Integrated Annual Report
2020-21

इंडियनऑयल
IndianOil

Tiding over Challenges, Always.

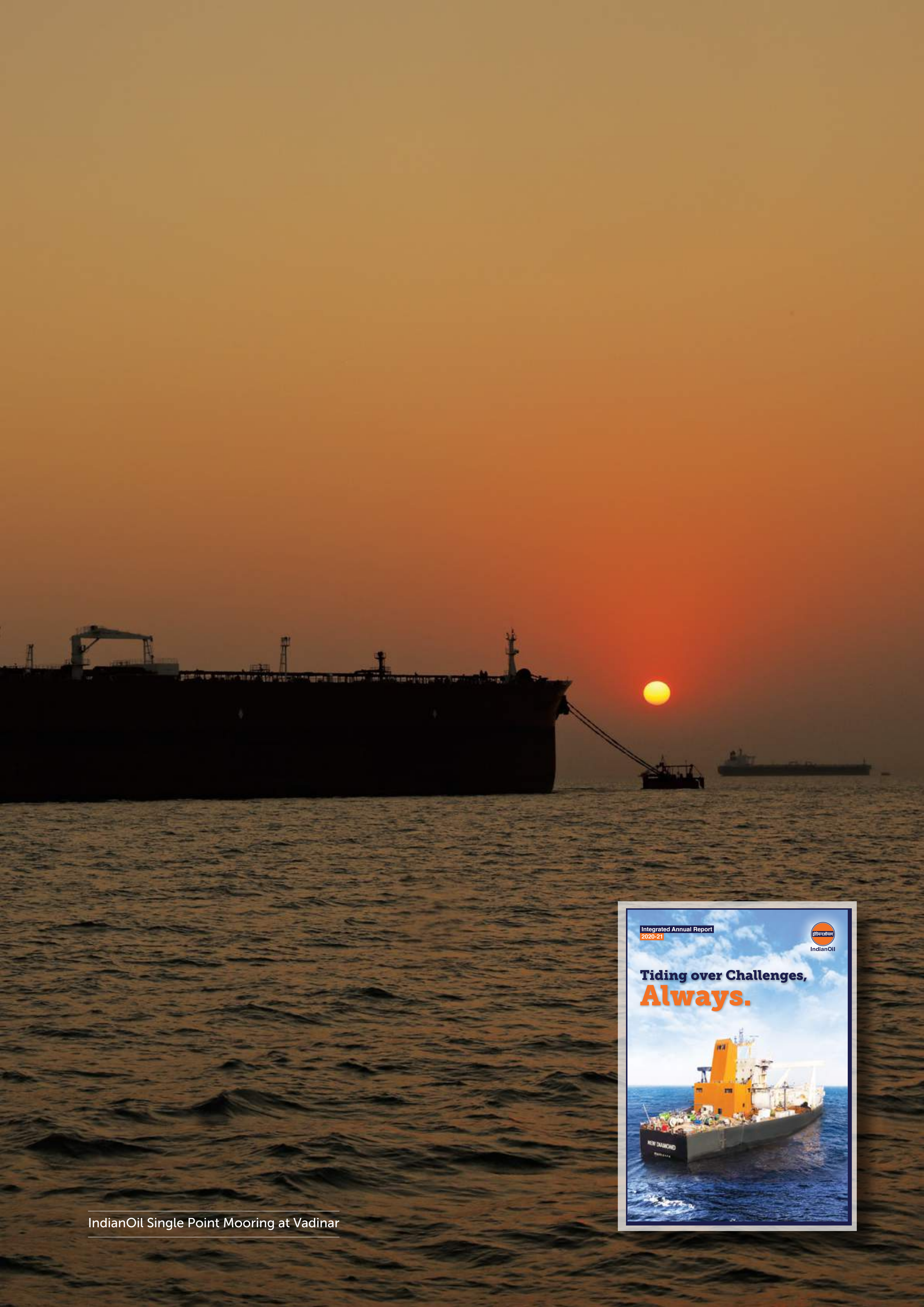
Tiding over Challenges, Always.

Adversity challenges established norms, tests patience and encourages perseverance. Those who overcome adversity, uncover myriad opportunities amidst hardship. At IndianOil, we are committed to weather the storm and rise above any crisis – always!

Human history is replete with instances of how teamwork and determination have helped overcome odds and created new milestones of progress. The spirit of rising to the occasion with hope and courage, came to the forefront when the engine room of the crude oil carrier, MT New Diamond, caught fire on international waters, as it headed towards IndianOil's Paradip Refinery. Through close collaboration and inspired efforts of national and international agencies, a major ecological disaster was averted.

The year 2020 will also stand out as a remarkable testimony to human resilience. It was a watershed year that impacted every facet of our existence. As the world grappled with a devastating pandemic, Team IndianOil remained resolutely focused on our objectives and ensured steady supply of essentials in the remotest corners of the country. Inspired by the mantra of 'Nation first', we shouldered the responsibility of moving the wheels of the economy.

Meeting the energy demands of millions of Indians, we continue to challenge our limits – fulfilling our responsibility of shaping a new energy future. This Integrated Annual Report is thus a celebration of the indomitable spirit of Team IndianOil to tide over every challenge, continuing its journey as the 'Energy of India'.



IndianOil Single Point Mooring at Vadinar

Welcome to IndianOil's Integrated Annual Report 2020-21

This is **IndianOil's Integrated Annual Report** for the year ended March 31, 2021. IndianOil's aim in producing this report is to provide a comprehensive and detailed overview of the Company's operations, strategy, and performance. In this report, we look at the trends and challenges in our business, at our strategies, and at how we create value through a responsible approach towards business.

Integrated & Sustainable Thinking

Integrated and sustainable thinking is intrinsic to how we manage our business and create value for our stakeholders. Our six strategic pillars ensure that we manage our resources and relationships in such a manner that they create value over time. A consolidated assessment of the six capitals (as per the International Integrated Reporting Council, or IIRC, framework) provide both our strategy as well as the internal materiality process we have used to determine the content and structure of this report. In addition, our activities also contribute to the United Nations Sustainable Development Goals (SDGs) covering a range of multi-stakeholder goals that we aspire to achieve.

Reporting Frameworks

The present report follows the IIRC framework, which allows us to tell our members and other stakeholders how we create value for them.

Scan this QR code to know more about the IIRC: www.integratedreporting.org/

The financial and statutory data presented in this report are in line with the requirements of the Companies Act, 2013 and rules notified thereunder, the Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards.

Reporting Period

This integrated report primarily covers the 12-month period from April 1, 2020 to March 31, 2021. However, certain sections of this report represent facts and figures of the previous years as well. The details and information in the *Integrated Report* pertain to Indian Oil Corporation Limited on a standalone basis, unless otherwise specified. Both the financial and non-financial aspects are in accordance with the applicable laws, regulations and standards of the Republic of India.

Forward-looking Statements

We have exercised utmost care in the preparation of this report. It might include forecasts and/ or information relating to forecasts. Facts, expectations, and past data are typically the basis of forecasts. As with all forward looking statements, the actual result may deviate from the forecast. As a result, we can provide no assurance on the correctness, completeness, and up-to-date nature of the information for our forward-looking statements, as well as for those declared as taken from third parties. Reader discretion is advised. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

For more information visit

www.iocl.com

or scan QR code

Read more across the pages

Introducing IndianOil

Taking the Lead to Fuel India's Energy Needs

Indian Oil Corporation Limited (IndianOil) is the country's largest integrated and diversified energy company. IndianOil's presence across the entire hydrocarbon value chain allows it to create sustainable business outcomes.

Today, IndianOil accounts for the largest market share of India's petroleum product consumption. As a 'Maharatna' company, we address the multiple energy needs of the nation with our integrated business model, leading from the front as a responsible energy major.

VISION

Ethics
Setting high standards for ethics and values

Customers
Fostering relationships for a lifetime

People
Leading with passion to excel

इंडियनऑयल
IndianOil

The Energy of India
A Globally Admired Company

Technology
Harnessing frontier technology

Innovation
Pioneering the spirit of creativity and research

Environment
Caring for the environment and community

VALUES

Care • Innovation • Passion • Trust

A view of IndianOil Panipat Refinery

Our journey over the years...

IndianOil slowly and steadily rose to a position of leadership with its ubiquitous presence and its diligence to make a mark in the lives of the citizens of India. For over six decades now, we have contributed to the growth of the nation, relying on our inherent strengths and innovations to reset industry benchmarks time and again.

Every milestone of our existence heralded new opportunities as we continued to broaden the scope of our operations. Our strong desire to establish a visionary brand, allowed us to adapt and change with time, consistently creating value for our stakeholders.

Over the years, IndianOil has reached out to customers in every corner of the country. With rapid advances in our operational methods, we have strengthened our pipeline network, diversified into sustainable products, supported social endeavours and have ensured stellar business performance year after year – bearing testimony to the immense potential of a truly global organisation.

1958

Indian Refineries Limited established

1959

Indian Oil Company Limited formed. First office at Botawala Chambers, Bombay

1960

First parcel of diesel received from Russia

1962

Guwahati Refinery, first public sector refinery inaugurated

First fuel station at Anjar

First export cargo to Bhutan

1998

IndianOil enters LNG business through Petronet LNG

Panipat Refinery commissioned

2000

IndianOil Foundation set up

IndianOil enters Exploration and Production

2001

IndianOil (Mauritius) Ltd. registered

CPCL & BRPL become subsidiary Companies

2002

IndianOil Autogas launched

Controlling stake acquired in IBP Co. Ltd.

2003

Lanka IOC incorporated

Launch of premium fuel XTRAPREMIUM

INDMAX unit commissioned at Guwahati Refinery

2004

IndianOil, first Indian corporate to touch ₹ 1,50,000 Crore turnover

Entry into petrochemicals with LAB plant at Gujarat Refinery

2005

10000[th] fuel station at Tirupati

2007

IBP Co. Ltd. merged with IndianOil

1964

Indian Refineries Ltd. merged with Indian Oil Co. Ltd. and renamed as Indian Oil Corporation Limited

IndianOil enters aviation business; first supply to IAF

First product pipeline commissioned

1965

Barauni Refinery commissioned

IndianOil Aviation enters civil aviation

Indane Cooking Gas launched in Calcutta (Kolkata)

1966

Gujarat Refinery dedicated to the nation

1969

Madras Refineries Ltd. (JV) commissioned

1972

IndianOil R&D Centre established

SERVO, the first indigenous lubricant brand launched

1975

World's highest altitude fuel station comes up at Leh

Haldia Refinery commissioned

1981

Assam Oil Company Limited/Digboi Refinery merged with IndianOil

1982

Mathura Refinery commissioned

1993

India's first Hydrocracker commissioned at Gujarat (Koyali) Refinery

1995

IndianOil shares listed on BSE

IndianOil Institute of Petroleum Managment (IiPM) inaugurated at Gurgaon

2009

Amalgamation of BRPL / Bongaigaon Refinery with IndianOil

India's first solar energy station at Puri

2010

IndianOil gets Maharatna status

Panipat Naphtha Cracker goes on-stream strengthening IndianOil's petrochemical presence

Petrochemical Brand PROPEL launched

2012

20000th fuel station commissioned

2016

Paradip Refinery commissioned

100th AFS at Rourkela

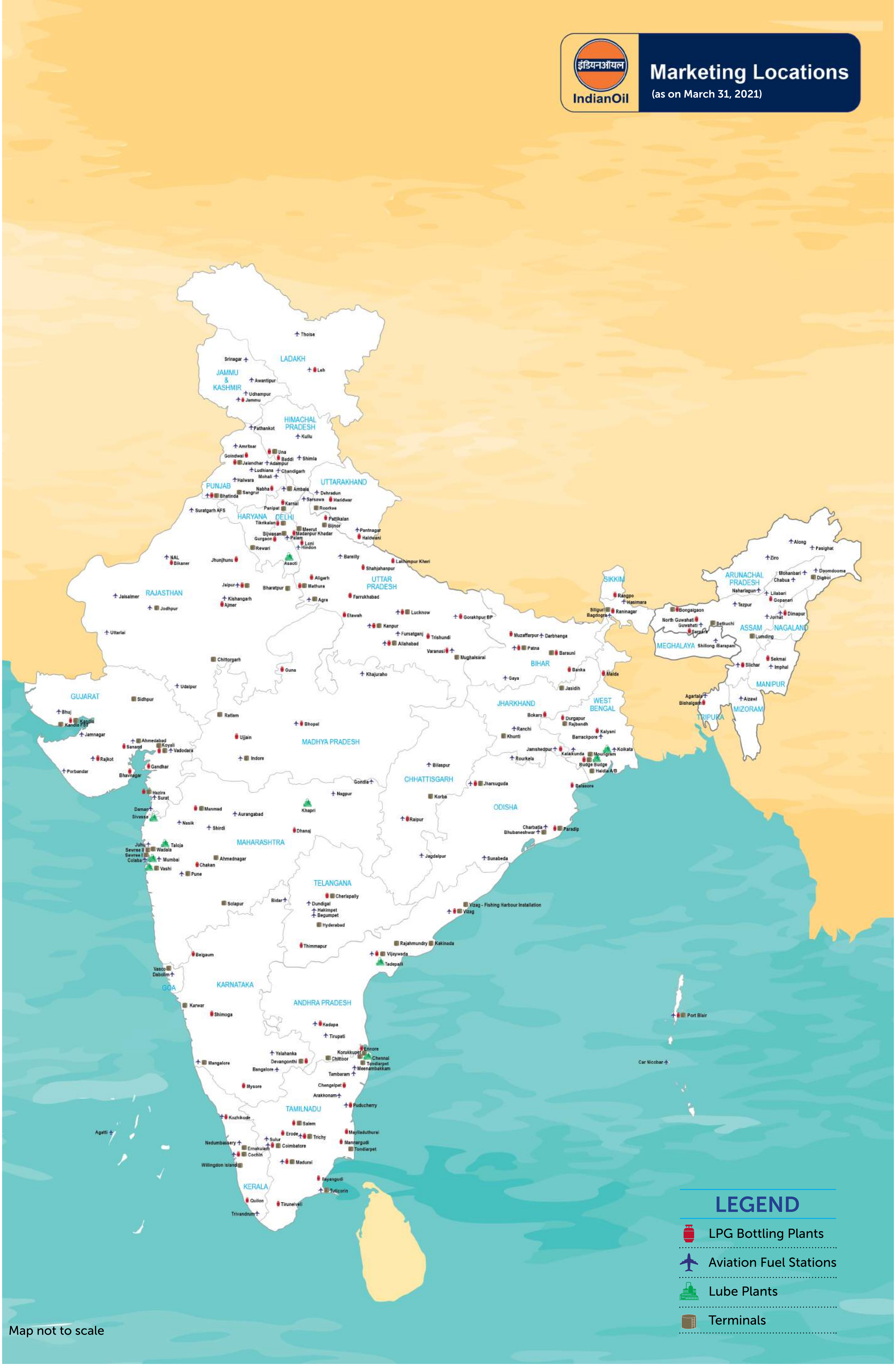
2020

IndianOil leads pan-India rollout of BS-VI fuels

CBG retailing begins under IndiGreen brand

India's first 100 Octane petrol XP100 and value added Indane XtraTej launched

30000th fuel station commissioned


IndianOil
Marketing Locations
(as on March 31, 2021)
LADAKH
JAMMU & KASHMIR
HIMACHAL PRADESH
PUNJAB
UTTARAKHAND
HARYANA
DELHI
RAJASTHAN
UTTAR PRADESH
SIKKIM
ARUNACHAL PRADESH
ASSAM
NAGALAND
MEGHALAYA
MANIPUR
TRIPURA
MIZORAM
BIHAR
JHARKHAND
WEST BENGAL
GUJARAT
MADHYA PRADESH
CHHATTISGARH
ODISHA
MAHARASHTRA
TELANGANA
GOA
KARNATAKA
ANDHRA PRADESH
TAMILNADU
KERALA
Thoise
Srinagar
Leh
Awantipur
Udhampur
Jammu
Pathankot
Kullu
Amritsar
Una
Baddi
Shimla
Jalandhar
Adampur
Ludhiana
Chandigarh
Mohali
Halwara
Nabha
Ambala
Bhatinda
Sangrur
Dehradun
Sarsawa
Haridwar
Karnal
Panipat
Roorkee
Suratgarh AFS
Tikrikalan
Pattikalan
Bijnor
Meerut
Madanpur Khadar
Bijwasan
Gurgaon
Palam
Loni
Hindon
Rewari
Pantnagar
Haldwani
NAL Bikaner
Jhunjhunu
Asaoti
Bareilly
Lakhimpur Kheri
Shahjahanpur
Aligarh
Mathura
Jaipur
Bharatpur
Jaisalmer
Kishangarh
Ajmer
Agra
Farrukhabad
Jodhpur
Lucknow
Gorakhpur BP
Etawah
Kanpur
Fursatganj
Trishundi
Allahabad
Varanasi
Mughalsarai
Uttarlai
Muzaffarpur
Darbhanga
Patna
Barauni
Chittorgarh
Guna
Khajuraho
Banka
Malda
Gaya
Jasidih
Udaipur
Sidhpur
Bhuj
Kandla
Jamnagar
Ratlam
Bhopal
Ahmedabad
Sanand
Koyali
Vadodara
Ujjain
Rajkot
Porbandar
Indore
Bhavnagar
Gandhar
Hazira
Surat
Daman
Silvassa
Manmad
Aurangabad
Khapri
Nagpur
Gondia
Nasik
Shirdi
Dhanaj
Juhu
Taloja
Sewree II
Wadala
Sewree I
Colaba
Mumbai
Vashi
Ahmednagar
Chakan
Pune
Bokaro
Durgapur
Rajbandh
Kalyani
Barrackpore
Ranchi
Khunti
Jamshedpur
Kalaikunda
Mourigram
Kolkata
Rourkela
Budge Budge
Haldia A/B
Balasore
Bilaspur
Jharsuguda
Korba
Raipur
Charbatia
Bhubaneshwar
Paradip
Jagdalpur
Sunabeda
Rangpo
Hasimara
Siliguri
Bagdogra
Raninagar
Bongaigaon
North Guwahati
Guwahati
Betkuchi
Barpeta
Shillong
Barapani
Lumding
Silchar
Sekmai
Imphal
Agartala
Bishalgarh
Aizawl
Along
Pasighat
Ziro
Mohanbari
Doomdooma
Chabua
Digboi
Naharlagun
Lilabari
Gopanari
Tezpur
Jorhat
Dimapur
Solapur
Bidar
Dundigal
Cherlapally
Hakimpet
Begumpet
Hyderabad
Vizag - Fishing Harbour Installation
Vizag
Rajahmundry
Kakinada
Thimmapur
Vijayawada
Tadepalli
Belgaum
Vasco
Dabolim
Karwar
Shimoga
Kadapa
Tirupati
Yelahanka
Devangonthi
Korukkupet
Ennore
Chittoor
Chennai
Tondiarpet
Meenambakkam
Bangalore
Tambaram
Mangalore
Chengelpet
Mysore
Arakkonam
Puducherry
Kozhikode
Salem
Agatti
Erode
Trichy
Sulur
Nedumbassery
Coimbatore
Ernakulam
Cochin
Mayiladuthurai
Manargudi
Toodiarpet
Madurai
Willingdon Island
Ilayangudi
Tuticorin
Quilon
Tirunelveli
Trivandrum
Port Blair
Car Nicobar
LEGEND
LPG Bottling Plants
Aviation Fuel Stations
Lube Plants
Terminals
Map not to scale

