.85 per share

**64.5.7** For the Previous year 2018-19 the change in accounting policy as per 64.1.1 has resulted cumulative impact of ₹ 1,482.36 million in trade payable and other liabilities on account of decrease in other Non-current liabilities - Amortization of Government Grant by ₹ 1,641.16 million. Further there is an increase on account of regrouping by ₹ 158.80 million in trade payable and other liabilities.

**65** The Figures in respect of the company, Subsidiaries/Joint Venture and Associates Companies have been regrouped/ rearranged based upon the details obtained from the management as part of consolidation process, Audited/unaudited accounts of respective group companies. Further some balances of Trade and other receivables Trade and other payables and Loans & Advances are subject to confirmation/reconciliation. Adjustments, if any, will be accounted for on confirmation / reconciliation of the same which will not have a material impact.

66 Previous year's figures have been regrouped, wherever necessary, to confirm to current year's grouping.

## 67 Additional disclosure under Schedule-III

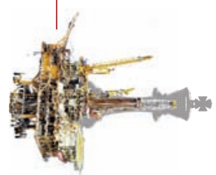
67.1 Schedule-III additional disclosure in Consolidated Financial Statements as on March 31, 2020

(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorpora-tion | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **A** | **Parent** | | | | | | | | | |
| A.1 | ONGC | India | 51.48 | 1,157,189.39 | 102.28 | 118,234.48 | 100.75 | (119,913.71) | 49.10 | (1,679.24) |
| **B** | **Subsidiaries (Group's share)** | | | | | | | | | |
| **B.1** | **Indian** | | | | | | | | | |
| B.1.1 | ONGC Videsh Limited (OVL) | India | 2.54 | 57,087.96 | 14.71 | 17,002.95 | (9.08) | 10,802.86 | (812.98) | 27,805.81 |
| B.1.2 | Hindustan Petro-leum Corporation Limited (HPCL) | India | 10.71 | 240,634.57 | 22.86 | 26,421.84 | 3.80 | (4,522.31) | (640.29) | 21,899.53 |
| B.1.3 | Mangalore Refinery and Petrochemicals Ltd. (MRPL) | India | 2.77 | 62,214.30 | (16.90) | (19,532.46) | 0.07 | (84.38) | 573.55 | (19,616.84) |
| B.1.4 | ONGC Mangalore Petrochemicals Ltd. (OMPL) | India | 0.26 | 5,846.02 | (12.11) | (14,004.32) | 0.00 | (2.73) | 409.53 | (14,007.05) |
| B.1.5 | Petronet MHB Ltd (PMHBL) | India | 0.39 | 8,844.77 | 0.76 | 882.72 | 0.00 | (0.99) | (25.78) | 881.73 |
| B.1.6 | Prize Petroleum Company Ltd. | India | (0.14) | (3,083.50) | (0.30) | (343.10) | 0.29 | (348.30) | 20.21 | (691.40) |
| B.1.7 | HPCL Biofuels Ltd. | India | (0.02) | (345.00) | (0.74) | (855.50) | 0.00 | (5.20) | 25.16 | (860.70) |
| B.1.8 | HPCL Middle East FZCO | Dubai | 0.00 | 28.00 | (0.02) | (22.60) | (0.00) | 2.30 | 0.59 | (20.30) |
| **B.2** | **Foreign** | | | | | | | | | |
| B.2.1 | ONGC Nile Ganga B.V. (ONGBV) | The Netherlands | 1.04 | 23,294.22 | 2.17 | 2,504.04 | - | - | (73.21) | 2,504.04 |

