Oil and Natural Gas Corporation Ltd.

Press Release

ONGC declares results for FY'20; posts net profit of Rs.13,445 crore for FY'20

New Delhi | 30th June, 2020

Highlights:

- **Gross Revenue of Rs. 96,214 crore in FY'20**
- **12 discoveries in FY'20; 03 discoveries so far in FY'21**

In its 329th Board Meeting held on 30th June, 2020, ONGC presented the annual results for FY'20.

1. Financial Performance

Particulars	Q4FY'20	Q4FY'19*	% Var	FY'20	FY'19*	% Var
Gross Revenue (Rs. Crore)	21,456	26,759	(19.8)	96,214	1,09,655	(12.3)
Profit/(loss) Before Tax (PBT) (Rs. Crore)	(3,892)	5,762	(167.5)	20,369	40,029	(49.1)
Profit/(loss) After Tax (PAT) (Rs. Crore)	(3,098)	4,240	(173.1)	13,445	26,765	(49.8)
Crude Oil Price-Nominated						
Net Realization (US$/bbl)	49.01	61.93	(20.9)	58.61	68.19	(14.0)
Net Realization (Rs./bbl)	3,546	4,365	(18.8)	4,154	4,766	(12.8)
Crude Oil Price-JV						
Realization (US$/bbl)	49.39	61.29	(19.4)	59.33	65.97	(10.1)
Realization (Rs./bbl)	3,574	4,320	(17.3)	4,205	4,611	(8.8)
Gas Price						
Price on GCV basis ($/mmbtu)	3.23	3.36	(3.9)	3.46	3.21	7.8

*restated

The Company has recognized an Exceptional Item towards impairment loss of Rs. 4,899 crore in Q4 FY'20 to factor into estimated future crude oil and natural gas prices. This has adversely impacted PAT for Q4 FY'20 and FY'20 as compared to last year.

2. Production Performance

Particulars	Q4FY'20	Q4FY'19	% Var	FY'20	FY'19	% Var
Crude Oil–ONGC (MMT)	4.935	4.790	3.0	19.330	19.626	(1.5)
Crude Oil–JVs (MMT)	0.555	0.749	(25.9)	2.639	3.120	(15.4)
Condensate (MMT)	0.329	0.361	(8.9)	1.384	1.485	(6.8)
Total Crude Oil (MMT)	**5.819**	**5.900**	**(1.4)**	**23.353**	**24.231**	**(3.6)**
Gas – ONGC (BCM)	5.862	6.275	(6.6)	23.853	24.747	(3.6)
Gas – JVs (BCM)	0.178	0.282	(36.9)	1.043	1.063	(1.9)
Total Gas (BCM)	**6.040**	**6.558**	**(7.9)**	**24.896**	**25.810**	**(3.5)**
Value Added Products (KT)	**879**	**931**	**(5.6)**	**3548**	**3641**	**(2.6)**

3. Exploration Performance:

ONGC has declared total 12 discoveries (7 onland, 5 offshore) during FY 2019-20 in its operated nomination acreages. Out of these, 7 are prospects (3 onland, 4 offshore) and 5 are pools (4 onland, 1 offshore).

a. Total 12 discoveries made in FY'20. Following 2 discoveries have been notified in Q4, FY'20:

i. R-12-6, Ratna and R-series ML, Western Offshore Basin

Well R-12-6 flowed oil @ 364 bbl/day, 334 bbl/day and 158 bbl/day and gas @ 8996 m^3/day, 6127 m^3/day and 3104 m^3/day, respectively from three intervals. This discovery has established the hydrocarbon potential of a new sector in Ratna area.

ii. SD-15 in West Tripura PML,A&AFB

Well SD-15 flowed gas @ 1, 17, 651 m^3/day and 3,24,001 m^3/day respectively from two intervals. This success enriches the possibilities of encountering more gas bearing sands in Upper Bhuban formation in Sundalbari structure.

b. Discoveries notified during FY 2020-21:

During FY 20-21, ONGC has notified 3 discoveries so far (two in offshore deep-water NELP block and another in on-land block in Nomination PML)

i. Well KGD982NA-CHAN-B-1in Cluster II of KG-DWN-98/2 deep water block , KG Basin flowed gas from two intervals @5,69,330 m^3/day and 5,25,152 m^3/day respectively.

ii. Well KU#13 drilled in Kunjanban PML, Tripura flowed gas @1,56,000 m^3/day along with condensate @ 0.23 m^3/day.

iii. Well KGD982NA-R1-E#1 in Cluster II of KG-DWN-98/2 deep water block, KG Basin flowed gas @ 4,64,141 m^3/day

c. Reserve Accretion (2P): FY'20

	(in MMTOE)
ONGC operated domestic areas	53.21
Domestic JVs	1.74
Total Domestic	**54.95**

d. Reserve Replacement Ratio (RRR) of ONGC-Operated Domestic Areas

In FY'20, ONGC has maintained an RRR of more than 'One' for the 14th consecutive year. This reflects ONGC's strong exploratory performance over the years.

4. Consolidated Financial Results

1.	**Consolidated Turnover Rs.4,25,001 Crore in FY'20 as against Rs. 4,53,683 Crore in FY'19**
2.	**Consolidated Group Net Profit (PAT) Rs. 11,560 Crore in FY'20 as against Rs. 33,938 Crore in FY'19**

5. ONGC Group of Companies

1.	**Oil and Natural Gas Corporation Ltd**
2.	**Subsidiaries:**
i	ONGC Videsh Ltd
ii	Hindustan Petroleum Corporation Ltd
iii	Mangalore Refinery and Petrochemicals Ltd

iv	ONGC Mangalore Petrochemicals Ltd
v	Petronet MHB Ltd
3.	**Joint Ventures**
I	ONGC Petro Additions Ltd
ii	ONGC Tripura Power Company Ltd
iii	Mangalore SEZ Ltd
iv	Dahej SEZ Ltd
v	ONGC TERI Biotech Ltd
vi	Indradhanush Gas Grid Ltd
4.	**Associates:**
i	Petronet LNG Ltd
ii	Pawan Hans Helicopters Ltd
iii.	Rohini Heliport Ltd.

6. ONGC Videsh Ltd

Production

ONGC's overseas arm, ONGC Videsh Ltd. registered increase in production of oil and gas by 1% with net production of 14.981 MMTOE in FY'20, as compared to 14.833 MMTOE in FY'19.

Production	**Unit**	**FY'20**	**FY'19**
Crude Oil	MMT	9.755	10.097
Natural Gas	BCM	5.226	4.736
Total Oil and Oil Equivalent Gas	**MMTOE**	**14.981**	**14.833**

Turnover

The Company has achieved a turnover of Rs. 15,538 crore during FY'20 against the turnover of Rs. 14,632 crore during FY'19 (increased by 6%).

Profit After Tax (PAT) and Dividend

The Company registered a PAT of Rs. 454 crore in FY'20, as against a PAT of Rs. 1,682 crore in FY'19. The Board of Directors of the Company has recommended final dividend of Rs. 2.00 per share on fully paid equity share par value of Rs. 100 each, subject to approval by the shareholders. The dividend amounts to Rs. 300 crore.

7. Hindustan Petroleum Corporation Ltd (HPCL)

HPCL has registered good performance during the FY'20 considering the specific challenges faced by the sector especially towards year end due to demand contraction on account of Covid 19 pandemic.

Refining throughput and Sales Volume

During 2019-20, HPCL refineries at Mumbai and Visakhapatnam achieved combined refining throughput of 17.18 Million Metric Tons (MMT) with capacity utilization of 109%. Both Mumbai and Vizag Refineries were up-graded to produce BS VI compliant transportation fuels and BS VI grade MS and HSD was rolled out pan India basis as per the timelines stipulated by Government of India. During 2019-20, HPCL achieved the highest ever sales volume of 39.6 MMT compared to previous year's sales of 38.7 MMT. HPCL commissioned record number of 1,194 new retail outlets and 245 new LPG distributorships during 2019-20 taking the number of total retail outlets to 16,476 and number of total LPG distributors to 6,110 as of 31st March, 2020

Gross Refinery Margin (GRM)

HPCL achieved combined Gross Refining Margin of USD 1.02/bbl during the year as compared to USD 5.01/bbl during 2018-19. GRMs were lower in comparison to previous year mainly due to inventory losses and reduced cracks in Diesel, LPG and FO.