Refineries, Pipelines, R&D
(as on March 31, 2021)

Details of Group Refineries

REFINERY (LOCATION)	CAPACITY IN MMTPA (as on 31st March, 2021)
Digboi	0.65
Guwahati	1.00
Barauni	6.00
Gujarat (Koyali)	13.70
Haldia	8.00
Bongaigaon	2.70*
Mathura	8.00
Panipat	15.00
Paradip	15.00
CPCL (Subsidiary) Refinery	
Manali, Chennai	10.50
Total	80.55

*Capacity realisation after commissioning of OIL pipeline

Details of Pipelines Network

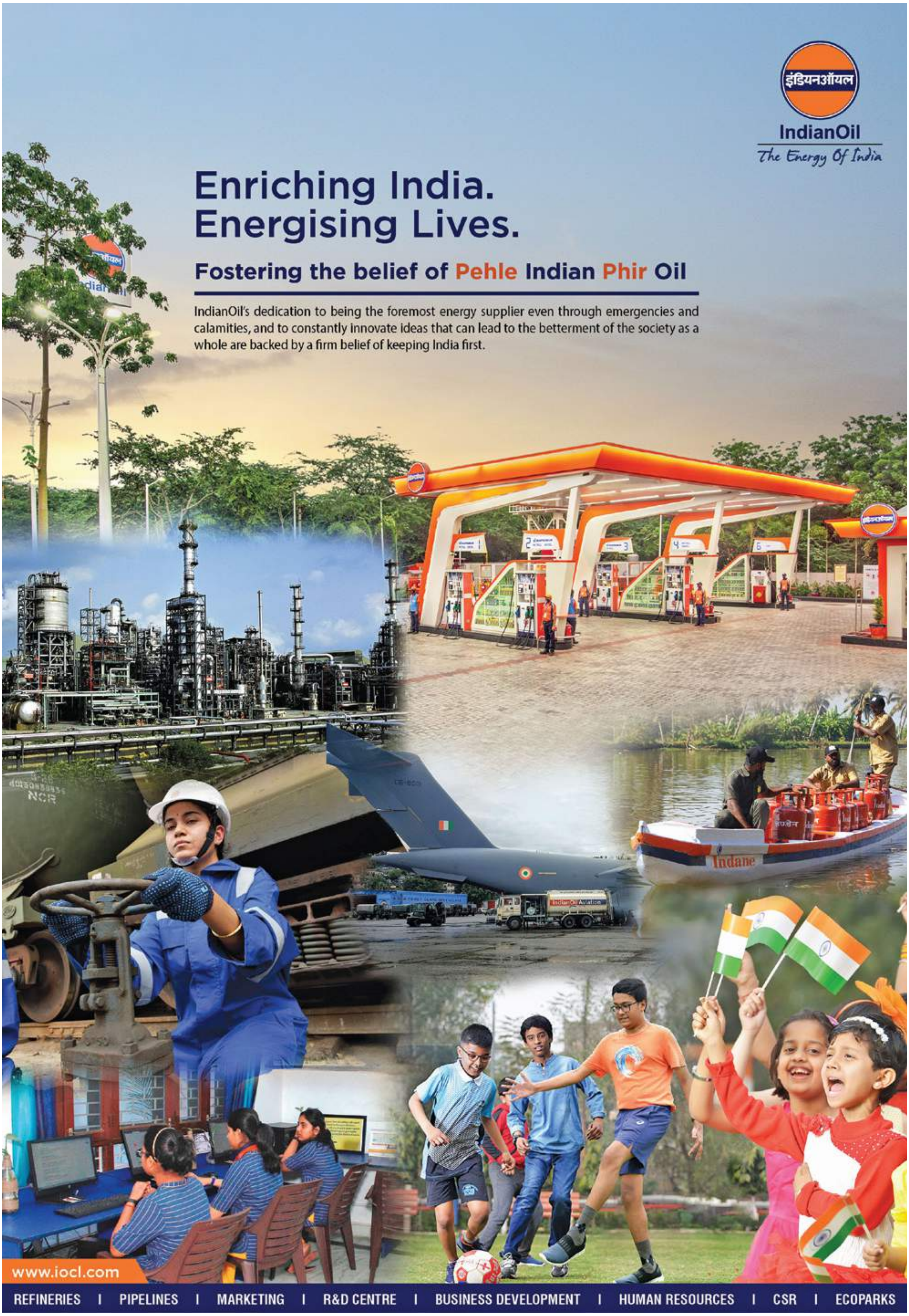
S.NO.	PIPELINE	LENGTH (KM)	CAPACITY (MMTPA)
	Product Pipelines (as on March 31, 2021)		
1	Koyali Ahmedabad Pipeline	79	1.10
2	Koyali Sanganer Pipeline with extension upto Panipat via JPNPL	1644	5.00
3	Koyali Dahej Pipeline	197	2.60
4	Koyali Ratlam Pipeline	265	2.00
5	Barauni Kanpur Pipeline and branch line to Motihari, Baitalpur and Amlekhgunj	1227	3.50
6	Haldia Mourigram Rajbandh Pipeline	277	1.35
7	Haldia Barauni Pipeline	526	1.25
8	Guwahati Siliguri Pipeline	435	1.40
9	Panipat Bhatinda Pipeline	219	1.50
10	Panipat Rewari Pipeline	155	2.10
11	Panipat Ambala Jalandhar Pipeline and branch line to Una	495	3.50
12	Panipat Delhi Pipeline	189	3.00
13	Panipat Bijwasan ATF line	111	
14	Mathura Delhi Pipeline	147	3.70
15	Mathura Tundla Pipeline	56	1.20
16	Mathura Bharatpur Pipeline	21	
17	Chennai Trichy Madurai Pipeline	683	2.30
18	Chennai Bengaluru Pipeline	290	2.45
19	Paradip Raipur Ranchi Pipeline	1073	5.00
20	Chennai Meenambakkam ATF Pipeline	95	0.18
21	Devangonthi Devanhalli Pipeline	36	0.66
22	Kolkata ATF Pipeline	27	0.20
Total (Product pipelines excluding LPG)		8247	43.99

Details of Pipelines Network (Contd...)

S.NO.	PIPELINE	LENGTH (KM)	CAPACITY (MMTPA)
	LPG Pipelines		
1	Panipat Jalandhar LPG Pipeline	280	0.7
2	Paradip Haldia Durgapur LPG Pipeline and extension to Banka	873	1.27
Total (LPG Pipelines)		1153	1.97
	Crude Oil Pipelines		
1	Salaya Mathura Pipeline	2660	25
2	Mundra Panipat Pipeline	1194	8.4
3	Paradip Haldia Barauni Pipelines	1447	15.2
Total (Crude Oil Pipelines)		5301	48.6
Total Existing (Product + LPG + Crude Oil Pipelines)		14701	94.56
	Gas Pipelines		Capacity (MMSCMD)
1	Dadri Panipat Gas Pipeline	141	9.5
2	Ennore-Tuticorin-Bengaluru Gas Pipeline	165	12.19
Total Existing (Gas Pipelines)		306	21.69

Map not to scale

Be it road, railway, air, water or underground, IndianOil keeps the nation on the move


इंडियनऑयल
IndianOil
The Energy Of India
Enriching India.
Energising Lives.
Fostering the belief of Pehle Indian Phir Oil
IndianOil's dedication to being the foremost energy supplier even through emergencies and calamities, and to constantly innovate ideas that can lead to the betterment of the society as a whole are backed by a firm belief of keeping India first.
Indane
www.iocl.com
REFINERIES | PIPELINES | MARKETING | R&D CENTRE | BUSINESS DEVELOPMENT | HUMAN RESOURCES | CSR | ECOPARKS

Our Business

Refining, Pipelines and Marketing

With a distinguished legacy of more than 100 years (since the inception of our Digboi refinery in 1901), IndianOil enjoys the largest market share among downstream companies in India. We manage one of the largest oil pipeline networks in the world. We have an extensive petroleum marketing and distribution network, one of Asia's largest, enabling us to reach customers in the farthest corners of the country.

32.2#
share of national refining capacity (%)

80.55#
group refining capacity (MMTPA)

15,000+
oil pipeline network (km)

56,336*
marketing and distribution touchpoints

4,93,127**
PETROLEUM REVENUE
(₹ in Crore)

Petrochemicals

Built with an investment of ₹ 24,000 Crore, in the last 16 years we have been integrating our downstream operations and positioning ourselves as the second largest petrochemicals player in India with an international presence.

35,000
proposed investment in petrochemicals over next 5 years (₹ in Crore)

19,169**
PETROCHEMICAL REVENUE
(₹ in Crore)

Natural Gas

Leveraging decades of experience, we have fast-tracked growth in the natural gas segment, establishing ourselves as the second largest player in the field. We have been investing across the natural gas value chain, scaling up LNG sourcing, import terminals, pipelines, city gas distribution networks and improving the 'LNG at the Doorstep' service continuously.

13,000
proposed investment in natural gas segment over the next 3-5 years (₹ in Crore)

1100+##
gas pipeline network (km)

1,059
CNG stations in India

Read more about our businesses on page 42 to 49

Note: *This includes retail outlets, LPG Distributors, Lubricant Network and Lubricant Plants;
#Including CPCL | **Refer segment reporting note in financials. | ##Including JV pipelines

Other Energy Segments

IndianOil has expanded its presence across the energy value chain. We have a carefully nurtured portfolio of upstream assets (within India & abroad). In addition, we have scaled up our investments in renewable and modern bio-energy to remain an active participant in building a carbon-neutral world.

3.5

Total capacity of CBG plants with Letter of Intent issued (MMTPA)

20

exploration fields owned

329.45

renewable energy produced (GWh)

Other Businesses

IndianOil has presence in explosives, cryogenics and has invested in fertiliser business

228.5

bulk explosives capacity (KTA)

35,000

annual capacity to produce cryocans (number)

35

annual capacity to produce cryogenic vessels (number)

Caring Beyond Business

Every year, as part of our CSR commitments, we make efforts towards community welfare and development, with programmes focused on healthcare, education, women's empowerment, etc. Moreover, the IndianOil Foundation (IOF), exclusively funded by IndianOil, aims to protect, preserve and promot India's glorious past. IOF is committed to preserve culture and heritage of India and persist on to future generations by virtue of their irreplaceable value.

460.37

spent on CSR activities (₹ in Crore)

~125

CSR beneficiaries (Lakhs)

~600

programmes conducted

Read more on page 112

Our Capitals

Capitals supporting our status as the largest energy PSU in India

IndianOil continues to grow and strengthen its position as a diversified, integrated energy major with presence in almost all the streams of oil, gas, petrochemicals and alternative energy sources. We are driven by our accumulated capitals that further drive our growth and unlock value for stakeholders. These capitals represent an ideal combination of high-calibre talent, state-of-the-art technologies, cutting-edge R&D, best governance practices, quality consciousness and transparency. Leveraging these capitals, we are striving to build a world where energy in all its forms is tapped most responsibly and delivered to consumers most affordably.

Financial Capital

Operating cash flow
(₹ in Crore)
49,096

EBITDA
(₹ in Crore)
42,614

Profit After Tax
(₹ in Crore)
21,836

Read more on page 38

Manufactured Capital

Capital expenditure
(₹ in Crore)
28,684

Pipeline throughput
(in MMT)
76

Group refining capacity
(in MMT)
80.55

Read more on page 42

Intellectual Capital

Patents granted
180

Read more on page 52

Total team size at R&D Centre
455

Total effective patents
1,165

Human Capital

Training provided
(in hours)
7,76,063

Read more on page 58

Spent on training and development
(₹ in Crore)
92.92

Total Women employees
2,775

Social & Relationship Capital

Spent on CSR activities
(₹ in Crore)
460.37

Read more on page 66

Educational activities organised
130

Healthcare & nutrition activities undertaken
340

Natural Capital

GHG Emissions saved
(in MMTCO$_2$-eq)
3.17

Read more on page 72

Capacity of renewable energy
(in MW)
232.95

Waste paper recycled
(in MT)
291

Chairman's Message

The last financial year has been a perfect guide in demonstrating the importance of team-resolve in tiding over challenges...

...Your Company not only surmounted the pandemic crisis, but it also rose to the occasion to thwart major threats and chart new paths of excellence.

Shrikant Madhav Vaidya
Chairman, IndianOil

Dear Shareholders,

I hope you are keeping well and safe.

It's my privilege to present the Integrated Annual Report 2020-21 which provides an insight into IndianOil's performance during the last financial year and its ever-expanding horizon of aspirations. Your Company was one of the early adopters of the Integrated Reporting Format in India, and we continue to refine it to create and communicate better value for the stakeholders through multi-capital reporting.

This report chronicles IndianOil's journey during a turbulent year marked by the raging Covid-19 pandemic and elaborates on how your Company navigated through uncharted waters, overcoming all odds and turning challenges into robust growth opportunities. This report also underscores the indomitable spirit of IOCians who, with their commitment, resilience, and a strong sense of purpose, kept the Company going as the 'Energy of India'.

Tiding over challenges, Always

The last year has been an unprecedented and extraordinary year that has altered the course of our lives and livelihoods. Our plans, objectives and even perceptions have undergone a paradigm shift, while the long-term impact of this disruption on various sectors still remains uncertain. However, the course of human evolution teaches us that challenges open up new horizons of growth besides underlining the primacy of specific skill sets and traits for surviving in a post-pandemic world. IndianOil teams leveraged opportunities amidst these difficult times to catalyse future growth. Putting the country before business remains an intrinsic part of IndianOil's DNA. So, when the pandemic struck, IndianOil teams rose to the occasion swiftly and selflessly, serving the customers and stakeholders, despite disruptions in the demand and supply dynamics. Displaying extraordinary zeal, Team IndianOil kept the fuel supply lines going and delivered a record 33.11 Lakhs Indane LPG cylinders on a single day, on 30th April 2020, braving the pandemic and a stringent lockdown.

Our energy warriors - the customer attendants, LPG delivery personnel, truck crew, contract workers, field force, and employees at supply locations, refineries, pipelines and petrochemical plants kept the nation on the go. Moreover, not losing sight of the future, your Company continued to steer the growth agenda with new customer offerings, innovative digital solutions, infrastructure expansion and low carbon, sustainable energy options for a greener planet.

"Your unwavering faith in your Company, coupled with the stupendous efforts of all IOCians, has helped us scale a historic peak with the highest ever profits during 2020-21"

The last financial year has been a perfect guide in demonstrating the importance of team-resolve in tiding over challenges. Your Company not only surmounted the pandemic crisis, but it also rose to the occasion to thwart major threats and chart new paths of excellence.