(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorpora-tion | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| B.2.2 | ONGC Campos Ltda. | Brazil | 0.67 | 15,024.22 | (1.78) | (2,058.39) | - | - | 60.18 | (2,058.39) |
| B.2.3 | ONGC Nile Ganga (San Cristobal) B.V. | The Netherlands | 1.51 | 33,831.73 | (3.68) | (4,249.33) | - | - | 124.24 | (4,249.33) |
| B.2.4 | ONGC Caspian E&P B.V. | The Netherlands | (0.08) | (1,844.90) | 0.07 | 80.35 | - | - | (2.35) | 80.35 |
| B.2.5 | ONGC Narmada Limited (ONL) | Nigeria | 0.00 | 23.83 | (0.02) | (27.35) | - | | 0.80 | (27.35) |
| B.2.6 | ONGC Amazon Alaknanda Limited (OAAL) | Bermuda | 0.00 | 13.50 | 0.02 | 24.03 | - | - | (0.70) | 24.03 |
| B.2.7 | Imperial Energy Limited | Cyprus | 1.74 | 39,209.93 | 9.40 | 10,861.33 | - | - | (317.56) | 10,861.33 |
| B.2.8 | Imperial Energy Tomsk Limited | Cyprus | 0.00 | 90.64 | (0.01) | (15.56) | - | - | 0.45 | (15.56) |
| B.2.9 | Imperial Energy (Cyprus) Limited | Cyprus | 0.10 | 2,299.87 | (0.01) | (15.33) | - | - | 0.45 | (15.33) |
| B.2.10 | Imperial Energy Nord Limited | Cyprus | 0.42 | 9,551.15 | (0.01) | (15.73) | - | - | 0.46 | (15.73) |
| B.2.11 | Biancus Holdings Limited | Cyprus | 0.01 | 250.99 | 1.56 | 1,803.44 | - | - | (52.73) | 1,803.44 |
| B.2.12 | Redcliffe Holdings Limited | Cyprus | 0.03 | 563.87 | (0.01) | (15.13) | - | - | 0.44 | (15.13) |
| B.2.13 | Imperial Frac Services (Cyprus) Limited | Cyprus | 0.00 | 11.72 | (0.01) | (16.11) | - | - | 0.47 | (16.11) |
| B.2.14 | San Agio Invest-ments Limited | Cyprus | (0.00) | (32.66) | (0.48) | (553.11) | - | - | 16.17 | (553.11) |
| B.2.15 | LLC Sibinterneft | Russia | (0.01) | (250.12) | (0.66) | (766.23) | - | - | 22.40 | (766.23) |

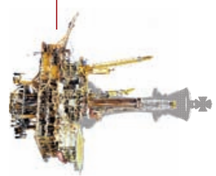


(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorporation | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| B.2.16 | LLC Allianceneftegaz | Russia | (0.06) | (1,418.27) | (14.05) | (16,239.33) | - | - | 474.80 | (16,239.33) |
| B.2.17 | LLC Nord Imperial | Russia | 0.07 | 1,478.60 | (2.69) | (3,111.94) | - | - | 90.99 | (3,111.94) |
| B.2.18 | LLC Rus Imperial Group | Russia | (0.01) | (156.71) | (3.69) | (4,264.11) | - | - | 124.67 | (4,264.11) |
| B.2.19 | LLC Imperial Frac Services | Russia | 0.00 | 40.57 | 1.14 | 1,321.13 | - | - | (38.63) | 1,321.13 |
| B.2.20 | Carabobo One AB | Sweden | 0.21 | 4,680.31 | (0.00) | (3.62) | - | - | 0.11 | (3.62) |
| B.2.21 | Petro Carabobo Ganga B.V. | The Netherlands | 0.31 | 7,023.93 | (0.87) | (1,003.68) | - | - | 29.35 | (1,003.68) |
| B.2.22 | ONGC (BTC) Ltd | Cayman Islands | 0.01 | 148.28 | 0.10 | 114.64 | - | - | (3.35) | 114.64 |
| B.2.23 | Beas Rovuma Energy Mozambique Ltd | Republic of Mauritius | 5.93 | 133,192.05 | 0.15 | 173.10 | - | - | (5.06) | 173.10 |
| B.2.24 | ONGC Videsh Rovuma Ltd. | Republic of Mauritius | 0.00 | 0.16 | (0.00) | (0.82) | - | - | 0.02 | (0.82) |
| B.2.25 | ONGC Videsh Atlantic Inc. | Texas | 0.00 | 107.00 | (0.05) | (55.45) | - | - | 1.62 | (55.45) |
| B.2.26 | ONGC Videsh Singapore Pte. Ltd. | Singapore | (4.88) | (109,734.51) | (0.03) | (32.44) | - | - | 0.95 | (32.44) |
| B.2.27 | ONGC Videsh Vankorneft Pte. Ltd. | Singapore | 0.84 | 18,862.19 | (3.97) | (4,585.90) | - | - | 134.08 | (4,585.90) |
| B.2.28 | Indus East Mediterranean Exploration Ltd. | Israel | (4.66) | (104,761.86) | (0.01) | (10.72) | - | - | 0.31 | (10.72) |
| B.2.29 | ONGC Videsh Rovuma Ltd., India | India | 7.89 | 177,463.61 | (5.61) | (6,486.86) | - | - | 189.66 | (6,486.86) |

