



OIL INDIA LIMITED
Regd. Office : Duliajan-786602 , Assam
CIN: L11101AS1959GOI001148

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

(₹ in crore)

Particulars	Quarter ended			Year ended
	30.6.2020	31.03.2020	30.6.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
I. Revenue from operations	1743.92	2589.56	3373.36	12128.52
II. Other income	130.56	994.16	122.74	1520.19
III. Total Income (I+II)	1874.48	3583.72	3496.10	13648.71
IV. Expenses				
(a) Purchases of Stock-in-Trade	38.02	35.92	53.92	214.13
(b) Changes in Inventories of Finished Goods	(4.23)	39.86	20.18	43.47
(c) Employee Benefits Expense	438.99	436.60	454.48	1899.42
(d) Royalty & Cess	462.62	715.49	915.19	3314.61
(e) Contract Cost	195.56	226.97	188.78	895.36
(f) Consumption of Stores & Spares parts	45.54	46.26	51.02	194.68
(g) Finance Costs	127.75	132.72	123.47	498.80
(h) Depreciation, Depletion and Amortisation Expense	358.51	252.79	399.41	1491.83
(i) Other Expenses	370.22	2189.90	336.62	2976.31
Total Expenses	2032.98	4076.51	2543.07	11528.61
V. Profit before exceptional items and tax (III - IV)	(158.50)	(492.79)	953.03	2120.10
VI. Exceptional Items	93.39	-	-	-
VII. Profit / (Loss) before Tax (V-VI)	(251.89)	(492.79)	953.03	2120.10
VIII. Tax Expense:				
(1) Current Tax relating to :				
(i) Current Year	19.42	(283.29)	404.79	675.61
(ii) Earlier Years	-	(645.19)	-	(645.19)
(2) Deferred Tax	(22.70)	(489.95)	(76.56)	(494.38)
Total Tax Expenses (1+2)	(3.28)	(1418.43)	328.23	(463.96)
IX. Profit/(Loss) for the period from Continuing Operations (VII-VIII)	(248.61)	925.64	624.80	2584.06
X. Profit for the period from Discontinued Operations	-	-	-	-
XI. Tax Expense of Discontinued Operations	-	-	-	-
XII. Profit from Discontinued Operations after Tax (X-XI)	-	-	-	-
XIII. Profit / (Loss) for the period (IX+XII)	(248.61)	925.64	624.80	2584.06
XIV. Other Comprehensive Income (OCI)				
A (i) Items that will not be reclassified to profit or loss:				
(a) Remeasurement of the Defined Benefit Plans	(271.81)	(264.36)	12.41	(856.72)
(b) Equity Instruments through Other Comprehensive Income	179.67	(2131.72)	(337.49)	(3942.97)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.56)	317.58	14.38	421.65
B (i) Items that will be reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total Other Comprehensive Income (A+B)	(94.70)	(2078.50)	(310.70)	(4378.04)
XV. Total Comprehensive Income for the period (XIII+XIV)	(343.31)	(1152.86)	314.10	(1793.98)
XVI. Paid-up Equity Share Capital (Face value of ₹ 10 each)	1084.41	1084.41	1084.41	1084.41
XVII. Other Equity				23302.26
XVIII. Earnings Per Share (EPS) (for Continuing Operations)				
Basic & Diluted EPS (₹)	(2.29)	8.54	5.76	23.83
XIX. Earnings Per Share (EPS) (for Discontinued Operations)				
Basic & Diluted EPS (₹)	-	-	-	-
XX. Earnings Per Share (EPS) (for Discontinued & Continuing Operations)				
Basic & Diluted EPS (₹)	(2.29)	8.54	5.76	23.83

(i) Other income is mainly on account of interest/dividend from deposits/investments.

(ii) EPS for the period are not annualised.

(iii) Figures in parenthesis () represent negative figures.