On 3rd September 2020, the engine room of the Panama-flagged Very Large Crude Carrier (VLCC), MT New Diamond, carrying nearly two million barrels of Kuwait Export Crude Oil for Paradip Refinery, caught fire. The accident happened when the oil tanker was sailing east of the Sri Lankan seas. Our teams immediately swung into action and set up a 24-hour disaster control room, monitored by senior IndianOil officials. This control room facilitated communication among various stakeholders and coordinated firefighting efforts with the concerned authorities in India, Sri Lanka and other geographies. A rescue operation was swiftly launched on international waters by the Indian Coast Guard,

IndianOil frontline workers braved all odds to ensure energy supplies to every household

Navy and their Sri Lankan counterparts, supported by the salvagers and other maritime agencies. It took nearly a week of remarkable efforts to douse the blaze and avert a major environmental disaster. This incident displays the power of focused and collaborative actions to overcome a crisis and emerge stronger as a Company driven by values.

Record profit, driven by 'People'

Taking the multiple challenges in its stride, your Company cruised ahead, riding on the strength of dedicated teams, a broad customer base, channel partners and frontline associates, working cohesively. I am happy to share with you that our strong focus on consolidating the core business while exploring new and sustainable energy frontiers has yielded positive outcomes. This success has taken us closer to our goal of being an integrated, future-attuned energy major that continues to catalyse the nation's growth story.

Your unwavering faith in your Company, coupled with the stupendous efforts of all IOCians, has helped us scale a historic peak with the highest ever profits during 2020-21.

People First, Always

As Team IndianOil battled the invisible enemy at the frontlines, the brutality of the ongoing Covid-19 pandemic amplified the fragility of human life. IndianOil stands firmly with the families of IOCians and our large stakeholder fraternity, who suffered losses in the wake of the pandemic.

IndianOilPeople are central to our existence, and we remain committed to ensuring their well-being and prosperity. Your Company has extended the IndianOil Karma Yogi Swasthya Bima Yojana for the second year running, for the frontline teams. This medical insurance covers over 3 Lakhs customer attendants, LPG delivery personnel, tank truck crew and security guards. An ex-gratia assistance of Rupees Five Lakhs has also been extended for the families of the energy soldiers who succumbed to the Covid-19 virus while serving the nation's energy needs.

With the vaccine emerging as the best bet to counter the coronavirus, your Company has taken the responsibility to facilitate vaccination for this 4.2 Lakhs strong stakeholder family.

IndianOil, pacing up expansion initiatives to energise the nation

Crafting a new energy future

With more than 1.3 billion people, India is home to 18% of the global population but accounts for a mere 7% of the world's energy demand. This vast gap, coupled with the rising aspirations of Indians for improved living standards, will be the key driver of the country's energy demand. As a result, India is set to experience the fastest growth in energy consumption among all large economies. To cater to this exponential demand growth, we need a more comprehensive, diverse energy basket where traditional offerings like coal, oil, and natural gas coexist with bioenergy and renewables. Each energy form has its role cut out in fuelling the emergent nation that is the world's third-largest oil consumer. I want to assure you that IndianOil's growth agenda reflects this diversity and translates into refinery expansions as well as scaling up renewables and alternative fuel options.

Your Company is pacing ahead to energise the nation and strengthen the four pillars of India's energy future as envisioned by the Hon'ble Prime Minister - Energy access, Energy efficiency, Energy sustainability, and Energy security; at the same time ensuring Energy justice with the objective of access to safe, affordable and sustainable energy for all citizens. In addition, the post-Covid world will witness a renewed consensus on urgent climate action with a more significant push for sustainable solutions. So, while the aspirations of our nation are unique, the commitment towards a low carbon economy remains steadfast.

A new era of customer service excellence

For a Company with one of the most extensive customer interfaces, we constantly endeavour to make today's customer experience better than

Chairman Shri S. M. Vaidya, motivating the frontline workers to ensure customer delight yesterday's. Each of our offerings reflects this resolve.

With the launch of XP100, India's only 100 octane petrol, the country zipped into an elite league of nations that offer such high-tech fuel for their customers. We also rolled out the differentiated, fuel-efficient cooking gas offering, Indane XtraTej. The convenient, 5 Kg Free Trade LPG cylinder relaunched as 'Chhotu' has been a game-changer in the segment, marking an almost 50% increase in sales over the corresponding period last year. We have recently launched two premier customer-centric offerings, Combo Cylinder (offers 14.2 Kg LPG cylinder with Chhotu as Double Bottle Cylinder) and the Composite Cylinder, an aesthetic, light-weight, value offering for a modern kitchen.

Leveraging digital innovation, your Company has introduced a host of user-friendly options to make LPG more accessible and easier to avail. From 'asking Alexa' to book your next refill to registering for a new connection through a missed call, we are offering an array of digital delights for our customers. Further, we are now in the process of launching the 'Tatkal' delivery of LPG refill at the customers' doorsteps within two hours of booking in select cities. For enhancing supply logistics, bottling plants at Goindwal Sahib, Tirunelveli, and Gorakhpur were commissioned, and three bottling plants at Nagpur, Korba and Jabalpur have also been completed during the year. I am sure that these customer convenience initiatives, shored up by a robust supply chain, will play a crucial role in retaining the leadership of Indane as the most preferred kitchen fuel in the country.

IndianOil, building on Energy Access, Energy Efficiency, Energy Sustainability and Energy Security

Retail remains the focus for your Company, and all-out efforts are being made to strengthen its market leadership. The commissioning of 3000 fuel stations during the last fiscal year has been the highest yearly number ever achieved in the history of IndianOil, taking our total tally to 32,062 fuel stations.

I'm happy to share that our strategy of unlocking the value and optimum potential of each product offering has yielded fruitful outcomes. The lube oil segment has come out with brilliant results during the fiscal year, registering growth in sales by around 25% and a spectacular 100% rise in the bottom line. Recent endeavours like the state-of-the-art Lube Blending Plant at Kolkata and Trombay, a CIDW (Catalytic Iso-Dewaxing) unit at Haldia Refinery, LuPech (Lube-Petrochemical) project at Gujarat and the recently approved Panipat expansion project, are in sync with the Company's focus on unlocking the potential of the high-margin lubes segment.

IndianOil owns and operates over 15000 kms of pipelines to reach its energy supplies to the customer touch points

Underground energy highways

The Pipelines Division of your Company has achieved the milestone of 15,000 km pipeline network length, with the commissioning of the 144 km Ramanathapuram - Tuticorin section of the 1,444 km long Ennore – Thiruvallur – Bengaluru – Puducherry – Nagapattinam – Madurai - Tuticorin (ETBPNMT) Natural Gas pipeline. This section was dedicated to the nation by the Hon'ble Prime Minister Shri Narendra Modi in February 2021. Earlier, Shri Modi had also inaugurated the Durgapur - Banka LPG Pipeline in September 2020. In addition, our Pipelines Division is also providing EPMC (Engineering, Procurement, Construction Management) service in laying the world's longest 2809 km Kandla - Gorakhpur LPG pipeline (KGPL).

New horizons of refining excellence

IndianOil refineries during the financial year have achieved total crude throughput of 62.4 MMT against a target of 72.4 MMT, the shortfall being mainly due to Covid related disruptions.

Speaking of another positive, the Petrochemicals vertical is continuously scaling new heights and has emerged as a silver lining to cushion our business against the risks of oil price volatility. Besides achieving a record annual Petrochemical sale of 2.68 MMT, we also expanded the basket of offerings, adding an array of niche grades. Currently, the Petrochemical spreads are high and your Company is focused on maximising production at Panipat and Paradip to reap maximum benefit.

Innovation is a continuous process, that IndianOil relies on, to be future-ready

As part of the larger vision, refinery expansion, coupled with value-added products and petrochemical integration, are the cornerstones of your Company's growth strategy. This year we have taken crucial mega-investment decisions - 9 MMTPA greenfield refinery at Nagapattinam in Tamil Nadu through a Joint Venture with CPCL, Panipat Refinery expansion from 15 to 25 MMTPA and Gujarat Refinery expansion from 13.7 to 18 MMTPA. All refinery expansion and petrochemical integration projects viz. PX-PTA at Paradip and Ethylene Glycol at Paradip (Odisha) and Oxo Alcohol project at Dumad (Gujarat) are on track. The newly approved projects translate into an investment commitment of close to Rupees One Lakhs Crore over the next 4 to 5 years. This concerted drive will surely catapult your Company into a higher growth trajectory.

The past few months have witnessed several projects getting commissioned. Commissioning of INDMAX and PrimeG units at Bongaigaon unit contribute to increasing refinery capacity from 2.35 to 2.7 MMTPA. Infrastructure development to facilitate grid power import at Gujarat Refinery, three additional crude oil tanks at Paradip Refinery etc., have also been completed. Besides these, Gas integration in IndianOil's Refineries is also being pursued.

Capex achieved against all odds

Ramping up project work amidst the raging pandemic while ensuring 100% compliance of all health advisories was a significant challenge. But I am happy to share that building upon the vision of an 'Aatmanirbhar Bharat', IndianOil has successfully surpassed the Capex target for the year.

Cutting edge R&D: Towards a Sustainable Tomorrow

IndianOil's R&D Center has been undertaking pioneering research, and our IP (Intellectual Property) wealth creation has resulted in 1,165 effective patents, which is the highest amongst PSU Oil and Gas companies in India. This year we are celebrating the Golden Jubilee year of R&D Centre. To coincide with this important milestone, we are in the process of expanding R&D set-up at Faridabad by constructing a second campus with an investment of ₹ 3,200 Crore. This new campus will support cutting-edge research in futuristic alternative energy domains and fast-track our journey towards a net-zero goal. It shall be built over an area of about 59 acres and would focus on demonstration and deployment of various futuristic technologies developed by IndianOil R&D.

As the '*Energy of India*', your Company shall leverage its R&D prowess to play a pivotal role in India's journey towards a greener tomorrow. Today, I can confidently say that our R&D Centre has evolved into a world-class technology solution provider. With the successful deployment of various indigenous technologies, Team R&D has also contributed to the vision of an 'Aatmanirbhar Bharat'.

I firmly believe that Hydrogen will be the ultimate sustainable fuel of the future. To realise this vision, IndianOil R&D has played a pioneering role in supporting the exciting journey of Hydrogen and Fuel Cell research. In October 2020, IndianOil carried out a trial in Delhi, where 50 CNG BS-IV buses were run on Hydrogen spiked CNG (HCNG) fuel. The results have been quite promising. The use of HCNG fuel has shown a

Sustainable growth is the key focus area of IndianOil

IOCians worked relentlessly during lockdown to ensure uninterrupted supplies across the nation

drop in emissions & improvement in Fuel Efficiency. Taking the juggernaut forward, your Company is setting up pilot plants using four innovative hydrogen pathways.

Moreover, your Company will be doing trial run with 15 fuel cell buses in the Delhi NCR region. We also intend to seed Hydrogen fuel cell mobility by utilising the surplus Hydrogen from Gujarat Refinery. The first set of buses will soon ply from Gujarat Refinery to the Statue of Unity and Sabarmati Ashram.

I would also like to elaborate on how IndianOil has been reconciling its business objectives with national priorities through a sharpened focus on bioenergy and renewables. Under the ambitious SATAT (Sustainable Alternative Towards Affordable Transportation) scheme on CBG (Compressed Biogas), IndianOil has taken significant strides and awarded 1,456 Letters of Intent (LOI) till June 30 2021. We have also initiated marketing of CBG from 12 Plants through 23 retail outlets spread over eight states, with a total sale of 1907 MT of CBG till June 30, 2021. For the record, we are the only Oil Marketing Company offering CBG under the brand name 'IndiGreen' since the launch of the SATAT programme.

IndianOil, fostering gender neutrality within the Corporation

Producing biodiesel from Used Cooking Oil (UCO) is yet another potential route that's also being explored by your

Skill Development Institute at Bhubaneswar - Shaping young minds

Company, with 22 LOIs being issued for an annual cumulative capacity of 22 Crore litres. Presently, your Company has a portfolio of 232.95 MW of renewable energy, including close to 170 MW of wind capacity. The total generation from the above renewable energy projects during 2020-21 is 329.45 GWh, which resulted in emission mitigation of 260 TMT of CO_2e equivalent.

In yet another futuristic initiative, a Joint Venture, IOC Phinergy Private Limited has been forged between IndianOil and the Israeli Company, Phinergy, to commercialise the Aluminium-Air Battery Technology in India. We have also set up 257 EV Charging Stations and 29 battery swapping stations at our energy pumps across the country.

Embracing the power of digitalisation

During the India Energy Forum CERAWEEK held in October 2020, Hon'ble Prime Minister had underlined seven critical pillars of India's energy strategy. One of the key drivers among these seven pillars is "Digital Innovation across all the energy systems". Aligning with the Prime Minister's vision, your Company has been implementing various digital initiatives to enhance energy efficiency, reliability, and performance while contributing to environmental sustainability. At IndianOil, we declared the year 2020 as the 'Year of Digitalisation', and I firmly believe that our digital initiatives will ensure business continuity in a manner that is compatible with the ecological and economic needs of the communities in which we operate.

Last year, we heralded in a slew of digital initiatives at IndianOil. I have already touched upon few pioneering offerings to enhance the experience of our customers. Let me now elaborate on a few other path-breaking efforts. In a novel reliability improvement initiative, IndianOil and BHEL GE Gas Turbine Services Private Limited have implemented the first of its kind Remote Monitoring of Gas Turbines across all IndianOil refineries to enhance refinery reliability. We have also initiated the

In line with its varied customer base, IndianOil launched several new products during the year

digital transformation of the turnaround processes in all nine IndianOil refineries. This is aimed at optimising productivity, quality and safety metrics by integrating the field workforce with technology.

Digitalisation has been an effective tool for enhancing employee engagement through learning, which has become a buzzword in the Company today. The digital learning platform of Swadhyaya designed for IndianOil employees has kept our workforce gainfully engaged during the lockdown period, and with the growing popularity of Swadhyaya, today, your Company has indeed become a learning organisation. We recently reached the milestone of a million courses completed by employees on the digital platform, reflecting the readiness of IOCians to embrace digital transformation.

IndianOil, keeping the nation ahead, always. Supply of Liquid Medical Oxygen across the nation

Caring for the society and women empowerment

A strong social conscience has always driven your Company, which is reflected in our social stewardship initiatives. Women welfare and empowerment has been a focus area for our recent CSR endeavours. We have introduced a one-time educational scholarship of ₹ 10,000/- each for 75 girl students across 33 Education Boards from the economically backward and socially marginalised sections excelling in the Board examinations. Also, the Skill Development Institute's (SDI) pilot Campus in Bhubaneswar has benefited about 2,300 students since its inauguration in 2016. This institute, driven by IndianOil, aims to skill over 50,000 students in the next ten years. You will be happy to know that the new 46-acre main campus of SDI has been completed and will soon be commencing regular academic sessions.

Let me also share that your Company acknowledges the need for a gender-diverse work environment in today's world. The Covid-19 crisis has highlighted the centrality of women's contributions and the added responsibilities women continue to carry on the professional and domestic fronts. Women in IndianOil have been shining examples of corporate excellence, and their contributions have strengthened the cause of gender-neutral work culture in the Indian corporate ecosystem. Your Company has continuously supported its women professionals' career progress by building a conducive environment through various efforts and initiatives related to their health, safety, gender sensitisation, and empowerment. This International Women's Day, several facilities were rolled-out to empower women employees, like providing travel fare for infants of up to two years of age and an attendant when the working mother is touring any location within India.

IndianOil is ensuring that all its frontline workers are vaccinated against Covid-19

A Jubilee Retail Outlet with EV charging facility in Kerala

Serving the nation, beyond business

When the second wave of Covid-19 started sweeping across the nation, your Company went beyond business priorities to leverage its expertise to help the country in the hour of need. When faced with a massive surge in demand for medical oxygen across the nation, IndianOil diverted the high-purity oxygen used in its Mono Ethylene Glycol (MEG) Unit at its Panipat Refinery and Petrochemical Complex to produce medical-grade liquid oxygen. The throughput of the MEG unit was scaled down to divert much-needed oxygen to serve this more critical cause.

Moreover, inspired by the zeal to serve the nation, your Company supported the Government in creating a robust infrastructure for Liquid Medical Oxygen (LMO) transportation in the country. IndianOil deployed over 100 ISO containers and tankers and transported around 5000 MT of LMO from various sources. Further, your Company is rapidly expanding this fleet to enhance the carrying capacity. IndianOil also imported 500 MT of LMO during this period and coordinated with the Indian Missions in West Asia for the procurement. In addition, IndianOil is manufacturing 20 cryogenic road tankers at its cryogenic plant in Nasik.

To further streamline the medical oxygen supply scenario, IndianOil has launched a single-window application – Sanjeevani Express portal. This application is equipped to enable real-time monitoring of liquid oxygen supply logistics across the country. The single window platform has been created to help all stakeholders, including the Ministry of Road Transport and Highways (MoRTH), Oil companies and other Central and State Government agencies. In May 2021, Union Minister of Petroleum & Natural Gas and Steel inaugurated the 100-Bed ICU Ventilator facility at Vikash Multi-Specialty Hospital (VMSH) in Bargarh, Odisha, augmented under IndianOil's CSR initiative. In yet another initiative, IndianOil's Panipat Refinery began supplying 15 MT gaseous Oxygen per day to the Guru Teg Bahadur Sanjeevani Hospital for Covid care through a pipeline directly from our Panipat complex.