Turnover, PAT and Dividend

Gross sales for the FY 19-20 were Rs. 2,86,250 crore as compared to Rs. 2,95,713 crore for the previous year. HPCL achieved the profit of Rs. 2,637 crores on standalone basis during the FY'20, as against profit of Rs. 6,029 crores during FY'19. For the year 2019-20, HPCL has proposed a final dividend of Rs. 9.75 per share.

8. Mangalore Refinery and Petrochemicals Ltd (MRPL)

Throughput
MRPL achieved throughput of 14.14 MMT for the FY'20 as against 16.43 MMT during last year.

Turnover
MRPL has achieved a turnover of Rs. 60,752 crore during FY'20 as against Rs. 72,315 crore during the FY'19.

Gross Refinery Margin (GRM)
MRPL registered a negative GRM of US$ 0.23/bbl during FY'20 as against positive GRM of US$ 4.06/bbl during FY'19.

Profit After Tax (PAT)

MRPL has posted loss After Tax of Rs. (2,708) crore in FY'20 as against profit of Rs. 332 crore in FY'19. The primary reason for reduction in GRM/profitability are disruptions in operations due to water shortage during Q1, landslide inside refinery during Q2 and impact of COVID in the last quarter.

9. ONGC Mangalore Petrochemicals Limited (OMPL)

ONGC continues to hold 49% of equity shares in OMPL and the rest is held by MRPL. The total Para-Xylene production for FY'20 was 659 KT, Benzene -165 KT and Paraffinic Raffinate -178 KT. The Company has introduced a new product, viz., Paraffinic Raffinate in the export market and started sale of Heavy Aromatics in domestic market. The Revenue from Operations was Rs. 4,954 Crore during FY 2019-20 as against Rs. 8,567 Crore during last year. The Company posted loss After Tax of Rs. (1,400) Crore in FY'20 as against a Profit after tax of Rs. 23 Crore during the FY'19. This was 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. The Company consistently maintained excellent safety record of zero LTI (Lost time Injury) in the past 4 years.

10. Petronet MHB Limited (PMHBL)

Petronet MHB Limited (PMHBL) is a subsidiary company of ONGC where ONGC and its subsidiary HPCL holds 49.99% shareholding each. Both ONGC and HPCL have increased their stake by 17.28% by acquiring additional shares from 8 public sector banks during the FY'20. PMHBL has earned revenue from operations of Rs. 111 crore with profit of Rs. 88 crore in FY'20.

11. ONGC Petro additions Limited (OPaL)

ONGC Petro Additions Ltd (OPaL) a JV company of ONGC has stabilized its operations and 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 1.65 Million Tonnes of polymer and chemical sales. Revenue from operations of OPaL during the year FY'20 has been Rs. 10,183 crore as against Rs. 9,739 crore during FY'19. During the year, much awaited Hazira Dahej Naphtha Pipeline was commissioned which will reduce the feed cost to OPaL and increase the profitability.

12. ONGC Tripura Power Company (OTPC)

OTPC's both power units of 363.3 MW each are fully operational. OTPC has earned revenue from operations of Rs. 1248 crore and PAT of Rs. 71 crore. OTPC has declared interim dividend at Rs. 0.30 per share and final dividend at Rs. 0.20 per share for FY'20, subject to approval of shareholders.

Oil and Natural Gas Corporation Ltd.

Press Release

Disclaimer

This Press Release is intended to apprise the public regarding the highlights of Audited Financial Results of ONGC on standalone and consolidated basis, for the year ended 31st March, 2020 approved by the Board of Directors in their meeting held on 30.06.2020, in addition to informing about other major and / or related highlights/ developments which in view of the management may be considered as important. These are not to be taken as forward looking statements and may not be construed as guidance for future investment decisions by investors / stakeholders.

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