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**STANDALONE SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR
THE QUARTER ENDED 30TH JUNE, 2020**

(₹ in crore)

Particulars	Quarter ended			Year ended
	30-06-2020	31-03-2020	30-06-2019	31-03-2020
	Unaudited	Audited	Unaudited	Audited
1. Segment Revenue				
(a) Crude Oil	1,199.57	2,010.92	2,610.78	9,365.22
(b) Natural Gas	387.87	447.66	577.75	2,168.01
(c) LPG	26.29	35.70	39.03	112.22
(d) Pipeline Transportation	87.60	64.62	91.03	327.50
(e) Renewable Energy	38.89	26.44	50.06	137.96
(f) Others	3.70	4.22	4.71	17.61
Total	1,743.92	2,589.56	3,373.36	12,128.52
Less : Inter Segment Revenue	-	-	-	-
Net Sales/ Income from Operations	1,743.92	2,589.56	3,373.36	12,128.52
2. Segment Results				
Profit Before Tax and Interest:				
(a) Crude Oil	(73.30)	360.03	857.97	3,065.58
(b) Natural Gas	41.92	57.07	215.69	556.58
(c) LPG	10.51	26.64	19.07	59.23
(d) Pipeline Transportation	(19.73)	(63.62)	(24.73)	(166.87)
(e) Renewable Energy	11.11	(4.77)	20.16	17.78
(f) Others	0.70	0.34	2.53	5.23
Total	(28.79)	375.69	1,090.69	3,537.53
Add: Interest/Dividend Income	91.98	943.80	104.48	1,377.89
Less: Interest Expenses	127.75	132.72	123.47	498.80
Less: Unallocable expenditure net of unallocable income	187.33	1,679.56	118.67	2,296.52
Profit / (Loss) Before Tax	(251.89)	(492.79)	953.03	2,120.10
3. Segment Assets				
(a) Crude Oil	9,208.13	9,169.82	9,254.74	9,169.82
(b) Natural Gas	6,016.49	6,069.33	5,137.20	6,069.33
(c) LPG	69.00	73.35	69.83	73.35
(d) Pipeline Transportation	1,618.32	1,655.34	1,470.71	1,655.34
(e) Renewable Energy	715.11	718.69	766.47	718.69
(f) Others	4.25	14.53	13.88	14.53
(g) Unallocated Assets	24,951.90	25,140.33	28,170.77	25,140.33
Total Segment Assets	42,583.20	42,841.39	44,883.60	42,841.39
4. Segment Liabilities				
(a) Crude Oil	4,106.13	4,048.04	3,205.12	4,048.04
(b) Natural Gas	1,586.19	1,651.49	1,087.21	1,651.49
(c) LPG	49.25	49.71	39.19	49.71
(d) Pipeline Transportation	378.98	398.56	247.42	398.56
(e) Renewable Energy	10.06	8.74	5.25	8.74
(f) Others	-	-	-	-
(g) Unallocated Liabilities	12,386.18	12,298.18	12,210.52	12,298.18
Total Segment Liabilities	18,516.79	18,454.72	16,794.71	18,454.72

Notes to standalone financial results for the quarter ended 30th June, 2020:

1. The above financial results for the quarter ended 30th June, 2020 have been reviewed & recommended by the Audit & Ethics Committee and approved by the Board of Directors in its meeting held on 21st August, 2020.
2. The Joint Statutory Auditors of the Company have carried out Limited Review of the financial results for the quarter ended 30th June, 2020 as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. The figures for the quarter ended 31st March, 2020 are the balancing figures between audited figures in respect of the full financial year ended 31st March, 2020 and the published year to date figures up to the nine months ended 31st December, 2019 which were subject to Limited Review.
4. The pay revision of Unionised Employees is due w.e.f. 1st January, 2017 and is under finalisation. A provision of ₹ 590.59 crore has been made in the accounts towards pay revision till 30th June, 2020.
5. The Company had received Show Cause cum Demand Notices (SCNs), from the Directorate General of Goods and Service Tax Intelligence (DGGSTI) seeking to levy of service tax along with interest and penalty on Royalty paid on Crude Oil & Natural Gas, levied under Oil Fields (Regulation & Development) Act, 1948 for the states of Assam, Arunachal Pradesh and Rajasthan for the period from March, 2016 to June, 2017. The Company had made detailed representations against these SCNs to the Appropriate Authorities disputing the levy on various grounds.