Laying strict emphasis on quality and quantity checks at IndianOil

A future-ready IndianOil

Worldwide, the most significant overall long-term challenge is to supply clean and affordable energy while addressing the concerns related to climate change. Therefore, the next few years will be crucial for the energy sector and let me affirm that IndianOil is geared up to cater to the new energy order of the future.

India, like several other countries, is in the midst of an energy transition. There will be a continuity of energy consumption patterns, but a profound change in the energy mix is inevitable as we integrate renewables more intensely. For a country like India with high energy appetite, the path towards energy transition will involve balancing our enthusiasm for the future with the reliability of the old order. Given the magnitude of incremental energy required in addition to meeting existing needs, the dovetailing of new greener energy options in a requisite scale and scope is needed to offer sustainable choices for a smooth changeover.

IndianOil has been working in mission mode to meet the rapid growth of the nation's energy needs while pursuing the aspiration for a greener tomorrow. We have been investing assiduously across various facets of the energy spectrum. Be it Natural Gas, Renewables or Biofuels, our teams have been working on cutting edge fields of Hydrogen, CCUS (Carbon Capture, Utilisation & Storage), advanced biofuels and battery technology. The recent paradigm-shifting experience with the Covid-19 pandemic has strengthened our resolve to go quicker and bigger on new energy bets. This Integrated Annual Report enumerates your Company's concerted drives to diversify into cleaner energy forms with high growth opportunities while pursuing downward integration into petrochemicals.

To sum up, IndianOil continues to fuel the aspirations of a billion Indians and remains steadfast to the national mandate for a greener India and a safer planet. I solicit your support as we chart our path towards a brighter energy future!

Stay healthy, stay safe!

Sd/-
Shrikant Madhav Vaidya
Chairman, IndianOil

Governance Structure

IndianOil endeavours to uphold the principles and practices of corporate governance to ensure transparency, integrity and accountability in its functioning. These are vital to achieve our vision of becoming the '*Energy of India*' and a globally admired company.

The Board of Directors is responsible for providing oversight, insight and foresight. The oversight role is supported by the fiduciary responsibility to the company, and they are required to consider the greater good of the company and all of its stakeholders. The insight role requires directors to partner with management by bringing their own experiences and perspectives from their professional lives. The foresight role is most critical, as it requires directors to keep management on its toes in terms of the future strategies of the organisation.

Our robust governance framework enables us to serve our customers and our communities every day, despite the challenges of the ongoing pandemic. The Board too has responded with agility and resilience by aggressively focusing on digital and novel ways to serve our customers. The uncertainties are continuously monitored by the Board with regular meetings to strike a balance between creating value for all stakeholders and ensuring business continuity. In 2020-21, the Board met 11 times, and every meeting commenced with discussion on the impact of Covid-19 across IndianOil's diverse business segments.

5

Statutory Board committees

7

Other Board committees

98%

Average attendance across all meetings

29

Meetings held (Board and Statutory Committees)

Chairman along with Functonal Directors of IndianOil

Board of Directors

Chairman

Shri Shrikant Madhav Vaidya
Chairman

58 years
Graduate in Chemical Engineering

Whole-time Directors

Shri G. K. Satish
Director (Planning & Business Development)

60 years
Graduate in Mechanical Engineering & Post-Graduate in Management

Dr S. S. V. Ramakumar
Director (Research & Development)

58 years
Doctorate in Chemistry

Shri Ranjan Kumar Mohapatra
Director (Human Resources)

57 years
Graduate in Mechanical Engineering & Post-Graduate in Management

Shri Sandeep Kumar Gupta
Director (Finance)

56 years
Graduate in Commerce & Chartered Accountant

Government Nominee Directors

Dr Navneet Mohan Kothari

44 years
Joint Secretary (M), MoP &NG
IAS Officer (2001)

Ms Indrani Kaushal

49 years
Economic Advisor, MoP &NG
IES Officer (1995) and Post-Graduate in Economics

Independent Director

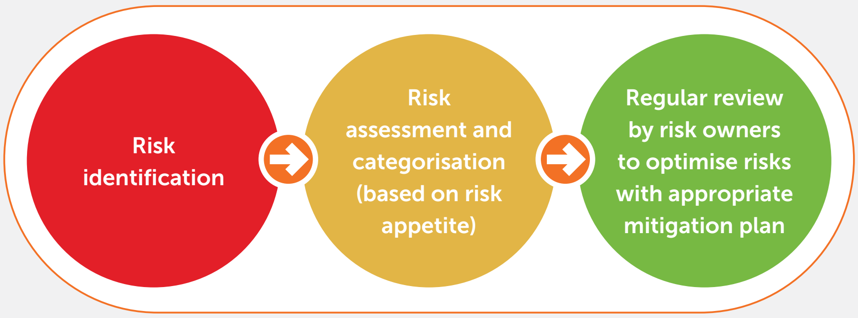
Ms Lata Usendi

47 years
Graduate in Humanities

Risk Management

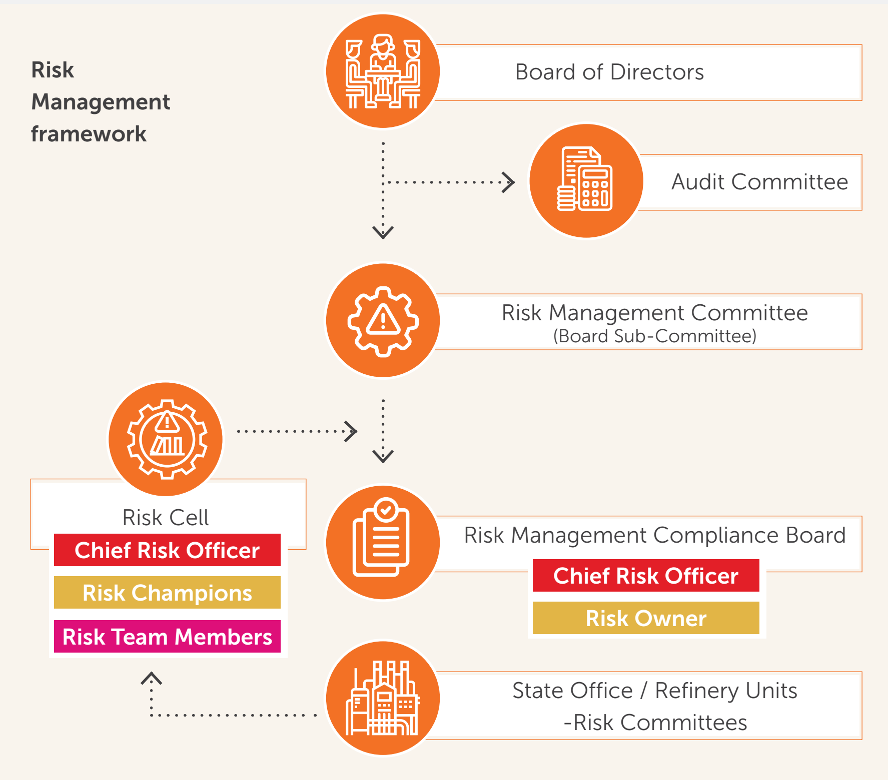
In line with our Enterprise Risk Management (ERM) policy and integrated assurance methodologies, we have established processes and practices across our organisation that enable us to proactively identify, analyse and mitigate risks that might impact our operations. We believe risks are multi-dimensional and, therefore, need to be addressed in a holistic manner, considering the changes in the external environment and robustness of our internal processes.

Risk Management Process



Our Approach

At IndianOil, the ERM framework is spearheaded by the Risk Management Committee (RMC), a Committee comprising of Board members, who actively ensure that risk management activities are undertaken as per established policies. Further, the Risk Owners of all divisions/ departments are responsible for identifying and assessing the risks in their respective areas/units, before reporting them to the Risk Management Compliance Board (RMCB), which comprises senior executives across divisions and is headed by Chief Risk Officer. The report is then evaluated by the RMCB, who provide enterprise-wide view of the risks to RMC, Audit committee and to the Board.



Risk Assessment	Mitigation Plan	Material issues Addressed & Capital Impacted
Supply & Distribution: During the ongoing pandemic, it is vital that our business continues to operate by providing uninterrupted services to our customers. But the volatile and uncertain economic conditions coupled with lockdown restrictions threw up unprecedented challenges. Our continuous success depends on our ability to supply goods as and where required.	Even during challenging times, when the outbreak of the Covid-19 pandemic caused severe disruptions to the supply chain across the globe, we, at IndianOil, continued to meet our operational goals. Our dedicated team of employees and channel partners ensured that there is no disruption in supply of energy - be it fuel at our Retail Outlets, LPG at home of our consumers or supply of fuel to various Industries. In fact, during the year we launched differentiated products like XP100 and XtraTej. The situation was closely monitored by the top management and necessary actions were taken from time to time.	**Material topics addressed:** • Market Share • Customer satisfaction & brand loyalty • Sustainable supply chain • Health & Safety **Capital impacted:** Social & Relationship Human Capital Manufactured Capital Financial
Alternative Energy & Environment Conservation: Carbon emission is one of the key environmental challenges for us at IndianOil. We make continuous effort towards reducing energy consumption, improving efficiency, and reducing carbon emissions to provide sustainable and low carbon products to our customers. Our new projects and business development initiatives are strategically directed towards areas of BioGas and Electric Vehicles sectors. Going forward, our inability to execute these green-projects and curtail emissions might have an adverse impact on our financial position as it may result in loss of market share/business opportunity, attract penalties and fines that impact our brand reputation.	Our deep understanding of environmental challenges helps us to not only reduce our emission levels, but also generate new business opportunities for greener products and renewable energy options. Further, we are increasing consumption of clean and alternative energy, such as natural gas and renewables. We are also constantly working towards identifying areas where we can ensure energy efficiency and reduce carbon emissions. Specific investments have been directed towards projects focused around electric mobility. Our joint venture in natural gas further strengthens our resolve to expand our business that reduce carbon emissions.	**Material topics addressed:** • Climate change mitigation • Managing environmental impact • Product stewardship **Capital impacted:** Financial Natural Social & relationship

Risk Assessment	Mitigation Plan	Material issues Addressed & Capital Impacted
Margin & Profitability: We operate in a highly dynamic industry and our downstream oil business is exposed to fluctuations in crude oil prices, crack spreads supply risks, geo-political uncertainties, and an array of market variables, such as seasonality of demand, pricing and taxation. Given the scale of our operations in domestic and international markets, we are exposed to various risks arising from fluctuations in foreign exchange rate, interest rate, etc. which have an adverse impact on our financial position and impact our margins. Fuel & loss, energy consumption, etc. also have significant impact on our margin & profitability.	Our finance team continuously monitors the macro and micro-economic environment that can potentially have an impact on our business. Proactive measures and predefined control measures including hedging across multiple financial operations ensure mitigation of risk arising out of fluctuation in prices of product, foreign exchange, interest, etc. Our operation team takes all necessary steps to decrease Fuel & loss, energy consumption and monitor all other expenditure to improve margin & profitability.	**Material topics addressed:** • Economic performance • Sustainable supply chain • Market volatility **Capital impacted:** Financial Intellectual
Cyber Security: Maintaining the security of internal database and customer information is of utmost importance for IndianOil. Being one of India's largest data networks, any information breach, unauthorised access and/or loss of sensitive or confidential information could have a long and significant impact on business operations and/or brand reputation.	At IndianOil, we remain committed to protect sensitive data, not just of our internal processes and customers, but of all our partners and employees alike. We have implemented a defence-in-depth cyber security architecture. We are one of the few organisations to have a strong and robust Data Privacy Policy. Further, all our data centres are ISO 27001:2013 certified.	**Material topics addressed:** • Customer satisfaction & brand loyalty • Security practices **Capital impacted:** Intellectual

Risk Assessment	Mitigation Plan	Material issues Addressed & Capital Impacted

Health, Safety & Well-being:

Safety practices and initiatives should evolve with the macro-economic scenario. Our inability to meet employee expectations and their safety and well-being might have an adverse impact on the Company's brand value, financial position and operations.

At IndianOil, the health, safety and well-being of our employees and contractual workers have always been a key priority. Since the outbreak of the Covid-19 pandemic, we strengthened our safety practices further to fight the virus together and serve our country. Along with ensuring their physical safety and well-being, we also emphasised on the emotional and mental health of our people. To minimise threats to human health and safety, we also issued and implemented policies and practices, undertook awareness drives, provided protective gears and conducted regular health check-ups. Spread of Covid-19 was closely monitored and various administrative controls were undertaken, including the implementation of thermal screening at entry points, practice of proper hygiene/ sanitation measures, physical distancing, staggered office timings, allowing work from home to identified employees, etc. Employees and their family were also encouraged to vaccinate themselves at the earliest.

Material topics addressed:

- Health & safety
- Employee practices
- Labour rights & relation
- Community Development

Capital Impacted

Human

Project Execution:

Delay in land acquisitions, obtaining approvals from regulatory bodies, failure to avail necessary clearances and lack of infrastructure support may result in significant cost escalation of projects, coupled with delay in execution/completion within the original time frame.

An experienced and dedicated team at IndianOil continuously monitors all the critical activities of projects under execution across the country. Regular meetings and timely intervention at all stages of projects ensure enhanced control over each activity, avoiding any time and cost overruns. With a strong governance and due diligence framework in place, all projects are partnered with reputed vendors, ensuring continued business activity.

Material topics addressed:

- Compliance and governance
- Sustainable supply chain
- Managing Environment impacts
- Economic performance

Capital impacted:

Financial

Manufactured capital

Natural

Our Business Model

To thrive in a dynamic environment, we are consistently adopting an agile and strategic approach to maximise value creation for stakeholders across business verticals. Resting on our core competencies and years of experience, we are adequately prepared to carry forward a legacy of growth and success.

	What we use	Input
ECONOMIC	**Financial Capital** Our disciplined financial allocation enables us to operate a sustainable business and ensures steady revenue generation. We derive our financial capital from cash flows, debt and equity financing, creating the foundation for steady growth.	**₹ 1,10,500 Crore** Equity **₹ 1,02,327 Crore** Debt
	Manufactured Capital To deliver exceptional products and operate responsibly, we make adequate investments in our manufacturing facilities. It allows us to abide by the highest regulatory standards and significantly reduces our environmental footprint.	**15,000+ Km** of pipeline network **10** Group Refineries
	Intellectual Capital Our expertise stems from the in-house proprietary technologies and innovative processes. Leveraging our core competencies, skills, research and development, we continue to achieve business excellence through robust procedures that enhance organisational productivity and lend us a competitive edge over others.	**₹ 509 Crore** R&D spend **455** Total team size at R&D Centre
ENVIRONMENT	**Natural Capital** We aspire to maintain an optimum ecological balance through effective utilisation of natural resources. Our practices are not only aimed at minimising the impact of our operations on the environment but, also to reduce waste, encourage energy efficiency and adopt greener solutions for a sustainable future.	**98** billion liters Water consumed **₹ 344.36 Crore** Invested in developing alternative energy sources **286.24** Trillion BTU Total energy consumed
SOCIAL	**Human Capital** We strive to nurture a competent workforce to ensure organisational success. With a conducive environment for professional growth, we aspire to embrace inclusivity and diversity, allowing varied skills and talent to flourish within the organisation.	**31,000+** Employees **₹ 92.92 Crore** Spent towards training and development
	Social & Relationship Capital As a responsible corporate, we endeavour to build lasting relationships with communities and stakeholders to initiate change and fulfil our social commitments.	**₹ 460.37 Crore** Spent towards CSR activities **9,70,621** Shareholders

Our Values

- Care
- Innovation
- Passion
- Trust

Our Focus

- Customers
- Technology
- People
- Innovation
- Environment
- Ethics

Product Storage, Blending and Distribution Infrastructure


Oil Depots and Terminals


LPG Bottling Plants


Lube Blending Plants


Aviation Fuelling Stations

Fuels for Large Consumers

Efficient, High End Fuels And Lubricants

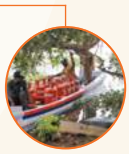
- Aviation
- Rail
- Shipping
- Defence

Product Retailing

Automated Fuel Stations

Petrol
Diesel
Blended Fuels
CNG
CBG
Electric
Charging
Facility, etc.