(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorporation | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **C** | **Non controlling interest in all subsidiaries** | | **7.92** | **178,128.12** | **5.65** | **6,530.00** | **2.72** | **(3,233.54)** | **(96.38)** | **3,296.46** |
| **D** | **Associates (Investments as per the equity method)** | | | | | | | | | |
| **D.1** | **Indian** | | | | | | | | | |
| D.1.1 | Pawan Hans Ltd. (PHL) | India | 0.22 | 4,871.06 | (0.16) | (184.99) | - | - | 5.41 | (184.99) |
| D.1.2 | Petronet LNG Limited (PLL) | India | 0.62 | 13,976.55 | 1.00 | 1,160.86 | 0.00 | (0.07) | (33.94) | 1,160.79 |
| D.1.3 | Rohini Heliport Limited (RHL) | India | 0.00 | 0.05 | - | - | - | - | - | - |
| D.1.4 | GSPL India Gasnet Ltd. | India | 0.04 | 973.00 | (0.03) | (39.60) | 0.00 | (0.10) | 1.16 | (39.70) |
| D.1.5 | GSPL India Transco Ltd. | India | 0.02 | 502.10 | (0.04) | (47.50) | 0.00 | (0.40) | 1.40 | (47.90) |
| **D.2** | **Foreign** | | | | | | | | | - |
| D.2.1 | Petro Carabobo S.A. | Venezuela | 0.20 | 4,449.55 | (2.88) | (3,331.17) | - | - | 97.40 | (3,331.17) |
| D.2.2 | Carabobo Ingeniería y Construcciones, S.A. | Venezuela | 0.00 | 0.32 | - | - | - | - | - | - |
| D.2.3 | South-East Asia Gas Pipeline Company Limited | Hongkong | 0.08 | 1,844.90 | 1.17 | 1,354.48 | - | - | (39.60) | 1,354.48 |
| D.2.4 | Tamba B.V. | The Netherlands | 0.40 | 9,023.35 | 0.85 | 986.73 | - | - | (28.85) | 986.73 |
| D.2.5 | JSC Vankorneft | Russia | 5.00 | 112,329.02 | 11.44 | 13,221.62 | - | - | (386.57) | 13,221.62 |

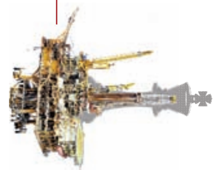


(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorporation | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| D.2.6 | SUDD Petroleum Operating Company | Mauritius | - | - | - | - | - | - | - | - |
| D.2.7 | Petrolera Indovenezolana S.A. | Venezuela | 1.19 | 26,768.06 | (0.20) | (233.57) | - | - | 6.83 | (233.57) |
| D.2.8 | Falcon Oil & Gas B.V | The Netherlands | 0.98 | 22,119.75 | 1.33 | 1,535.21 | - | - | (44.89) | 1,535.21 |
| D.2.9 | Mozambique LNG1 Co. Pte. Ltd. | Singapore | - | - | - | - | - | - | - | - |
| D.2.10 | Moz LNG1 Holding Co. Ltd. | Abudhabi | 0.00 | 67.72 | 0.02 | 18.77 | - | - | (0.55) | 18.77 |
| | **Joint Ventures (Investments as per the equity method)** | | | | | | | | | |
| **E.1** | **Indian** | | | | | | | | | |
| E.1.1 | Indradhanush Gas Grid Ltd. (IGGL) | India | 0.00 | 85.13 | (0.01) | (10.63) | - | - | 0.31 | (10.63) |
| E.1.2 | Mangalore SEZ Ltd (MSEZ) | India | 0.01 | 118.09 | (0.07) | (84.98) | 0.00 | (0.17) | 2.49 | (85.14) |
| E.1.3 | ONGC Petro Additions Ltd. (OPaL) | India | - | - | (7.33) | (8,472.14) | 0.01 | (10.06) | 248.00 | (8,482.21) |
| E.1.4 | ONGC Tripura Power Company Ltd.( OTPC) | India | 0.28 | 6,389.02 | (0.11) | (121.63) | 0.00 | (0.44) | 3.57 | (122.07) |
| E.1.5 | ONGC Teri Biotech Ltd. (OTBL) | India | 0.01 | 312.19 | 0.03 | 37.53 | 0.00 | (0.07) | (1.10) | 37.46 |
| E.1.6 | Dahej SEZ Limited (DSEZ) | India | 0.04 | 930.23 | 0.20 | 231.95 | - | - | (6.78) | 231.95 |
| E.1.7 | Hindustan Colas Pvt. Ltd. | India | 0.09 | 1,950.10 | 0.60 | 690.70 | 0.00 | (0.60) | (20.18) | 690.10 |