The SCN pertaining to the State of Rajasthan has been decided against the Company vide order dated 12th April, 2019 and the Company has already filed a writ before the Hon'ble High Court of Rajasthan, Jodhpur Bench against the order. The Writ has been admitted by the Hon'ble High Court of Rajasthan and hearing on the same is awaited. The SCN relating to the States of Assam & Arunachal Pradesh is yet to be disposed of.

The entire service tax demand as per the SCNs of ₹ 255.69 crore (For Assam & Arunachal Pradesh) and ₹ 1.44 crore (For Rajasthan) has been deposited under protest by the Company.

The Goods and Service Tax Act was implemented in the country w.e.f. 1st July, 2017 and as per the FAQ on Government Services issued by CBIC, GST is payable on Royalty paid for assignment of right to use natural resources.

The Company has obtained a legal opinion that Service Tax/GST is not payable on Royalty paid by the Company under the Oil Fields (Regulation & Development) Act, 1948.

However, as an abundant precaution the Company has been regularly depositing the GST on Royalty with intimation to the jurisdictional GST Authorities that the deposit is under protest. The Company has also claimed refund of the amount deposited till March, 2019, out of which the refund has been granted for two months for the State of Assam but subsequently SCNs have been issued by the GST Authority seeking to recover the refund already granted.

The amount deposited under protest till 30th June, 2020 is ₹ 894.37 crore (including interest) against GST liability till 30th April, 2020, out of which ₹ 24.41 crore has been received back as refund. This does not include ₹ 29.10 crore GST liability for the months of May and June 2020, which has been deposited later.

The entire liability amounting to Rs. 918.59 crore is considered as contingent liability.

6. The Company has challenged the levy of Service Tax/GST on Royalty paid under the Oil Fields (Regulation & Development) Act, 1948 on various grounds before the Jodhpur Bench of Hon'ble Rajasthan High Court and the Hon'ble Gauhati High Court. Considering the expert opinion and in the light of various judicial pronouncements, pending adjudication of the matter, the Service Tax /GST paid under protest has been

claimed as allowable deduction under the Income Tax Act, 1961. This has resulted in reduction in outflow of current tax for the quarter ended 30th June, 2020 by ₹ 13.78 crore.

7. The Company holds National Long Distance Service Licence ("NLD Licence") with primary objective of monitoring and operation of its pipeline network. The surplus band – width capacity available with the Company has been leased out to the telecom operators / other users and the Company has been regularly paying the applicable licence fees to the Department of Telecommunications (DOT).

DOT had raised a demand of ₹ 48,489 crore on the Company for the period from 2007 – 08 to 2018 – 19 considering revenue of the Company from its Petroleum, Exploration & Production ("E&P") business under the 'Miscellaneous Revenue' head in Adjusted Gross Revenue (AGR).

Hon'ble Supreme Court in its recent judgment dated 11th June, 2020 quashed the demand raised by DOT stating that Public Sector Undertakings are not in the business of providing mobile services to the general public and requirement of licence may be based upon internal requirements and not for commercial exploitation. Further, Hon'ble Supreme Court vide order dated 18th June, 2020 also directed to withdraw the demand with respect to Public Sector Undertakings. Subsequently, DOT vide letter no. 12-25/2019-LFP dated 13th July, 2020 has withdrawn the demand raised on the Company.