City gas distribution networks


Natural Gas to Bulk Consumers

Bio-Energy

Commenced sale of CBG under the SATAT scheme from fuel stations at Pune and Kolhapur under the brand name "IndiGreen" in Sept 2019

232.95 MW Renewable Energy Portfolio

WIND ENERGY
167.6 MW of wind-power capacity

SOLAR ENERGY
65.35 MW of solar photo-voltaic capacity

What We Create and Deliver	Output
Financial Capital Our prudent financial outcomes demonstrate the agility of our business model and the value we create for our shareholders.	**₹ 21,836 Crore** PAT **₹ 42,614 Crore** EBITDA
Manufactured Capital We are contributing to nation building efforts leveraging the strength of our manufactured capital. Our plants, machinery, pipelines and a strong distribution network enable us to deliver superior quality products and solutions for stakeholders across the vertical.	**62.35 MMT** Refineries throughput **76 MMT** of throughput achieved by pipelines **81.03 MMT** Product Sales
Intellectual Capital Our intellectual capital reflects the strength of our robust Research and Development capabilities that enable us to introduce distinctive products in the market and reduce the country's dependence on imports.	**1,294** Patents filed **1,165** Effective patents
Natural Capital With the adoption of eco-friendly practices, we are minimising the impact of our operations on the natural environment. Our constant endeavour to rely on clean and alternative sources of energy is helping us to transition towards a brighter future.	**3.17 MMT CO_2-eq** avoidance of GHG emissions **106.2** Energy Intensity Index (EII) rating **37.95 billion litres** Waste water recycled **291 MT** Waste paper recycled
Human Capital Our human resource policies take into consideration the well-being of our employees, ensuring their growth and success in the long run.	**7,76,063** Training Man hours **8.77%** Female Employees **₹ 16.27 Crore** Revenue per employee
Social & Relationship Capital Our efforts to provide education, healthcare and livelihood generation opportunities are creating a lasting impact on societies and communities.	**~125 Lakhs** People benefited from our CSR activities **₹ 2,38,786 Crore** Contributed to exchequer **50.50%** Dividend pay-out ratio for 2020-21

Stakeholder Engagement

As one of India's largest commercial enterprises, we are deeply connected to the environment in which we operate and the communities we serve. Our ability to create and deliver value is dependent on the relationships we build, the contributions we make and the support we provide to our stakeholders. We believe an effective dialogue with stakeholders enables us to drive innovation and deliver positive transformation.

Investors and Shareholders

Impact they create:

The Investor and shareholder community provides us access to equity and debt fund. They also drive demand for our shares, thereby impacting our market capitalisation.

Their interest, needs & expectations:

- Long-term & sustainable return on investments
- Constant growth in revenue & profitability
- Optimum debt-equity ratio
- Transparent & proper disclosure of strategy, value creation philosophy & resource management

The value we create:

We strive to provide sustainable return on investments to the providers of financial capital through dividend payment, share price appreciation, capital and interest payment. We also ensure proper disclosure of sustainability KPIs, and financial and non-financial factors that provide valuable information to investors.

Our desired outcomes:

- Access to equity & debt funds
- Investor & shareholder trust & confidence
- Fair share price
- Positive credit ratings

SDGs Covered

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Customers

Impact they create:

Serving our customers is a primary concern that drives our brand. Their constant demand for our products and services enables us to generate healthy revenues. Further, we develop new products and services based on their needs and evolving industry dynamics.

The value we create:

We constantly create value for our customers through continuous supply of petroleum products and cater to market aspiration by continuously offering novel products and services. Even during the pandemic, we delivered services at fuel stations and addressed consumer complaints and issues in a timely and transparent manner. We also provide timely and doorstep service for our B2B clients.

Their interest, needs & expectations:

- Superior quality, reliable & affordable products & services
- Value-added products & services
- Timely resolution of complaints & queries
- Responsive communication on relevant programmes & services

Our desired outcomes:

- Increase in brand recall & market share
- Happy & satisfied customers
- Excellent customer experience

SDGs Covered

Employees and Contractual Workers

Impact they create:

Our employees possess the required skills and expertise for core operations and supporting business processes. They are our growth enablers, ensuring sustainable performance and value creation.

The value we create:

At IndianOil, we recognise our role as a responsible employer to provide a diverse, inclusive and rewarding working environment. We organise various training and development programmes for new and existing employees, while encouraging internal hiring and promotion.

Their interest, needs & expectations:

- Fair & timely remuneration
- Reward, recognition & appreciation for performance
- Diverse, open, non-discriminatory & safe working environment
- Job security
- Opportunities to grow within the Company

Our desired outcomes:

- Productive, efficient & competent workforce
- Talent attraction & retention
- Innovative & committed workforce

SDGs Covered

Government and Regulatory Bodies

Impact they create:

Government and Regulatory Bodies formulate laws and regulations that we must comply with, while conducting our daily activities. They provide regulatory disclosure frameworks that provide confidence to our other stakeholders.

The value we create:

Our financial contributions, such as tax payments, licence fees and investment in infrastructure development, contribute towards India's economic growth. We also align our activities with government initiatives such as 'Make in India' and 'Aatmanirbhar Bharat'. Robust engagements with Government and regulatory bodies enable us to participate in national and international policy formulation and establishment of regulatory frameworks, utilising our technical expertise and industry experience.

Their interest, needs & expectations:

- Timely & transparent disclosure
- Compliance to rules
- Fair competition in the market
- Ensuring quality & affordable products & services
- Contribution towards national economic growth

Our desired outcomes:

- Fair regulations & policies
- Policies that encourage investment
- Creating a competitive landscape

SDGs Covered

Business Partners

Impact they create:

To supply superior quality products and services to our customers, we strengthen relationships with our business partners. They underpin our value chain and directly influence our ability to ensure timely supply of products & services. They also influence our ability to meet the needs and expectations of our customers.

The value we create:

We support our business partners in reducing their carbon footprint through automation and green energy solutions. We also support local employment through engagement with local contractors. Further, we undertake services from our business partners at fair terms, allowing individual businesses to grow and expand.

Their interest, needs & expectations:

- Timely payments
- Adherence to laws & regulations
- Ethical and transparent code of conduct

Our desired outcomes:

- Supporting local procurement, employment & upliftment of small and medium businesses
- Building mutually beneficial & long-term relationships

SDGs Covered

Communities and society

SDGs Covered

Impact they create:

Communities form an integral part of our social existence and we have a responsibility to contribute to the socio-economic needs of the regions where we operate.

The value we create:

At IndianOil, we are committed to generating economic value that uplifts the community by addressing its needs and challenges. We constantly work towards minimising our environmental footprint and generating sustainable profit to support innovation. Through our CSR intervention, we focus on 'providing safe drinking water and protection of water resources', 'healthcare and sanitation', 'education and employment enhancing vocational skills', 'rural development', 'environmental sustainability' and 'empowerment of women and socially/ economically backward groups'.

Their interest, needs & expectations:

- Employment creation & business opportunity
- Financial support
- Reduction of adverse environmental impact

Our desired outcomes:

- Fulfilment of responsibility of good corporate citizen
- Youth empowerment
- Reduction in inequality
- Partnership with communities

IndianOil, shaping India's young minds for a better tomorrow

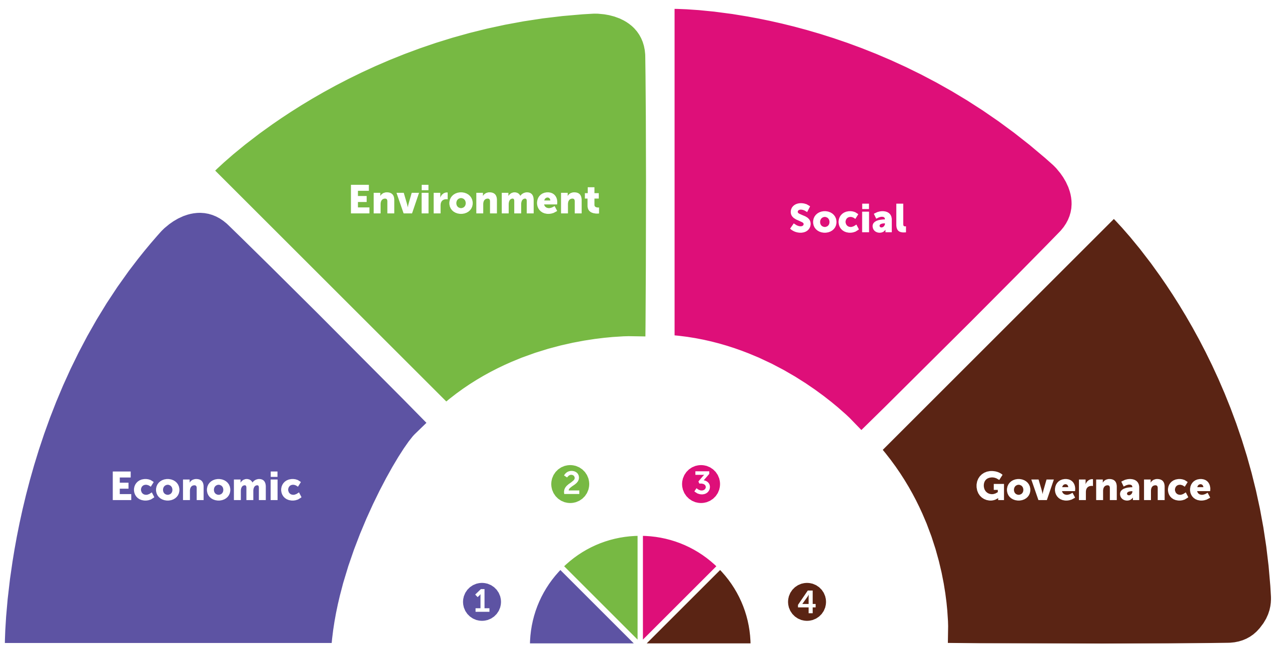
Material Assessment

IndianOil strives to derive exceptional value for stakeholders in the long run. To fulfil this endeavour, the Company seeks to identify stakeholder expectations and prioritises material issues to create a systematic roadmap for sustainable value creation. With a thorough evaluation of potential environmental, social and governance issues that might impact our business, the materiality assessment enables us to remain relevant while maximising stakeholder value.

We conduct materiality assessment at frequent intervals. The last materiality assessment survey conducted in 2020-21 enabled us to identify key issues that are extremely important to our stakeholders and integral to our vision. The inputs we received from our stakeholders played a crucial role in defining our materiality matrix. The materiality assessment was concentrated around four key aspects of Economic, Environment, Social and Corporate Governance (ESG). We continue to map our progress against set standards for all material topics, based on their impact on our business operations and stakeholders. We constantly review our progress and take further actions wherever necessary, to improve our business outcomes.

Our material topics and their linkages:

Key Aspects



1 Economic

Material Topic	Description
Market volatility	Demand fluctuation of end-products. For example, increase in demand for LPG and simultaneous reduced demand for petrol, diesel and ATF during the lockdown.
Supply chain management	Engagement with suppliers, sustainability assessment of suppliers and asessement of supply chain related risks from geopolitical circumstances.
Economic performance	IndianOil's overall financial performance (economic value generated and distributed) and related risks, such as growing competition from new and existing players, or risk to profit margins due to changes in regulations.

2 Environment

Material Topic	Description
Climate change mitigation	Initiatives taken to reduce emissions and improve day-to-day operational efficiency, including energy conservation.
Product stewardship	Offering greener products and renewable energy options, investment in R&D, etc.
Managing environmental impact	Mitigating the impact of IndianOil's operations on the environment and natural resources, particularly related to waste management, water usage, oil spills, and effects on biodiversity.

3 Social

Material Topic	Description
Health and Safety	Overall employee health and safety, actions taken to ensure employee health during the pandemic, occupational health and safety, etc.
Customer satisfaction and brand loyalty	Customer engagement, grievance redressal, privacy, health and safety, delivering products and services in a cost effective manner while ensuring quality, trust and legacy associated with IndianOil's brand value.
Employment practices	Fair employment practices, training and development, benefits, diversity and inclusion, human rights, etc.
Labour rights and relations	Relationships with blue collar and contractual employees, human rights concern for employees, etc.
Community development	Social upliftment through CSR initiatives as well as indirect impacts on the community due to the organisation's business and economic performance.

4 Governance

Material Topic	Description
Compliance and governance	Following environmental and socio-economic regulatory compliances as per national policies and corporate governance structure.
Business ethics and accountability	Upholding ethical practices, including but not limited to anti-corruption and anti-competitive policies, and maintaining accountability of operations.


www.iocl.com
Continuing India's Energy March
IndianOil, a diversified, integrated energy major with presence across the hydrocarbon value chain has been partnering India's growth for over six decades now. The Corporation has been providing energy access to millions across the length and breadth of the country through its ever-expanding network of over 50,000 customer touch-points. In line with the vision of developing India into 'Aatmanirbhar Bharat', IndianOil is tapping new sustainable growth opportunities.
Follow us on IndianOilCorpLimited IndianOilcl YouTube indianoilcorporationlimited indianoilcorp/
इंडियनऑयल
IndianOil
2021
Year of Opportunities
Hope, Recover & Restructure

Financial Capital

The dynamism of IndianOil in 2020-21, despite the impact of the Covid-19 crisis, demonstrates the resilience of our business model. As one of the leading players, we continue to deliver promising financial performance, both in terms of growth and profitability.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

21,836
PAT (₹ in Crore)

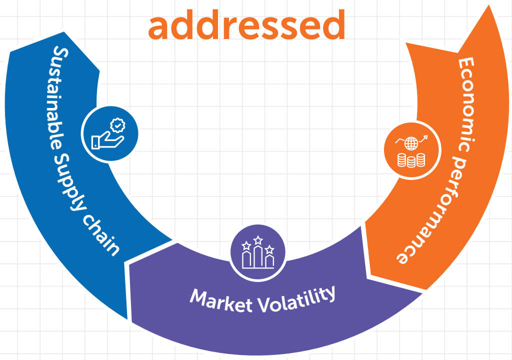
42,614
EBITDA (₹ in Crore)

11.42 times
Interest coverage ratio

0.93:1
Debt Equity Ratio

Director Finance, IndianOil, Shri Sandeep Kumar Gupta, has been acknowledged for his exemplary contribution and professional excellence (Large Corporate-Manufacturing and Infrastructure) by The Institute of Chartered Accountants of India. Shri Nitin Gadkari, Minister of Road Transport and Highways, Government of India handed over the award to Director (Finance)

Material issues addressed



- Sustained capital allocation for expanding capacities of refineries and expansion of other business segments
- Strengthened consumer connect with digital tools and new product launches across the portfolio
- New R&D campus to be constructed with an investment of ₹ 3,200 Crore
- Investments for scaling up bio-fuel and renewable energy production
- Planned investments to expand footprint in countries with better prospects of growth

Value-added statement

At IndianOil, we effectively deploy financial capital to generate sustained value addition for all stakeholders in addition to delivery of financial results.

(₹ in Crore)

Particulars	FY 2021		FY 2020	
Total Income (Net of Excise Duty)	3,82,608		4,89,215	
Cost of Material incl. of change in Inventory	2,94,762		4,30,507	
Total Value Generated		87,846		58,708
Operating Cost	34,178		38,321	
Employee Benefits	10,712		8,793	
Payment to providers of capital				
a) Interest to lenders	3,094		5,979	
b) Dividend to shareholders	9,640		4,820	
Payment to Governments (incl. Taxes)				
Corporate Tax (incl of DDT)	7,880		(4,021)	
Community investments	342		543	
Total Value Distributed		65,846		54,435
Total Value Retained				
Depreciation	9,804		8,766	
Retained earnings	12,196	22,000	(4,493)	4,273

Our financial policies and strategies

At IndianOil, we are stimulating efficient use of assets and funds for stable growth and financial reliability. We strive to generate maximum profit through optimum use of working capital by reducing idle or inefficient fixed assets and directing investments towards areas with potential for growth.

Our prudent capital allocation strategy is aligned to building a robust balance sheet. We strive to realise our goals of sustainable growth by investing effectively across R&D, capital expenditures and shareholder returns.

Managing our inputs

The onset of the Covid-19 pandemic severely disrupted business in the first half of 2020-21. At IndianOil, our team adopted lean financial measures across operations to maintain liquidity with minimum stress on the balance sheet.

During the year, the Company raised long-term fund of ₹ 7,915.20 Crore by issuing unsecured, listed NCDs in the domestic market, and ₹ 2,227.54 Crore through term loans from Banks as well as ₹ 437 Crore through term loan from OIDB.

49,096

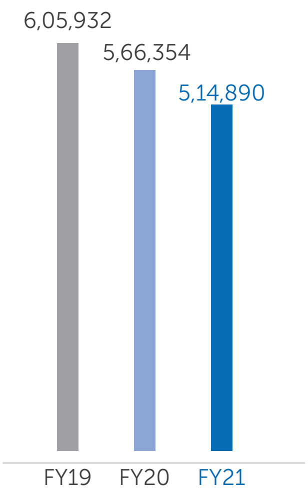
cash flow from operations
(₹ in Crore)

Managing our outputs

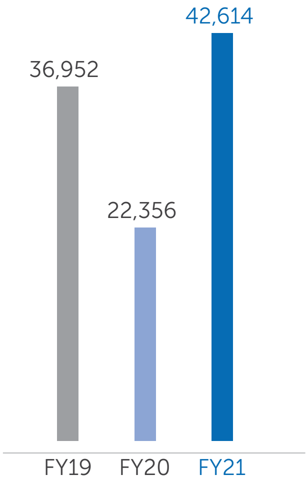
We resumed our various capex projects after the relaxation of lockdown in Q2 2020-21. These projects remain critical for addressing the country's future energy demands, generating employment, boosting the economy and making India self-reliant (towards an 'Aatmanirbhar Bharat'). We also declared a total dividend of ₹ 11,017 Crore (including interim dividend of ₹ 9,640 Crore) for 2020-21. Our financial instruments are being accredited by various credit rating agencies, ensuring the financial reliability of our business. Most rating agencies have considered our financial instruments as 'Stable'.