(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorpora-tion | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| E.1.8 | HPOIL Gas Pvt. Ltd. | India | 0.03 | 583.60 | (0.01) | (14.00) | - | - | 0.41 | (14.00) |
| E.1.9 | HPCL Rajasthan Refinery Ltd. | India | 0.57 | 12,897.20 | 0.01 | 13.40 | - | - | (0.39) | 13.40 |
| E.1.10 | South Asia LPG Co. Pvt. Ltd. | India | 0.05 | 1,207.40 | 0.53 | 618.00 | (0.00) | 0.80 | (18.09) | 618.80 |
| E.1.11 | HPCL Shapoorji Energy Pvt. Ltd. | India | 0.08 | 1,729.30 | (0.00) | (1.70) | (0.00) | 0.30 | 0.04 | (1.40) |
| E.1.12 | HPCL - Mittal Energy Ltd. | India | 2.18 | 49,057.90 | (0.28) | (321.20) | 1.43 | (1,703.90) | 59.21 | (2,025.10) |
| E.1.13 | Godavari Gas Pvt Ltd. | India | 0.01 | 149.30 | (0.01) | (6.50) | - | - | 0.19 | (6.50) |
| E.1.14 | Petronet India Ltd. | India | 0.00 | 4.20 | - | - | - | - | - | - |
| E.1.15 | Mumbai Aviation Fuel Farm Facilities Pvt. Ltd. | India | 0.04 | 868.40 | 0.09 | 100.10 | - | - | (2.93) | 100.10 |
| E.1.16 | Aavantika Gas Ltd. | India | 0.05 | 1,169.50 | 0.18 | 210.20 | 0.00 | (0.80) | (6.12) | 209.40 |
| E.1.17 | Bhagyanagar Gas Ltd. | India | 0.04 | 867.90 | 0.04 | 47.70 | - | - | (1.39) | 47.70 |
| E.1.18 | Ratnagiri Refinery & Petrochemical Ltd. | India | 0.02 | 362.80 | (0.04) | (49.90) | - | - | 1.46 | (49.90) |
| E.1.19 | IHB Pvt. Ltd. | India | 0.01 | 249.50 | (0.01) | (13.00) | - | - | 0.38 | (13.00) |
| E.1.20 | Shell MRPL Aviation Fuels & Services Pvt. Limited (SMASL) (through MRPL) | India | 0.01 | 286.79 | 0.01 | 7.60 | 0.00 | (0.22) | (0.22) | 7.38 |
| **E.2** | **Foreign** | | | | | | | | | |



(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorpora-tion | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| E.2.1 | ONGC Mittal Energy Limited (OMEL) (through OVL) | Cyprus | - | - | - | - | - | - | - | - |
| E.2.2 | Himalaya Energy (Syria) B.V. | The Netherlands | 0.01 | 207.73 | (0.01) | (16.16) | - | - | 0.47 | (16.16) |
| E.2.3 | Mansarovar Energy Colombia Ltd. | Bermuda | 0.71 | 15,945.40 | 0.56 | 646.38 | - | - | (18.90) | 646.38 |
| | **Total** | | **100.00** | **2,247,805.08** | **100.00** | **115,601.48** | **100.00** | **(119,021.73)** | **100.00** | **(3,420.25)** |


ONGCians at the PLQP platform off the East Coast of India

67.2 Schedule-III additional disclosure in Consolidated Financial Statements as on March 31, 2019

(₹ in million)

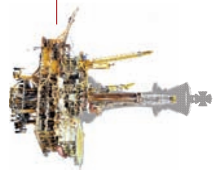
| Sl. No. | Name of the entity in the group | Country of incorpora-tion | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| A | **Parent** | | | | | | | | | |
| A.1 | ONGC | India | 52.46 | 1,232,952.88 | 65.56 | 222,497.61 | 185.01 | (16,586.65) | 62.32 | 205,910.96 |
| B | **Subsidiaries (Group's share)** | | | | | | | | | |
| B.1 | **Indian** | | | | | | | | | |
| B.1.1 | ONGC Videsh Limited (OVL) | India | 5.39 | 126,797.75 | 0.84 | 2,855.12 | (100.07) | 8,971.72 | 3.58 | 11,826.84 |
| B.1.2 | Hindustan Petro-leum Corporation Limited (HPCL) | India | 10.16 | 238,707.37 | 17.45 | 59,216.04 | 7.27 | (652.04) | 17.72 | 58,564.00 |
| B.1.3 | Mangalore Refinery and Petrochemicals Ltd. (MRPL) | India | 3.95 | 92,839.18 | 0.93 | 3,163.52 | 0.43 | (38.30) | 0.95 | 3,125.22 |
| B.1.4 | ONGC Mangalore Petrochemicals Ltd. (OMPL) | India | 0.27 | 6,331.71 | 0.07 | 228.94 | 0.16 | (14.10) | 0.07 | 214.84 |
| B.1.5 | Petronet MHB Ltd (PMHBL) | India | 0.34 | 7,963.04 | 0.33 | 1,117.74 | 0.01 | (1.01) | 0.34 | 1,116.74 |
| B.1.6 | Prize Petroleum Company Ltd. | India | (0.10) | (2,392.10) | (0.04) | (138.40) | 2.12 | (190.10) | (0.10) | (328.50) |
| B.1.7 | HPCL Biofuels Ltd. | India | 0.02 | 446.30 | (0.20) | (675.50) | 0.01 | (1.10) | (0.20) | (676.60) |
| B.1.8 | HPCL Middle East FZCO | Dubai | 0.00 | 29.70 | (0.00) | (10.00) | 0.01 | (0.50) | (0.00) | (10.50) |
| B.2 | **Foreign** | | | | | | | | | |
| B.2.1 | ONGC Nile Ganga B.V. (ONGBV) | The Netherlands | 2.98 | 70,063.57 | (1.21) | (4,098.85) | - | - | (1.24) | (4,098.85) |
| B.2.2 | ONGC Campos Ltda. | Brazil | 0.87 | 20,500.39 | (0.99) | (3,356.94) | - | - | (1.02) | (3,356.94) |