8. The Board of Directors of the Company in its meeting held on 28th November, 2016 had accorded in principle approval for voluntary liquidation of Oil India International Limited (OIIL), a wholly owned subsidiary. Ministry of Petroleum & Natural Gas (MoP & NG) vide its letter No. O-12027/11/341/2017-ONG-II (18870) dated 20th May, 2019 accorded its approval for winding up of OIIL. Consequently, liquidator has been appointed in the extra-ordinary general meeting of OIIL held on 30th September, 2019. The voluntary liquidation is under process. Pursuant to liquidation proceedings, the investment in OIIL has been classified as "Unquoted measured at fair value through Statement of Profit and Loss".
9. The Company is maintaining an irrevocable Trust Fund named as "Oil India Employees' Pension Fund" (OIEPF) for providing pensionary benefit to its employees. The Board of Directors in its 501st meeting held on 23rd April, 2019 accorded approval to give an opportunity to the employees, including, separated employees, to exercise their option to contribute on the basis of Actual Salary. Accordingly, option for exercising the contribution on the basis of actual salary was given to employees including separated employees. Actuarial valuation as on 31st March, 2020 was carried out to quantify the net deficit to be borne by the Company. Based on the actuarial valuation report, the Company has provided ₹ 37.22 crore in the Statement of Profit and Loss and ₹ 257.68 crore has been routed through Other Comprehensive Income during the quarter ending 30th June, 2020. The liability of the Company towards the Trust Fund is ₹ 2,065.22 crore as on 30th June, 2020 and the same is disclosed under Other Current Liabilities in the Accounts.
10. During the Quarter, the Company has assessed the potential impact of Covid-19 pandemic on its existing operations.

The Company does not anticipate any significant challenge in continuing its operations and meeting financial obligations. Hence, no impact is expected on Company's ability to continue as a going concern and meeting its obligations.

Due to outbreak of Covid-19, there is no significant effect on useful life / residual life of Property, Plant and Equipment, Trade Receivable, Inventories and Lease Arrangements.

11. A blowout occurred in producing well (Baghjan #5) in Baghjan Oilfield, Tinsukia district, Assam on 27th May, 2020 and on 9th June, 2020, the well caught fire. To control the blowout, all necessary remedial actions been undertaken by the Company. The total losses/damages arising out of the blowout can be assessed on successful control of the blowout. However, as on 30th June, 2020, the expenditure incurred to control the blowout is estimated at ₹ 93.39 crores and the same has been shown as Exceptional Item in the Statement of Profit and Loss.

12. Figures of previous periods' have been regrouped/reclassified, wherever necessary, to conform to current period's classification.

For Oil India Limited

HARISH
MADHAV
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by HARISH
MADHAV
Date: 2020.08.21
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(Harish Madhav)
Director (Finance)
DIN: 08489650

Place: Noida
Date: 21.08.2020



OIL INDIA LIMITED
Regd. Office : Duliajan, Assam - 786602
CIN: L11101AS1959GOI001148

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

(₹ in crore)