Key Financial metrics

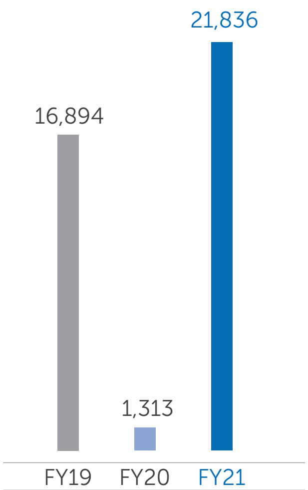
Revenue ₹ in Crore



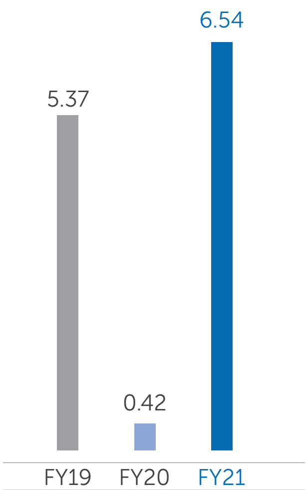
EBITDA ₹ in Crore



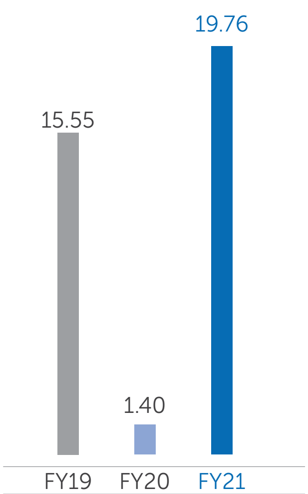
PAT ₹ in Crore



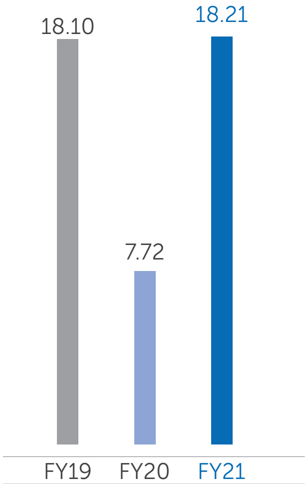
Return on Asset in %



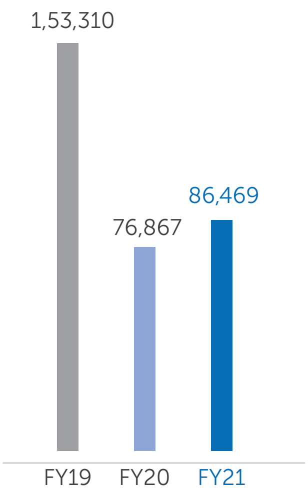
Return on Equity in %



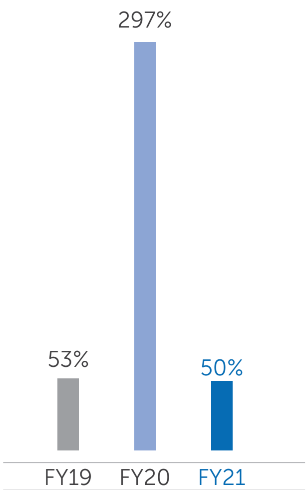
Return on Capital Employed in %



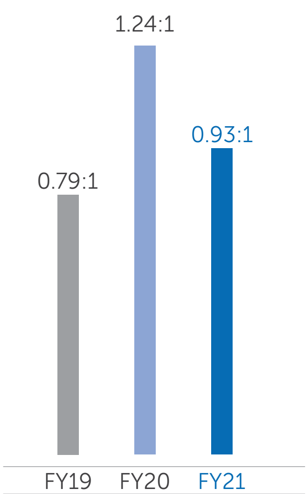
Market capitalisation ₹ in Crore



Dividend pay-out



Debt-equity ratio



Currency risk management policy

We have changed our hedging policy on foreign currency loans since October 2015. As per the revised policy, all short-term foreign currency loans are to be hedged on availment (except revolving lines, which are used for cash flow management). All long-term foreign currency loans are to be monitored and hedged at pre-decided levels. Risk management policies are designed to mitigate the impact of fluctuations in foreign exchange on the Company's earnings from high volatility in the foreign exchange market.

Impact of Covid-19 on our financial performance

Covid-19 continues to have a devastating effect on people's lives as well as economic activities around the world. During the nationwide lockdown in 2020-21, demand for petroleum products declined due to reduced transportation on roads.

IndianOil continued to meet the energy demand of the nation as an essential service provider by modifying production plans at refineries and balancing imports. We also adapted to the 'new normal' and enabled remote working to ensure business continuity during a particularly tough period. Although the demand for petroleum products revived by the second half of the financial year, demand for aviation fuel is still lagging behind due to the slowdown in the travel and tourism industry.

With recovery in crude oil prices, we recorded inventory gains in 2020-21. However, both refining cracks and sales were lower than the previous year. The onset of the second wave of Covid-19 and speculations of a possible third wave are expected to further impact crude prices, refining cracks and sales. Nevertheless, we are optimistic about business growth in the long-term and remain poised to explore better opportunities.

Manufactured Capital

IndianOil is present across the entire energy value chain of the upstream, midstream and downstream hydrocarbon industry. Our manufactured capital is underpinned by efficient resources and an integrated operating model that delivers reliable and consistent performance across all our business segments.

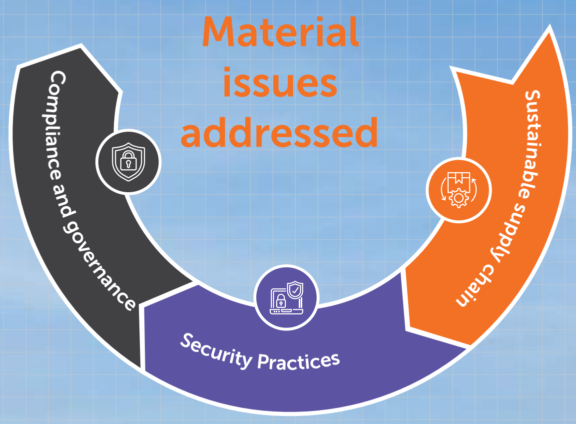
62.4 MMT
of crude processing

2.5 MMT
of petrochemical production

15,000+ Km
of pipeline network

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS

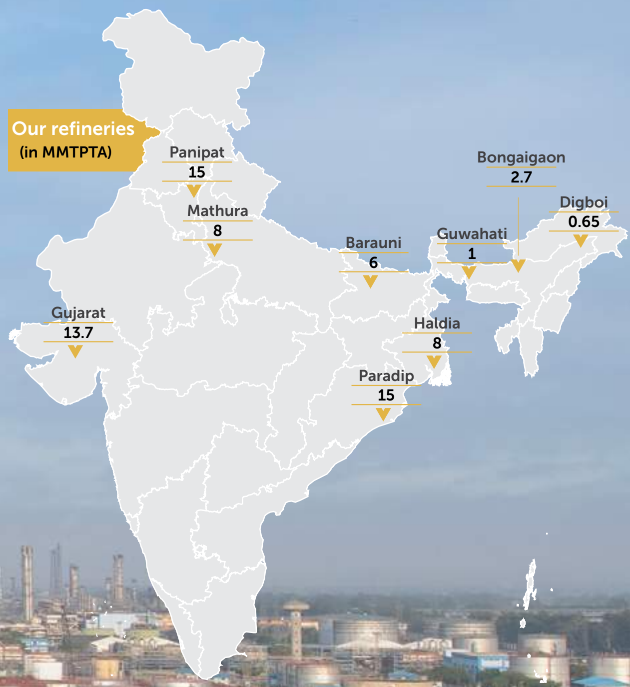
Panipat Refinery & Petrochemicals Complex

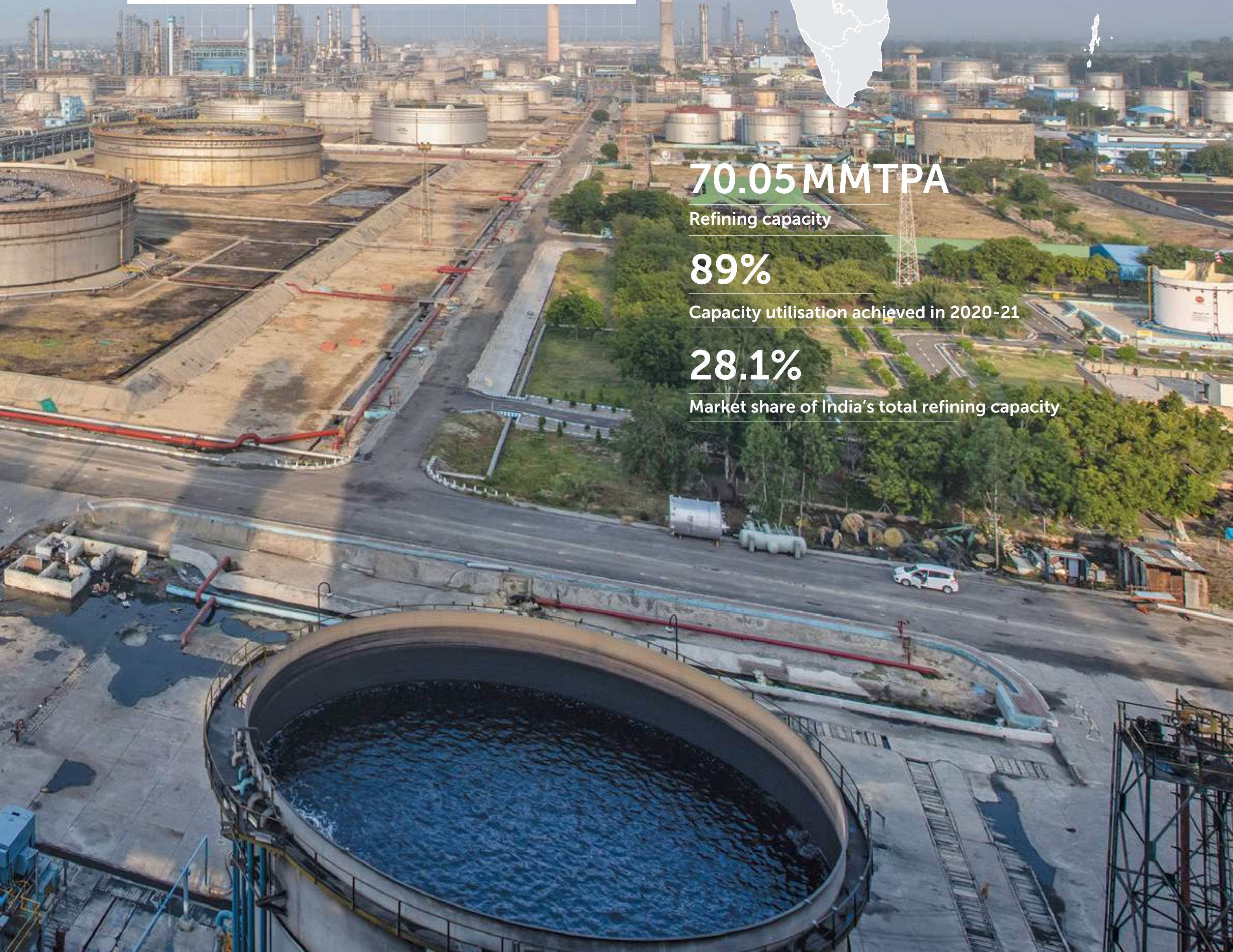


- Planned capex of ₹ 1,00,000 Crore for projects to be completed in coming years, with a focus on 'Aatmanirbhar Bharat'
- Major expansion projects to widen capacity and developments aligned to our objective of emerging as the 'Energy of India'
- Operational presence across the country brings the Company in proximity to its customers

1. Refineries

IndianOil owns 9 refineries in strategic locations across India. Refineries consist of the most critical link to the supply chain of petroleum products, solely responsible for the production of several downstream products. To fulfil market demand for multiple products, the refineries have developed optimum production capacities.





70.05 MMTPA
Refining capacity

89%
Capacity utilisation achieved in 2020-21

28.1%
Market share of India's total refining capacity

Highlights for 2020-21

- Uninterrupted supply of BS-VI compliant fuels after the introduction of new norms on April 01, 2020
- Production of premium quality XP100 Petrol from all refineries for high-end two and four-wheeler petrol vehicles
- Enhanced production of Ethanol Blended Motor Spirit (EBMS) from Mathura refinery and commencement of EBMS supply from Panipat Refinery.
- Commissioning of new projects at refineries, including catalytic reforming unit at Barauni refinery and INDMAX unit at Bongaigaon refinery for increasing production of high value products like LPG and MS, thereby helping to reduce imports and save logistics costs on LPG supply to India's north-eastern region
- Commissioning of fuel quality upgradation facilities like diesel hydrotreater, hydrogen units and sulphur recovery units at Panipat, Gujarat and Haldia refineries
- 92,588 Standard Refinery Fuel Tons (SRFT) of energy saved, i.e., emission reduction of 0.30 MMT CO_2-eq

Road ahead

We intend to enhance our crude refining capacity from 70.05 MMT to 87.55 MMT by 2024-25, to meet the growing demand for petroleum products. Our continuous efforts to increase petrochemical production along with refining capacity expansion is expected to drive profitability in the days ahead.

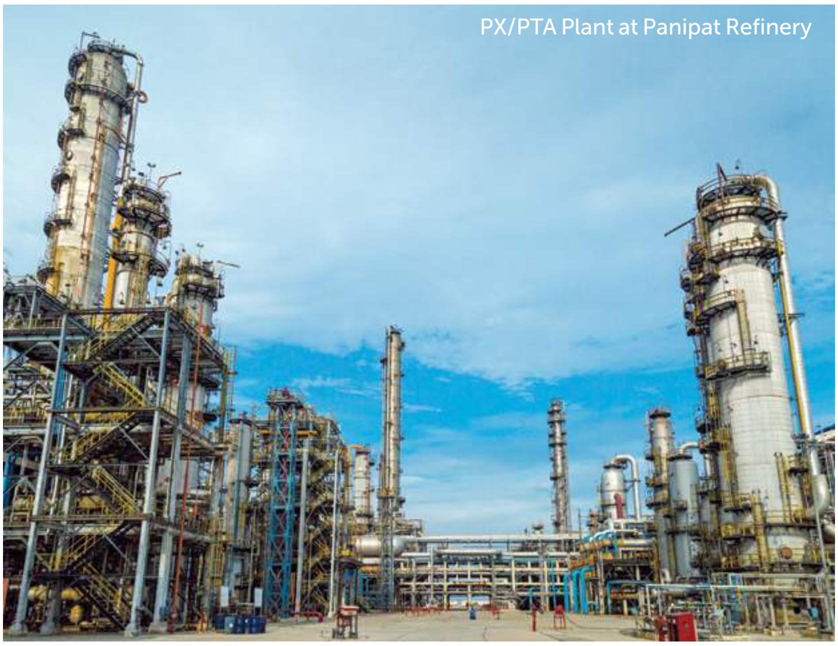
7.5% by 2025

proposed target of Petrochemical Intensity Index of IndianOil refineries

Restructuring and planning

Except LPG, the demand for all petroleum products reduced due to the Covid-19 pandemic. However, processing of crude yields only 5-6% of LPG. This resulted in a rapid spurt of fuel stocks at refineries and pipeline product management had to be addressed through meticulous planning. Optimum throughput of LPG was maintained after making arrangements for adequate temporary storage, following strict safety measures.

2. Petrochemicals



PX/PTA Plant at Panipat Refinery

IndianOil is the second largest producer of petrochemicals in India with integrated downstream facilities across its key refineries. The Linear Alkyl Benzene (LAB) plant at its Gujarat refinery, as well as the Paraxylene/Purified Terephthalic Acid (PX/PTA), Polypropylene Plant at Paradip Refinery and Naphtha Cracker Plants at its Panipat Refinery are state-of-the-art integrated units that strengthen our presence in the hydrocarbon value chain. Each of these world-class facilities are equipped with modern infrastructure and introduce new synergies of production.

Market share of our products

15% Polymers

8% PTA

11% MEG

20% LAB

3.2 MMTPA

total petrochemical capacity

2

Product Application Development Centres (PADC) at Panipat and Paradip refineries

Highlights for 2020-21

- Record petrochemical product sale of 2.68 MMT (including exports), further strengthening our market share in petrochemical products
- Four new PROPEL grades (1045RG, 4015EG, 1350YH and 1200MAS) introduced in the year as import substitutes
- IndianOil became only the seventh company in the world to get certified with a Minimum Required Strength (MRS) 10 rating, with 'no knee' for its PROPEL HDPE PE-100 pipe grade 002DP48
- Export infrastructure developed to serve overseas markets of Bangladesh, Myanmar, Vietnam, and Sri Lanka on competitive commercial terms (on CFR basis)

Road ahead

We are already developing 3.1 MMPTA additional capacity by 2024-25 with a capital outlay of ₹ 35,000 Crore. It is expected to aid the development of new grades of polymers and help to meet increasing demands from consumer and non-consumer durables sectors. It will also improve our market share and ensure sustained value creation in the coming years.