(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorpora-tion | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| B.2.3 | ONGC Nile Ganga (San Cristobal) B.V. | The Netherlands | 1.37 | 32,118.36 | (0.32) | (1,098.75) | - | - | (0.33) | (1,098.75) |
| B.2.4 | ONGC Caspian E&P B.V. | The Netherlands | 0.24 | 5,715.42 | 0.08 | 281.73 | - | - | 0.09 | 281.73 |
| B.2.5 | ONGC Narmada Limited (ONL) | Nigeria | (0.09) | (2,164.44) | (0.02) | (65.23) | - | - | (0.02) | (65.23) |
| B.2.6 | ONGC Amazon Alaknanda Limited (OAAL) | Bermuda | 0.37 | 8,647.42 | 0.00 | 2.64 | - | - | 0.00 | 2.64 |
| B.2.7 | Imperial Energy Limited | Cyprus | 1.56 | 36,771.80 | 0.02 | 51.35 | - | - | 0.02 | 51.35 |
| B.2.8 | Imperial Energy Tomsk Limited | Cyprus | 0.01 | 142.06 | (0.00) | (1.19) | - | - | (0.00) | (1.19) |
| B.2.9 | Imperial Energy (Cyprus) Limited | Cyprus | 0.15 | 3,597.10 | (0.00) | (1.19) | - | - | (0.00) | (1.19) |
| B.2.10 | Imperial Energy Nord Limited | Cyprus | 0.64 | 14,937.45 | (0.00) | (1.08) | - | - | (0.00) | (1.08) |
| B.2.11 | Biancus Holdings Limited | Cyprus | 0.02 | 358.49 | 0.08 | 260.37 | - | - | 0.08 | 260.37 |
| B.2.12 | Redcliffe Holdings Limited | Cyprus | 0.04 | 882.15 | (0.00) | (1.31) | - | - | (0.00) | (1.31) |
| B.2.13 | Imperial Frac Services (Cyprus) Limited | Cyprus | 0.00 | 18.65 | (0.00) | (3.34) | - | - | (0.00) | (3.34) |
| B.2.14 | San Agio Invest-ments Limited | Cyprus | (0.00) | (39.78) | (0.02) | (65.15) | - | - | (0.02) | (65.15) |
| B.2.15 | LLC Sibinterneft | Russia | (0.02) | (380.83) | (0.01) | (35.36) | - | - | (0.01) | (35.36) |
| B.2.16 | LLC Allianceneft-egaz | Russia | (0.07) | (1,723.05) | (0.24) | (819.60) | - | - | (0.25) | (819.60) |

(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorpora-tion | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| B.2.17 | LLC Nord Imperial | Russia | 0.12 | 2,829.14 | (0.09) | (297.51) | - | - | (0.09) | (297.51) |
| B.2.18 | LLC Rus Imperial Group | Russia | (0.01) | (219.39) | (0.05) | (162.65) | - | - | (0.05) | (162.65) |
| B.2.19 | LLC Imperial Frac Services | Russia | 0.00 | 54.91 | 0.04 | 141.07 | - | - | 0.04 | 141.07 |
| B.2.20 | Carabobo One AB | Sweden | 0.14 | 3,385.13 | (0.00) | (3.08) | - | - | (0.00) | (3.08) |
| B.2.21 | Petro Carabobo Ganga B.V. | The Netherlands | 0.33 | 7,749.31 | (0.07) | (237.38) | - | - | (0.07) | (237.38) |
| B.2.22 | ONGC (BTC) Ltd | Cayman Islands | 0.00 | 24.08 | 0.07 | 233.32 | - | - | 0.07 | 233.32 |
| B.2.23 | Beas Rovuma Energy Mozambique Ltd | Republic of Mauritius | 1.72 | 40,408.47 | (0.01) | (36.04) | - | - | (0.01) | (36.04) |
| B.2.24 | ONGC Videsh Rovuma Ltd. | Republic of Mauritius | (0.00) | (0.09) | (0.00) | (0.82) | - | - | (0.00) | (0.82) |
| B.2.25 | ONGC Videsh Atlantic Inc. | Texas | 0.01 | 152.23 | (0.00) | (10.07) | - | - | (0.00) | (10.07) |
| B.2.26 | ONGC Videsh Singapore Pte. Ltd. | Singapore | (0.00) | (77.77) | (0.01) | (32.37) | - | - | (0.01) | (32.37) |
| B.2.27 | ONGC Videsh Vankorneft Pte. Ltd. | Singapore | (4.67) | (109,816.44) | (1.38) | (4,694.95) | - | - | (1.42) | (4,694.95) |
| B.2.28 | Indus East Mediterranean Exploration Ltd. | Israel | (0.00) | (2.77) | (0.00) | (5.95) | - | - | (0.00) | (5.95) |
| **C** | **Non controlling interest in all subsidiaries** | | 7.70 | 181,062.10 | 9.99 | 33,919.68 | 4.84 | (434.29) | 10.13 | 33,485.39 |
| **D** | **Associates (Investments as per the equity method)** | | | | | | | | | |