Particulars	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	Unaudited	Audited	Unaudited	Audited
I. Revenue from operations	1749.71	2607.38	3380.87	12166.64
II. Other income	130.18	709.91	125.71	1150.76
III. Total Income (I+II)	1879.89	3317.29	3506.58	13317.40
IV. Expenses				
(a) Purchases of Stock-in-Trade	38.02	35.92	53.92	214.13
(b) Changes in Inventories of Finished Goods	(4.23)	39.86	20.18	43.47
(c) Employee Benefits Expense	439.35	437.24	454.83	1901.21
(d) Royalty & Cess	462.89	715.57	915.81	3316.49
(e) Contract Cost	195.56	226.97	188.78	895.36
(f) Consumption of Stores & Spares parts	45.54	46.26	51.02	194.68
(g) Finance Costs	166.66	169.40	159.17	644.63
(h) Depreciation, Depletion and Amortisation Expense	360.64	270.92	407.42	1536.79
(i) Other Expenses	391.40	1582.78	343.23	2387.50
Total Expenses	2095.83	3524.92	2594.36	11134.26
V. Profit before exceptional items, share of net profit of Associates and Joint Ventures accounted for using the equity method and tax (III - IV)	(215.94)	(207.63)	912.22	2183.14
VI. Exceptional Items	93.39	-	-	-
VII. Share of Profit of Associates and Joint Ventures accounted for using the equity method	369.54	475.20	284.33	1317.51
VIII. Profit before Tax (V-VI+VII)	60.21	267.57	1196.55	3500.65
IX. Tax Expense:				
(1) Current Tax relating to :				
(i) Current Year	19.43	(224.37)	405.43	748.37
(ii) Earlier Years	-	(645.19)	-	(645.19)
(2) Deferred Tax	14.49	(460.27)	(56.12)	(418.09)
Total Tax Expenses (1+2)	33.92	(1329.83)	349.31	(314.91)
X. Profit for the period from Continuing Operations (VIII-IX)	26.29	1597.40	847.24	3815.56
XI. Profit for the period from Discontinued Operations	-	-	-	-
XII. Tax Expense of Discontinued Operations	-	-	-	-
XIII. Profit from Discontinued Operations after Tax (XI-XII)	-	-	-	-
XIV. Profit for the period (X+XIII)	26.29	1597.40	847.24	3815.56
XV. Other Comprehensive Income (OCI)				
A(i) Items that will not be reclassified to profit or loss:				
(a) Remeasurement of the Defined Benefit Plans	(271.81)	(264.36)	12.41	(856.72)
(b) Equity Instruments through Other Comprehensive Income	179.67	(2131.72)	(337.49)	(3942.97)
(c) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss	(2.04)	(5.60)	0.10	(8.29)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(2.56)	317.58	14.38	421.65
B (i) Items that will be reclassified to profit or loss:				
(a) Exchange difference in translating the financial statements of foreign operations	16.92	309.15	(8.91)	448.16
(b) Share of other comprehensive income in associates and joint ventures, to the extent that may be reclassified to profit or loss	(1514.40)	746.13	387.49	1556.28
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total Other Comprehensive Income (A+B)	(1594.22)	(1028.82)	67.98	(2381.89)
XVI. Total Comprehensive Income for the period (XIV+XV)	(1567.93)	568.58	915.22	1433.67
XVII. Paid-up Equity Share Capital (Face value of ₹ 10 each)	1084.41	1084.41	1084.41	1084.41
XVIII. Other Equity				27764.28
XIX. Earnings Per Share (EPS) (for Continuing Operations)				
Basic & Diluted EPS (₹)	0.24	14.73	7.81	35.19
XX. Earnings Per Share (EPS) (for Discontinued Operations)				
Basic & Diluted EPS (₹)	-	-	-	-
XXI. Earnings Per Share (EPS) (for Discontinued & Continuing Operations)				
Basic & Diluted EPS (₹)	0.24	14.73	7.81	35.19

(i) Other income is mainly on account of interest/dividend from deposits/investments.

(ii) EPS for the period are not annualised.

(iii) Figures in parenthesis () represent negative figures.



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**CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR
 THE QUARTER ENDED 30TH JUNE, 2020**

(₹ in crore)