Scaling up efforts during the pandemic

While logistic and supply chain disruptions caused temporary setbacks in operations, the team fought back to support the nation at a time of crisis. Biocompatibility and Drug Master File (DMF) approval for (poly propylene) PP grade 1200MC was obtained in record time. The 1200MC grade has since been established for medical devices and disposable syringes. We also introduced PP grade 1350YH, a niche product, to address emerging requirements of personal hygiene products like sanitary pads, diapers, face masks, etc.

3. Pipelines

IndianOil pioneered the oil pipelines network in the country and today, we manage and operate the largest oil pipeline network in India. Our more than 15,000 Km, cross-country pipeline network has been globally benchmarked as the safest, cost effective, energy efficient and environmentally friendly mode of transportation for crude oil and petroleum products. It is a firm testimony of our engineering brilliance that enables us to efficiently link key production and consumption sites across the country.

76 MMT

of throughput achieved in 2020-21

Highlights for 2020-21

- Initiated blending of heavy crude (8% MAYA) with regular HS crude for the very first time
- As an industry first initiative, Aviation Turbine Fuel (ATF) was pumped with LS-ATF as alternative interface plug, resulting in nil Superior Kerosene Oil (SKO)
- DRA Injection trials were conducted in multi-product pipelines handling ATF to optimise specific energy consumption and reduce costs
- EBMS (E-10) pumping in pipelines is now operational

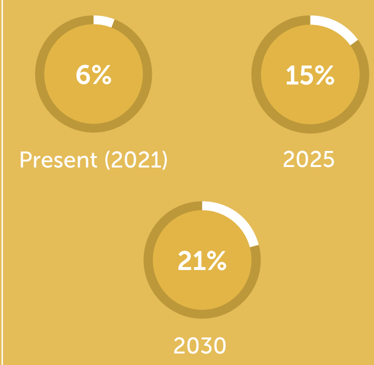
Road ahead

Transportation of EBMS through cross-country pipelines will now be accelerated. The use of LS-ATF as plug for aviation and non-aviation fuels will streamline operations with higher throughput. Pipeline projects valued over ₹ 24,963 Crore are under implementation on standalone basis, which upon completion, would increase the pipline network length to around 21,000 kms and capacity increased to 143.83 MMTPA and 49.5 MMSCMD respectively for liquid and gas pipelines.

Technology driven throughput

Industrial Internet of Things (IIoT) based performance monitoring and predictive analysis system for forecasting health of critical assets (mainline pump, motor and VFD) was introduced during the year. It included several technologies for monitoring reliability, pilferage, maintenance and automation of the pipeline division. A centralised management system was also implemented to evaluate corrosion growth and risk assessment of the pipeline network.

Share of pipeline network in India*



Note*: Through own and JVs

#DidYouKnow?

- **IndianOil is the first in the industry to transport the green fuel, EBMS, through cross-country multiproduct pipelines, facilitating a single point handling of ethanol.**
- **As per the Solomon Study, average capacity utilisation by the world's best 174 pipelines was recorded as 69% while the capacity utilisation stood at 87.9% for IndianOil's 17 pipelines.**

4. NATURAL GAS

Aligned to the Government of India's vision of increasing the nation's share of natural gas in the primary energy mix to 15% by 2030, IndianOil is creating world-class infrastructure for natural gas pipelines, regasification terminals, and CGD infrastructure on standalone basis and through JVs.

1,100+ Km

of gas pipeline network (including JV's)

2,691 MMSCM

of throughput achieved in 2020-21

Highlights for 2020-21

- IndianOil recorded total gas sales of 5.38 MMT, including own consumption, during 2020-21 compared to 5.42 MMT during the same period last year
- To ensure smooth and cost effective RLNG supplies to refineries and customers, amid high spot LNG prices in February 2021, IndianOil adopted dual port discharge of our long-term LNG cargo. This proved to be cheaper than the domestic spot rates.

PESO license obtained for LNG mobile dispensing at IndianOil's R&D facility in Faridabad, Haryana, a first-of-its-kind initiative for conducting trials of LNG as a fuel for heavy duty trucks.

5.38 MMT

of sales in 2020-21

70

B2B customers

(nine added in 2020-21)

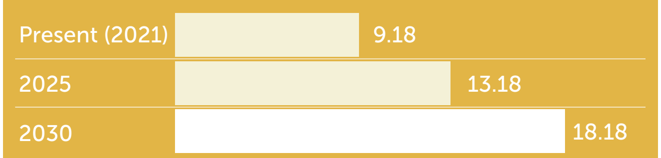
Road ahead

Expansion of Ennore LNG Terminal capacity from 5 MMTPA to 10 MMTPA has been planned along with capacity booking at other upcoming terminals.

20

Auto-LNG dispensing stations to be set up by IndianOil across the Golden Quadrilateral and North–South National Highways of India by the end of 2021

Regasification terminals (in MMT)



5. Marketing

We possess one of the largest petroleum marketing and distribution networks in Asia. Our pan India network of fuel stations, bulk storage terminals, inland depots, aviation fuel stations, LPG bottling plants and lube blending plants help to meet the energy needs of billions of Indians.

118
Terminals/ Depots

32,062
Retail outlets (including KSK's)

121
Aviation Fuel Stations

6,885
Consumer pumps across India

10
Lube blending plants in India

1,059
CNG stations across India

95
LPG bottling plants in India

10,387
LPG bottling capacity (TMTPA)

12,726
LPG distributors
(293 added in 2020-21)

3.75 Crore
beneficiaries of LPG under Pradhan Mantri Ujjawala Yojana, as on March 31, 2021

Case study

Earlier, LPG bottling plants had to be operated manually. Today, however, most operations are performed automatically, including the filling of LPG in cylinders. Installation of vision readers and downstream automatic check scales, valve-leak detection machines, integrated weight correction units and O-ring leak detection machines have enhanced the efficiency of our bottling units.

Case study

While the world grappled with a devastating pandemic, we remained focused on our objective to deliver LPG refills to customers without any interruptions.

Challenges:

- Reduced manpower (due to labour migration and restriction in physical movement)
- Age constraints (difficulty in utilising the services of delivery staff above 50 years in identified red zones)

Resilience

- Introduction of e-invoice/ e-receipt through email and SMS
- Replaced physical signature of customers with Delivery Authentication Code (DAC) OTP
- Customers empowered with digital payment options

Despite odds, our team adopted methods to reach customers in the remotest corners and ensured steady supply of LPG across the country, even during the pandemic. We introduced Health Insurance Policy cover for delivery personnel, ensuring the health and safety of our people as well as their families.

33 Lakhs

refills achieved on April 30, 2021, the highest ever single day last mile delivery

6. Exploration & Production

Utilising the synergies of an integrated business model, we are pursuing growth opportunities in the upstream hydrocarbon value chain. In collaboration with strategic partners, we continue to expand our footprint in domestic and overseas markets. IndianOil plans to acquire E&P assets, preferably those that are producing or near-term producing assets worldwide, depending on their commercial viability. In addition, IndianOil actively scouts for prospective assets in India through open acreage licensing policy, discovered small field round, and abroad licensing rounds of other countries or domestic/overseas farm-in opportunities, either on its own or in association with other companies, to build a balanced portfolio of E&P assets.

IndianOil is a non-operating partner in Mukhaizna project in Oman

9

domestic upstream blocks

6.26 MMTPA

production target by 2023-24

11

overseas foreign upstream blocks

9.68 MMTPA

production target by 2029-30

Outlook

IndianOil's E&P business evaluates various upstream farm-in opportunities worldwide, from time to time, with sizeable liquid hydrocarbon reserves, low production costs and the possibility of bringing Equity Oil to India.

7. Cryogenics

IndianOil has a thriving Cryogenics business with expertise in design & production of state-of-the-art vacuum super-insulated cryogenic storage and transport vessels. We are one of the largest manufacturers of cryogenic containers in the country. A market leader with nearly four decades of experience in cryogenic and vacuum engineering, we serve various industries like Refineries, Chemicals, Aviation, Lubricants, Animal Husbandry, Gas etc., through specialised and custom-built product lines.

The Cryogenics Group sold over 30000 cryo cans during 2020-21. The group also sold highest number of refuellers, Aviation containerised tanks with module and customised heavy duty refuellers during the year.

Al Nuaman LNG Tanker

8. Explosives

IndianOil is the pioneer and largest provider of bulk Explosives and blast based services in country. A commitment to innovation and technology is driving differentiation in key mining sectors. Since 2014-15, the production and sales of bulk explosives has grown by 165%. Various cost optimisation measures introduced during the year resulted in increase in the margins.


BRACE YOURSELF FOR A SUPER PREMIUM PETROL FOR YOUR SUPER LUXURY CAR.
One and only 100 Octane premium fuel in India
Superior antiknock properties
Improves engine power with faster acceleration
Low Benzene and Aromatic Content
Reduced carcinogenic carbon emissions
Ultra-premium fuel for modern mean machines
This is what you've been waiting for. A fuel that's truly worthy of your engineering marvel of a car. Which gives you the high performance you always expected but had not experienced yet. IndianOil's XP 100 is India's first 100-Octane petrol that is setting a benchmark that's miles ahead of everyone. Scan the QR code below to see it in action.
इंडियनऑयल
IndianOil
XP100
100 octane premium petrol
Aspire. Accelerate. Arrive.
Scan to watch video

Intellectual Capital

Our approach to further unlock the potential of the hydrocarbon value chain rests on our innovative approach and our technological capabilities. We leverage our deep engineering and energy expertise to achieve sustainable growth for our business.

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

1,294*

patents filed till March 2021

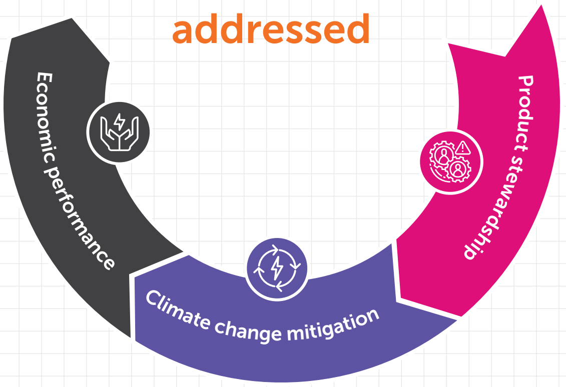
₹ 509# Crore

R&D spend

*In the year 2020-21, our pursuit towards research resulted in 169 patents (69 in India and 100 overseas) filed, taking the total filed patents to 1294. 180 patents were granted during the year, taking IndianOil's patent portfolio of effective patents as on March 31, 2021 to 1,165.

Includes Capital and Revenue expenditure

Material issues addressed



- Certifications, regulatory compliances and licenses in place for processes and facilities
- Continuous focus on new product development backed by innovative and indigenous technologies
- Accelerating eco-friendly practices, energy and water conservation measures to reduce carbon footprint
- Conducting regular third-party audits across processes and operations
- Addressing climate change issues by implementing green solutions and technologies

R&D Centre at Faridabad, Haryana

Our knowledge-based indigenous centre of excellence provides innovative solutions that are qualified as patents, trademarks, copyrights, licenses. The team provides cutting-edge solutions across petroleum products and alternative energy segments. Spread across 65 acres, the campus at Faridabad has delivered key product developments and process innovations over the years. These innovations opened up new opportunities for IndianOil to secure its position in the field of advanced petroleum products and future energy needs since its inception in 1972.

Despite the challenges due to the pandemic during the year, our R&D team exhibited exemplary resilience to achieve excellence in the areas of development and commercialisation of indigenous technologies. The team is currently working on research programs that are focused in the areas of core petroleum activities like Lubricant, Refining, Petrochemicals, Differentiated Fuels, High Efficiency Lubricants and Pipeline Transportation Technology etc. In addition, R&D Centre is also carrying out activities in sunrise research areas of Alternative Energy segments like Bioenergy, Solar Energy, Hydrogen Economy, Energy Storage, Nanotechnology, Carbon Capture & Utilisation, and Battery Technologies etc.

Key highlights for 2020-21

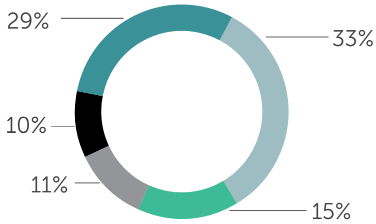
- R&D Centre's sustained effort in the field of lubricants has helped achieve self-sufficiency to meet domestic requirements.
  - o 106 formulations issued
  - o 47 OEM & Customer approvals obtained for automobile / industrial / defence / grease / MWO lubricants.
- Launch of XP100, India's first 100 octane premium petrol developed by R&D team
- Developed indigenous Gasoline Multi Functional Additive (GMFA) additive meeting stringent requirement of World Wide Fuel Charter (WWFC) and observed '2.2% Fuel Efficiency' over conventional gasoline, tested at 3rd party lab.
- Successfully demonstrated IndianOil's Eco-friendly Plastic-to-Fuel (IndEcoP2F) technology for conversion of waste plastics in Delayed Coker unit at Digboi Refinery.
- Development of Off-site pre-treatment technology of Paddy Straw Biomass (Shredding & Extrusion) at Palwal, Haryana as off shoot to existing bio-methanation technology
- Development of a novel 2G Enzyme to replace the imported options to enable production of 2G Ethanol from lignocellulosic biomass
- In-house developed Corrosion Inhibitor for product and crude pipelines accepted and adopted by PL division for all product and offshore crude pipelines. Annual requirement ~700MT for product and 133 MT for crude pipelines with potential saving of approx. ₹ 2.5 Crore.
- Drag reducing agent (DRA) technology ready for commercialisation.
- A miniaturised, universal and modular data acquisition system developed for Instrumented Pipeline Inspection Gauges (IPIG) tools paving way in designing of tools of smaller sizes to inspect non-piggable pipelines.
- Development of new generation coatings namely self-healing Zinc silicate primer with silica nano capsules and a super hydrophobic silicone polyurethane coating with contact angle of >150 Deg.C jointly with CECRI, Karaikudi.
- Credentials of differentiated LPG successfully established with savings of 5-6% over conventional LPG and is launched under brand name "XtraTej" for commercial and industrial use.

- In-house developed IOC Clean - hand sanitiser, meeting WHO guidelines was established to be very effective in managing microbes / virus.
- Developed a Novel Anti-Covid Multifunctional Hand tool which eliminates direct contact of our hands with a surface thus reducing potential source of contamination.
- Developed nanoparticle loaded hydrogel-based formulation for Anti-Viral applications. This novel product was tested at CCMB, Hyderabad and FARE laboratories which found extremely effective against bacteria, viruses including SARS Covid-19 variant.

455

Total team size at R&D Centre

Manpower Qualification at R&D



- M.Tech/ME — **159**
- Ph.D — **133**
- B.Tech/BE — **68**
- Masters — **50**
- Others — **45**

Product Application Development Centres (PADCs)

Our two PADCs at Panipat (Haryana) and Paradip (Odisha) help us keep abreast of new technology, new products/new product applications and grades. Both the centres constantly endeavour to create new petrochemical grades that meet specific customer requirements and strengthen our competitiveness.

71

Commodity & niche grades developed since 2010

Product Application Development Centre at Paradip

Digital Transformation

Launched in 2019, our digital transformation project, i-DRIVE, continues to make steady progress in transforming operations with innovative methods. Some of the projects have already achieved excellence in maintenance, workplace productivity, capex and operations.

Many of our customer facing applications are now enabled with AI-based chatbots for better interaction and experience. Our day-to-day operations are being further automated through robotic process automation systems. We have also introduced remote monitoring systems for predictive maintenance. Experiments are being conducted through drones and AR/VR based systems.

The Company has a comprehensive data privacy policy that complies with the IT Act and the subsequent guidelines issued by the Government of India. The Company relies on defence-in-depth approach and has deployed a series of security mechanisms to protect its data and information. The security setup covers the endpoints (PCs and servers), networks, data centres, OT set-up and all digital resources deployed across the Company. The infrastructure is supported by a 24x7, fully manned security operation centre with a central Security Incident & Event Monitoring (SIEM) and Security Orchestration, Automation, and Response (SOAR). The Security operation Center (SOC) team constantly manages security alerts from across the organisation and provides necessary mitigation controls. We have also partnered with several cyber security bodies, such as CERT-In, NCIIPC and IB, to avert cyber-attacks.

~20

Initiatives identified in last 2 years

Fuelling a better tomorrow

As a leading energy provider, we are pursuing environment friendly and path-breaking solutions for the industry. Our in-house team focuses on emerging industry dynamics to accelerate the development of solutions that are future-ready and contribute to the mission of 'Aatmanirbhar Bharat'.

In 2020-21, we introduced path-breaking products and process innovations that have helped us achieve superior environmental performance (consumption, emission control components) and customer experience.

XP100 – India joins the league of elite nations

IndianOil launched a high performance and best-in-class premium fuel, XP100. The high octane fuel produced by IndianOil's refineries is a first-of-its-kind product in India that will provide unmatched mobility experience and superior vehicle performance. IndianOil's innovative efforts have placed India among the very few advanced countries in the world that produce energy efficient fuel. The octane rating of **XP100** exceeds the Bureau of Indian Standards (BIS) ratings and ensures superior combustion of engine fuel in comparison to BIS recommended gasoline.