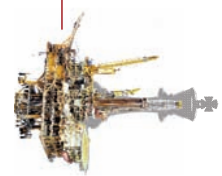


(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorporation | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| D.1 | **Indian** | | | | | | | | | |
| D.1.1 | Pawan Hans Ltd. (PHL) | India | 0.22 | 5,106.45 | (0.08) | (274.03) | (0.02) | 2.18 | (0.08) | (271.85) |
| D.1.2 | Petronet LNG Limited (PLL) | India | 0.54 | 12,788.23 | 0.24 | 804.95 | 0.02 | (2.02) | 0.24 | 802.93 |
| D.1.3 | GSPL India Gasnet Ltd. | India | 0.02 | 484.80 | (0.01) | (30.60) | 0.00 | (0.10) | (0.01) | (30.70) |
| D.1.4 | GSPL India Transco Ltd. | India | 0.02 | 427.90 | 0.00 | 1.10 | - | - | 0.00 | 1.10 |
| D.2 | **Foreign** | | | | | | | | | |
| D.2.1 | Petro Carabobo S.A. | Venezuela | 0.31 | 7,331.02 | 0.81 | 2,740.28 | - | - | 0.83 | 2,740.28 |
| D.2.2 | Carabobo Ingeniería y Construcciones, S.A. | Venezuela | 0.00 | 0.29 | - | - | - | - | - | - |
| D.2.3 | South-East Asia Gas Pipeline Company Limited | Hongkong | 0.05 | 1,140.17 | 0.09 | 312.56 | - | - | 0.09 | 312.56 |
| D.2.4 | Tamba B.V. | The Netherlands | 0.37 | 8,805.72 | 0.69 | 2,353.42 | - | - | 0.71 | 2,353.42 |
| D.2.5 | JSC Vankorneft | Russia | 6.01 | 141,362.84 | 5.74 | 19,477.44 | - | - | 5.89 | 19,477.44 |
| D.2.6 | SUDD Petroleum Operating Company | Mauritius | - | - | - | - | - | - | - | - |
| D.2.7 | Petrolera Indovenezolana S.A. | Venezuela | 1.22 | 28,749.77 | 0.12 | 419.36 | - | - | 0.13 | 419.36 |
| D.2.8 | Falcon Oil & Gas B.V | The Netherlands | 0.80 | 18,784.00 | 0.52 | 1,752.45 | - | - | 0.53 | 1,752.45 |
| D.2.9 | Mozambique LNG1 Co. Pte. Ltd. | Singapore | 0.00 | 29.94 | 0.01 | 30.25 | - | - | 0.01 | 30.25 |

(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorpora-tion | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| E | **Joint Ventures (Investments as per the equity method)** | | | | | | | | | |
| E.1 | **Indian** | | | | | | | | | |
| E.1.1 | Indradhanush Gas Grid Ltd. (IGGL) | India | 0.00 | 25.76 | (0.01) | (24.24) | - | - | (0.01) | (24.24) |
| E.1.2 | Mangalore SEZ Ltd (MSEZ) | India | 0.01 | 203.23 | 0.00 | 6.48 | 0.00 | (0.06) | 0.00 | 6.42 |
| E.1.3 | ONGC Petro Addi-tions Ltd. (OPaL) | India | 0.48 | 11,210.13 | (1.84) | (6,232.32) | (0.04) | 3.28 | (1.89) | (6,229.04) |
| E.1.4 | ONGC Tripura Power Company Ltd.( OTPC) | India | 0.28 | 6,644.61 | 0.10 | 328.62 | (0.00) | 0.22 | 0.10 | 328.84 |
| E.1.5 | ONGC Teri Biotech Ltd. (OTBL) | India | 0.01 | 274.73 | 0.01 | 33.28 | 0.00 | (0.01) | 0.01 | 33.27 |
| E.1.6 | Dahej SEZ Limited (DSEZ) | India | 0.05 | 1,172.29 | 0.02 | 72.77 | - | - | 0.02 | 72.77 |
| E.1.7 | Hindustan Colas Pvt. Ltd. | India | 0.06 | 1,487.80 | 0.15 | 520.20 | (0.01) | 0.70 | 0.16 | 520.90 |
| E.1.8 | HPOIL Gas Pvt. Ltd. | India | 0.00 | 47.70 | (0.00) | (2.30) | - | | (0.00) | (2.30) |
| E.1.9 | HPCL Rajasthan Refinery Ltd. | India | 0.37 | 8,800.50 | 0.02 | 54.80 | - | - | 0.02 | 54.80 |
| E.1.10 | South Asia LPG Co. Pvt. Ltd. | India | 0.05 | 1,251.70 | 0.15 | 514.50 | (0.01) | 1.20 | 0.16 | 515.70 |
| E.1.11 | HPCL Shapoorji Energy Pvt. Ltd. | India | 0.01 | 227.10 | (0.00) | (1.10) | - | | (0.00) | (1.10) |
| E.1.12 | HPCL - Mittal Energy Ltd. | India | 2.20 | 51,686.20 | 2.12 | 7,192.90 | 0.27 | (24.00) | 2.17 | 7,168.90 |