Particulars	Quarter ended			Year ended
	30-06-2020	31-03-2020	30-06-2019	31-03-2020
	Unaudited	Audited	Unaudited	Audited
1. Segment Revenue				
(a) Crude Oil	1,205.21	2,028.09	2,617.94	9,401.53
(b) Natural Gas	388.02	448.31	578.10	2,169.82
(c) LPG	26.29	35.70	39.03	112.22
(d) Pipeline Transportation	87.60	64.62	91.03	327.50
(e) Renewable Energy	38.89	26.44	50.06	137.96
(f) Others	3.70	4.22	4.71	17.61
Total	1,749.71	2,607.38	3,380.87	12,166.64
Less : Inter Segment Revenue	-	-	-	-
Net Sales/ Income from Operations	1,749.71	2,607.38	3,380.87	12,166.64
2. Segment Results				
Profit Before Tax and Interest:				
(a) Crude Oil	(70.41)	75.03	856.14	2,769.96
(b) Natural Gas	42.07	57.65	216.04	558.31
(c) LPG	10.51	26.64	19.07	59.23
(d) Pipeline Transportation	(19.73)	(63.62)	(24.73)	(166.87)
(e) Renewable Energy	11.11	(4.77)	20.16	17.78
(f) Others	0.70	0.34	2.53	5.23
Total	(25.75)	91.27	1,089.21	3,243.64
Add: Share of Profit of Associates and Joint Ventures accounted for using the equity method	369.54	475.20	284.33	1,317.51
Add: Interest/Dividend Income	93.47	661.42	109.32	1,046.29
Less: Interest Expenses	166.66	169.40	159.17	644.63
Less: Unallocable expenditure net of unallocable income	210.39	790.92	127.14	1,462.16
Profit / (Loss) Before Tax	60.21	267.57	1,196.55	3,500.65
3. Segment Assets				
(a) Crude Oil	9,272.96	9,246.42	9,615.52	9,246.42
(b) Natural Gas	6,016.51	6,069.35	5,137.29	6,069.35
(c) LPG	69.00	73.35	69.83	73.35
(d) Pipeline Transportation	1,618.32	1,655.34	1,470.71	1,655.34
(e) Renewable Energy	715.11	718.69	766.47	718.69
(f) Others	4.25	14.53	13.88	14.53
(g) Unallocated Assets	32,264.86	33,665.75	33,363.85	33,665.75
Total Segment Assets	49,961.01	51,443.43	50,437.55	51,443.43
4. Segment Liabilities				
(a) Crude Oil	4,153.22	4,135.97	3,240.09	4,135.97
(b) Natural Gas	1,586.19	1,651.50	1,087.23	1,651.50
(c) LPG	49.25	49.71	39.19	49.71
(d) Pipeline Transportation	378.98	398.56	247.42	398.56
(e) Renewable Energy	10.06	8.74	5.25	8.74
(f) Others	-	-	-	-
(g) Unallocated Liabilities	16,479.50	16,350.26	15,899.08	16,350.26
Total Segment Liabilities	22,657.20	22,594.74	20,518.26	22,594.74

Notes to consolidated financial results for the quarter ended 30th June, 2020:

1. The above financial results for the quarter ended 30th June, 2020 have been reviewed and recommended by the Audit & Ethics Committee and approved by the Board of Directors in their respective meetings held on 21st August, 2020.
2. The Joint Statutory Auditors of the Company have carried out Limited Review of the financial results for the quarter ended 30th June, 2020 as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.
3. The figures for the quarter ended 31st March, 2020 are the balancing figures between audited figures in respect of the full financial year ended 31st March, 2020 and the published year to date figures up to the nine months ended 31st December, 2019 which were subject to Limited Review.
4. The Board of Directors of the Company in its meeting held on 28th November, 2016 had accorded in principle approval for voluntary liquidation of Oil India International Limited (OIIL), a wholly owned subsidiary. Ministry of Petroleum & Natural Gas (MoP& NG) vide its letter No. O-12027/11/341/2017-ONG-II (18870) dated 20th May, 2019 accorded its approval for winding up of OIIL. Consequently, liquidator has been appointed in the extra-ordinary general meeting of OIIL held on 30th September, 2019. The voluntary liquidation is under process. Pursuant to liquidation proceedings, the investment in OIIL has been classified as "Unquoted measured at fair value through Statement of Profit and Loss".
5. The Company had received Show Cause cum Demand Notices (SCNs), from the Directorate General of Goods and Service Tax Intelligence (DGGSTI) seeking to levy of service tax along with interest and penalty on Royalty paid on Crude Oil & Natural Gas, levied under Oil Fields (Regulation & Development) Act, 1948 for the states of Assam, Arunachal Pradesh and Rajasthan for the period from March, 2016 to June, 2017. The Company had made detailed representations against these SCNs to the Appropriate Authorities disputing the levy on various grounds.