(₹ in million)

| Sl. No. | Name of the entity in the group | Country of incorpora-tion | Net Asset, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| E.1.13 | Godavari Gas Pvt Ltd. | India | 0.00 | 77.00 | (0.00) | (2.20) | - | - | (0.00) | (2.20) |
| E.1.14 | Petronet India Ltd. | India | 0.00 | 4.20 | (0.00) | (0.20) | - | | (0.00) | (0.20) |
| E.1.15 | Mumbai Aviation Fuel Farm Facilities Pvt. Ltd. | India | 0.03 | 768.30 | 0.04 | 129.60 | - | - | 0.04 | 129.60 |
| E.1.16 | Aavantika Gas Ltd. | India | 0.04 | 974.60 | 0.04 | 129.70 | - | - | 0.04 | 129.70 |
| E.1.17 | Bhagyanagar Gas Ltd. | India | 0.03 | 814.60 | 0.01 | 48.10 | 0.00 | (0.10) | 0.01 | 48.00 |
| E.1.18 | Ratnagiri Refinery & Petrochemical Ltd. | India | 0.01 | 162.70 | (0.01) | (40.30) | - | - | (0.01) | (40.30) |
| E.1.19 | Shell MRPL Aviation Fuels & Services Pvt. Limited (SMASL) (through MRPL) | India | 0.01 | 286.88 | 0.00 | 7.97 | 0.00 | (0.24) | 0.00 | 7.73 |
| E.2 | **Foreign** | | | | | | | | | |
| E.2.1 | ONGC Mittal Energy Limited (OMEL) (through OVL) | Cyprus | 0.07 | 1,729.56 | - | - | - | - | - | - |
| E.2.2 | Himalaya Energy (Syria) B.V. | The Netherlands | 0.01 | 216.74 | (0.00) | (2.55) | - | - | (0.00) | (2.55) |
| E.2.3 | Mansarovar Energy Colombia Ltd. | Bermuda | 0.79 | 18,661.68 | 0.28 | 942.79 | - | - | 0.29 | 942.79 |
| | **Total** | | **100.00** | **2,350,408.64** | **100.00** | **339,380.08** | **100.00** | **(8,965.31)** | **100.00** | **330,414.77** |

## 68 Approval of financial statements

The Consolidated Financial Statements were approved by the Board of Directors on June 30, 2020.