The SCN pertaining to the State of Rajasthan has been decided against the Company vide order dated 12th April, 2019 and the Company has already filed a writ before the Hon'ble High Court of Rajasthan, Jodhpur Bench against the order. The Writ has been admitted by the Hon'ble High Court of Rajasthan and hearing on the same is awaited. The SCN relating to the States of Assam & Arunachal Pradesh is yet to be disposed of.

The entire service tax demand as per the SCNs of ₹ 255.69 crore (For Assam & Arunachal Pradesh) and ₹ 1.44 crore (For Rajasthan) has been deposited under protest by the Company.

The Goods and Service Tax Act was implemented in the country w.e.f. 1st July, 2017 and as per the FAQ on Government Services issued by CBIC, GST is payable on Royalty paid for assignment of right to use natural resources.

The Company has obtained a legal opinion that Service Tax/GST is not payable on Royalty paid by the Company under the Oil Fields (Regulation & Development) Act, 1948.

However, as an abundant precaution the Company has been regularly depositing the GST on Royalty with intimation to the jurisdictional GST Authorities that the deposit is under protest. The Company has also claimed refund of the amount deposited till March, 2019, out of which the refund has been granted for two months for the State of Assam but subsequently SCNs have been issued by the GST Authority seeking to recover the refund already granted.

The amount deposited under protest till 30th June, 2020 is ₹ 894.37 crore (including interest) against GST liability till 30th April, 2020, out of which ₹ 24.41 crore has been received back as refund. This does not include ₹ 29.10 crore GST liability for the months of May and June 2020, which has been deposited later.

The entire liability amounting to ₹ 918.59 crore is considered as contingent liability.

6. The Company has challenged the levy of Service Tax/GST on Royalty paid under the Oil Fields (Regulation & Development) Act, 1948 on various grounds before the Jodhpur Bench of Hon'ble Rajasthan High Court and the Hon'ble Gauhati High Court. Considering the expert opinion and in the light of various judicial pronouncements, pending adjudication of the matter, the Service Tax /GST paid under protest has been claimed as allowable deduction under the Income Tax Act,1961.This has resulted in reduction in outflow of current tax for the quarter ended 30th June, 2020 by ₹ 13.78 crore.
7. A blowout occurred in producing well (Baghjan #5) in Baghjan Oilfield, Tinsukia district, Assam on 27th May, 2020 and on 9th June, 2020, the well caught fire. To control the blowout, all necessary remedial actions been undertaken by the Company. The total losses/damages arising out of the blowout can be assessed on successful control of the blowout. However, as on 30th June, 2020, the expenditure incurred to control the blowout is estimated at ₹ 93.39 crores and the same has been shown as Exceptional Item in the Statement of Profit and Loss.
8. During the Quarter, the Company has assessed the potential impact of Covid-19 pandemic on its existing operations.

The Company does not anticipate any significant challenge in continuing its operations and meeting financial obligations. Hence, no impact is expected on Company's ability to continue as a going concern and meeting its obligations.

Due to outbreak of Covid-19, there is no significant effect on useful life / residual life of Property, Plant and Equipment, Trade Receivable, Inventories and Lease Arrangements.

9. Figures of previous periods have been regrouped/reclassified, wherever necessary, to conform to current period's classification.

For Oil India Limited

HARISH MADHAV
MADHAV

Digitally signed by
HARISH MADHAV
Date: 2020.08.21
17:23:27 +05'30'

(Harish Madhav)
Director (Finance)
DIN: 08489650

Place: Noida
Date: 21stAugust, 2020