**FOR AND ON BEHALF OF THE BOARD**

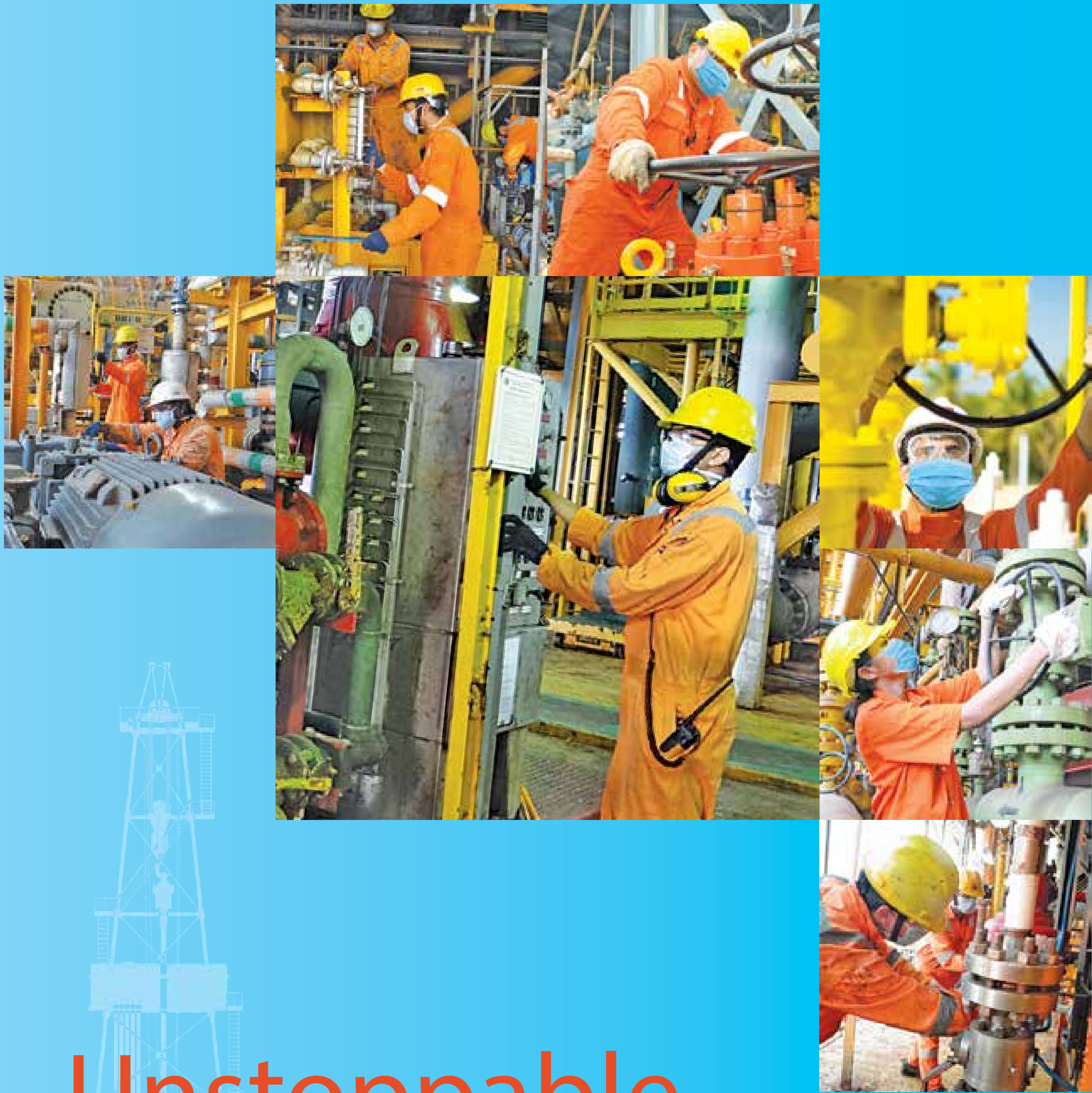
| | | |
|---|---|---|
| Sd/-<br>(M. E. V Selvamm)<br>Company Secretary<br>Place : New Delhi | Sd/-<br>(Subhash Kumar)<br>Director (Finance)<br>(DIN: 07905656)<br>Place : New Delhi | Sd/-<br>(Shashi Shanker)<br>Chairman & Managing Director<br>(DIN: 06447938)<br>Place : New Delhi |

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

| | | |
|---|---|---|
| **For M K P S & Associates**<br>Chartered Accountants<br>Firm Reg. No: 302014E | **For G M Kapadia & Co.**<br>Chartered Accountants<br>Firm Reg. No. 104767W | **For R Gopal & Associates**<br>Chartered Accountants<br>Firm Reg. No.000846C |
| Sd/-<br>(Narendra Khandal)<br>Partner (M. No. 065025)<br>Place: Mumbai | Sd/-<br>(Rajen Ashar)<br>Partner (M. No. 048243)<br>Place: Mumbai | Sd/-<br>(Sandeep Kumar Sawaria)<br>Partner (M. No. 061771)<br>Place: Kolkata |
| **For Kalani & Co.**<br>Chartered Accountants<br>Firm Reg. No: 000722C | **For SARC & Associates**<br>Chartered Accountants<br>Firm Reg. No. 006085N | **For R.G.N. Price & Co.**<br>Chartered Accountants<br>Firm Reg. No.002785S |
| Sd/-<br>(Vikas Gupta)<br>Partner (M.No. 077076)<br>Place: Jaipur | Sd/-<br>(Pankaj Sharma)<br>Partner (M. No. 086433)<br>Place: New Delhi | Sd/-<br>(Rangarajan Raghavan Iyengar)<br>Partner (M. No. 041883)<br>Place: Mumbai |

June 30, 2020

In FY'20, ONGC made 12 discoveries – 7 onshore and 5 onland. 2P Reserve accretion stood at 53.21 MMTOE with an RRR of 1.19





Company Secretariat
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secretariat@ongc.co.in