87

retail outlets in the country serving XP100

Digitising operations

During the year, digital signatures on invoices were accepted at all IndianOil stores and other operational areas. A centralised vehicle tracking and management system was also started during the year, leading to improvement in delivery time and customer satisfaction. To add efficiency to operations and enhance automation, we also upgraded our labs and introduced SMART labs.

During 2020-21, 26 marketing labs were upgraded to SMART labs and by the end of 2022-23, all 57 labs are expected to be similarly upgraded.

Exploring Green Energy horizons

We have made significant progress to evaluate the use of hydrogen as a fuel for supporting future mobility. The surplus hydrogen at the Gujarat refinery would now serve dispensing facilities of fuel cell electric vehicles. Initially, this facility will be used for refuelling 25 buses operating for eight hours per day (~0.5 TPD). It will gradually have a capacity to refuel 75 fuel cell buses with 24 hours of operation per day (1.5 TPD). The project is expected to be operational soon with the first set of buses likely to be operational from the Gujarat refinery to iconic destinations in the state.

We are set to commission the 2G ethanol production plant at the Panipat refinery, based on indigenous R&D technology for production of 2.4 KLPD fuel grade ethanol. We have also entered into a strategic partnership with LanzaTech, USA, to commission the world's first 3G ethanol production unit from refinery off-gas, based on gas fermentation at the Panipat refinery in 2021-22.

#DidYouKnow?

- **IndianOil's first catalyst manufacturing plant is under construction at its Panipat refinery, where hydro treating catalyst for DHDT/DHDS and ZSM-5 additives for FCC/RFCC units will be produced.**

Upcoming 2G Ethanol plant at Panipat

Partnerships driving value

We continuously assess, identify and explore potential cases of mergers, acquisition, and partnership opportunities to accelerate growth. Our due diligence team conducts environmental evaluation, mega trend analysis, competitor analysis, supply–demand analysis, etc., to identify growth areas for the Company and synergies derived thereon, if any. Identified specific opportunities and complementary core competencies are then evaluated for jointly moving forward.

Our ongoing partnerships include:

- Incorporation of IOC Phinergy Private Limited, a JV between IndianOil and Phinergy for commercialisation of Al-Air battery technology in India
- Investment in LanzaTech, USA for setting up of ethanol production plant, at commercial scale of 35,000 Tonnes/year (35 KTA), leveraging their advanced technology

Road ahead

Our intellectual capital defines our way forward and provides 'energy equity' to India. We understand the dynamic and changing hydrocarbon landscape, aspiring to maximise innovation and create value for our customers. Collaborations with strategic partners allow us to explore new opportunities, creating a distinctive position for us to drive innovation across our products and processes.

Awards

"Team Innovator of the Year" Award for INDICAT PRIME DHDT catalyst - FIPI Oil & Gas Awards 2020

Clarivate South and South East Asia Innovation Award 2020

IndianOil INDMAX Technology bagged "Global Hydrocarbon Processing Award" of 2020 as Best Refining Technology

Start-up incubated by IndianOil adjudged Best Start-up of the Year 2020 under FIPI Awards 2020

IndianOil R&D campus got "Platinum Rated Green Campus" certificate from Indian Green Building Council (IGBR) valid for 5 years

'Best Indigenously Developed Technology' by Centre for High Technology (CHT), for IndianOil's in-house AmyleMax®

Case Study

Increasing LPG yields through indigenous technology

The R&D team at IndianOil developed the INDMAX Fluid Catalytic Cracking (FCC) process technology to improve yield of light olefins / LPG and high-octane Gasoline from various petroleum residue/ heavy feedstock. We pioneered the country's flagship technology that combined our proprietary INDMAX catalyst and processes with exclusive design features and know-how of our strategic partners. The patented technology was commercialised in 2003 at IndianOil's Guwahati refinery with 100-kTA capacity unit. Steadily, the technology was installed at other key IndianOil refineries, currently offering a cumulative INDMAX capacity of 17.25 MMTPA. Besides captive use, INDMAX technology is also selected through global competitive bidding by NRL, in domestic merket for its 1.95 MMTPA unit at Numaligarh Refinery, Assam and also in foreign market, i. e., NIS Serbia for revamp of 660 KTA FCC unit at Pancevo refinery.

Human Capital

We are focused on attracting, developing and retaining the right talent to build a safe, engaged and performance driven workforce. We believe that our employees play a vital role towards achieving our long-term targets.

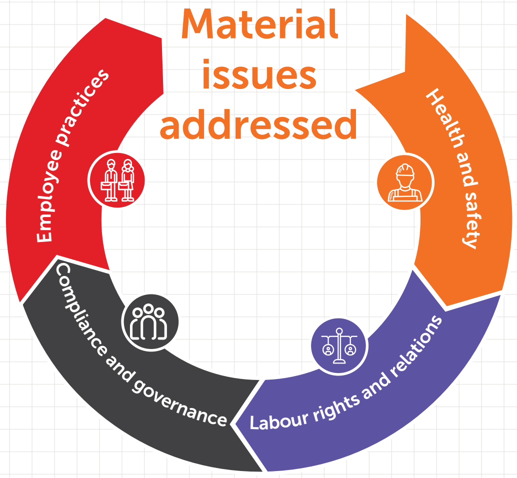
3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

₹ 16.27 Crore
revenue per employee

₹ 92.92 Crore
spent on training and development

8.77%
female employees

1%
attrition rate



- Build an engaging workplace
- Create safe and healthy practices for employees
- Promote diversity and inclusion
- Improve employee productivity

Work environment and culture

At IndianOil, we believe in a strong value system and best practices to enhance and improve our capabilities and achieve our organisational objectives. People processes/practices have been designed and executed to facilitate a conducive work environment. To create an engaging and interactive workplace, the human resource team has framed a well-defined HR policy, encompassing strategies for the healthy development of employees.

In order to ensure effective implementation of policies, IT tools are pre-configured with checks and workflows. Effective grievance redressal processes are also structured to keep the trust, respect and confidence of our team intact. Further, we frequently evaluate our benefits and remuneration policy, to benchmark it with industry standards.

Respecting human rights, the societies we work with and the partners in our value chain are integral to our ethos. The HR Policies at our workplace includes freedom of association, collective bargaining, Prevention of Sexual Harassment at Workplace (POSH) and Whistle Blower Policy, amongst others. Our acquisitions, mergers and investment decisions take into consideration human rights clauses. Our supplier onboarding process encompasses environmental and social parameters, including human rights.

Training and development

At IndianOil, our strong leadership development philosophy is based on the belief that an empowered individual utilises opportunities and rises above others to take complete ownership of a task and makes significant differences.

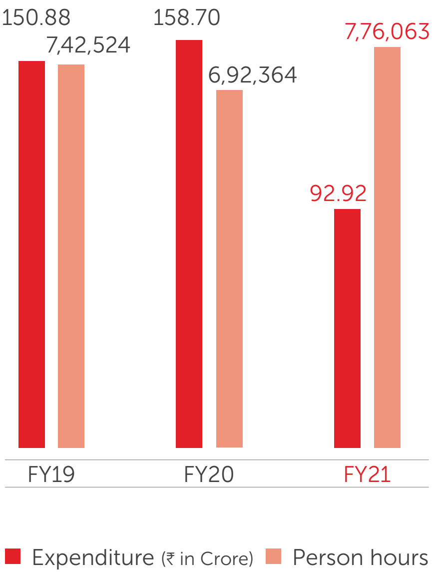
We have made significant progress on this front, to develop flagship programs that encourage leadership skills at all levels. Different types of training programmes have been formulated for employees at different levels, based on their roles in the organisation. These programmes are:

- Cutting Edge for Creating Wealth
- Threshold : Leading in Uncertain Times
- Saksham – IndianOil Leadership Competency Development Program
- Senior Management Program
- Advanced Management Program
- 1 year Executive MBA program
- Leadership Simulation workshop / Business simulation games
- Launch of 'Aarohi' initiative that aims at all-round development, especially leadership qualities of a select group of women leaders at the middle management level.

Saksham – IndianOil Leadership Competency Development

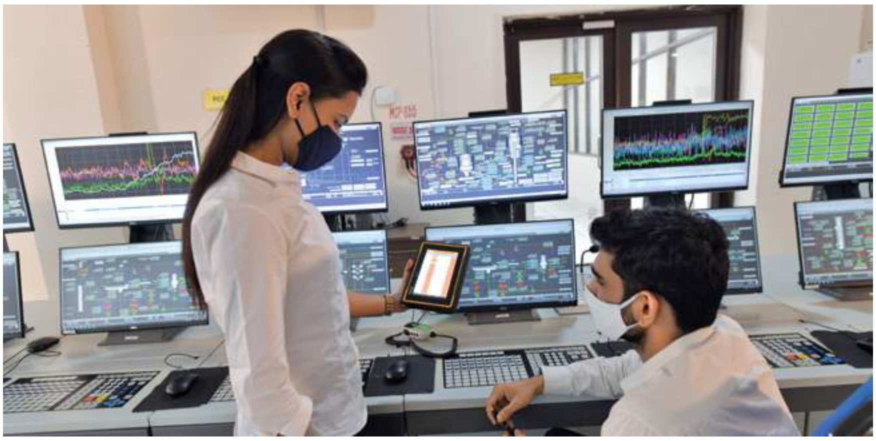
Further, as part of the organisation's focus on 'Investing in Our People' - Project "Saksham" (meaning "Competent") - a structured Leadership Competency Development Programme has been designed and launched with a view to develop leadership competencies in sync with the IndianOil leadership competency framework, comprising of 8 leadership competencies. This unique initiative aims at providing our leaders best inputs required to effectively develop their leadership skills. As part of this initiative, customised and specialised developmental modules on each leadership competency have been designed exclusively for IndianOil by some of the best B-Schools in the Country – e.g. Strategic Leadership by IIM Ahmedabad, Customer and Operational Leadership by IIM Bangalore, Business Results Leadership by IIM Calcutta, Talent and Change Leadership by XLRI, Jamshedpur. A new self-driven training platform of "Swadhyaya" has also drawn interest of many learners .

Training expenditure and Person hours



Swadhyaya – IndianOil's e-learning platform

IndianOil developed an e-learning platform, christened Swadhyaya (self-learning), containing about 1100 modules on a wide range of functional content across the organisation. Just before the lockdown, about 6,000 hours of content was consumed by 2,000-odd active users. Through focused communication, promotion and daily analytics sharing, a learning revolution was triggered. Swadhyaya now has almost 19,000 active users who consumed around 5 Lakhs hours of e-content in the last few months.



Secretary, MoP&NG Shri Tarun Kapoor (Centre) along with Chairman Shri S. M. Vaidya and Director (HR) Shri R. K. Mohapatra, during the valedictory function of Women's Leadership Programme 'Aarohi' at IiPM

Employee engagement

IndianOil has always believed in empowering its employees by providing various learning opportunities to enable them to take up challenges of the future. We have been known as an 'Academy Company' for the tremendous opportunity extended to employees for overall growth and development, more importantly towards building a human capital. The employee development initiatives of IndianOil have resulted in providing a pipeline of leadership talent and are benchmarked as best in the industry.

Employee Satisfaction Survey is conducted every year to capture employee feedback on various aspects impacting their engagement with the organisation. To have a deeper perspective of employee aspirations and know the pulse of our employees, the Employee Satisfaction Survey has been re-designed, including its employee engagement component. The newer version of the Survey was launched by the Chairman, christened as "Pratidhwani". It was highly acclaimed by employees and received about 75% participation, which has been the highest so far.

The Chairman's YourSpace Portal, where employees can directly share ideas, continues to receive encouraging response from the employees. This is a top-driven approach for delivering ideas directly to the apex management. Employees directly write their views to the Chairman via a dedicated portal. The suggestions are then evaluated and assessed by a high-level committee and if found feasible, they are adopted and implemented.

The suggestion scheme portal is general in nature and the suggestions are categorised not as per department/ division but in the following manner:

I HAVE A DREAM

I HAVE AN IDEA

I WANT TO LEARN

CAN WE COLLABORATE

2564
Total ideas provided since inception of the portal from 2018

307
Ideas have been executed

Some other programs undertaken during the year were:

- R&D "Ideation Festival" to encourage employees to submit new and innovative ideas outlining the scope, rationale and pertinence of energy research and its relevance to R&D
- IndianOil Suggestion Scheme encourages employees to give suggestions. Employees are rewarded on the basis of acceptability/ suggestion implementation
- Formal scheme to reward employees based on number of patents filed/ commercialised
- Feedbacks are presently being conducted through in-house software available for the Pipelines Division

₹ 6.93 Crore
One-time saving under suggestion scheme

Diversity and inclusion

We strive towards building a culture of inclusion, where diversity forms a foundation to build a future-ready organisation. We are committed to 'Equal Opportunity Policy' aiming to provide opportunities without any discrimination on the grounds of disability, gender, caste, religion, race, state, background, colour, etc. We also foster a workplace that is free from harassment, where individuals are treated with dignity and respect.

We take pride in being a gender neutral organisation. However, few policies have been implemented to provide an opportunity to female employees to balance their career and personal life. Therefore, in addition to maternity leave, female employees are also allowed child adoption leave, child care leave for a specified duration, and special leave to join their husband posted in other organisation at a different station. The corporation also has a central policy on providing creche facility at locations, wherever required and feasible.

Special efforts are also made for professional development of women employees with exclusive training programmes designed for them, such as the 'Women Leadership Program'. IndianOil introduced a 'one-of-its-kind' initiative, which aims at the long-term and all-round development of select women leaders at the middle management level.

2775

Total Females employees

Occupational health & safety

At IndianOil, we strive to create a safe workplace by adhering to rules and sharing our experiences. We do everything in our capacity to ensure the safety of our employees and prevent any occupational accidents.

In a virtual environment that Covid-19 created, at IndianOil, we adapted to the new normal and framed policies to drive the organisation ahead. The acronym, PACE, was used to sum up all the activities undertaken as part of the new normal.

People focus: Keeping an eye on the health, safety and well-being of employees, contract workers, channel partners and stakeholders

Adaptability: Abruptly transforming business processes on account of social distancing and other aspects

Communication: Maintaining communication linkages during non-availability of physical communication channels

Energy continuity: Ensuring nationwide supplies of essential products and assisting the Government and the administration in various Covid containment measures

Doctors and medical staff at IndianOil Bongaigaon Refinery

Initiatives taken during the new normal:

- The need to reskill and upskill the workforce has been accelerated by the Covid-19 pandemic. Owing to greater reliance on technology, employees had to be trained to enhance operational efficiency.
- Prevention and awareness strategies were implemented to control the spread of Covid-19. A high level committee was set up for the monitoring and development of quarantine centres, Covid care centres, and dedicated Covid health centres, issuance and implementation of procedures and practices mandated by Government directives, ensuring use of masks and PPE kits by employees, spreading awareness through mailers, posters and digital sessions, training by in-house doctor/ medical staff, implementation of various administrative controls, such as thermal screening at entry points, practice of proper hygiene/ sanitation measures, physical distancing, ensuring staggered office timings, allowing work from home, etc.
- Adopted virtual instructor led training (VILT) for benefit of employees.
- Offered tele-consultation facilities for employees through our in-house tele-consultation app, which provided access to 240 doctors.

Awards and Recognition

Name of award | Awarding authority | **Award**

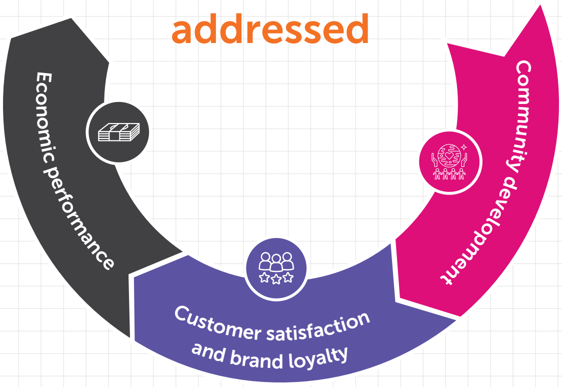
Name of award	Awarding authority	Award
10th PSE Excellence Awards	Indian Chamber of Commerce	**Runner Up**
SHRM HR Excellence Awards 2020	SHRM India	**Special Recognition among PSUs**
Swachhta Pakhwada Awards, 2020	Swachhta Pakhwada Awards, 2020	**Winner**
Swachhta Hi Sewa Campaign 2019	Ministry of Petroleum & Natural Gas, Govt. of India	**2nd Runner Up**
Sustained Excellence Award 2020	BML Munjal	**Winner**
Oil & Gas Awards 2020	FIPI	**Winner** **1.** Oil & Gas Pipeline Transportation Co. of the Year **2.** Innovator of the Tear (Team) **3.** Digitally Advanced Co. of the Year
National Award for Innovative Training Practices 2019-20	ISTD	**Special Commendation (Manuf. Sector)**
National CSR Award under Women and Child Development category	Ministry of Corporate Affairs	**Winner**

Migratory birds at IndianOil Mathura Refinery Ecopark

Social and Relationship Capital

At IndianOil, we forge lasting relationships with a wide range of stakeholders including customers, suppliers, business partners, investors, the Government, regulatory bodies and the society at large. We believe in actively engaging with stakeholders to address their specific concerns and deliver long-term solutions.

Material issues addressed



- Widen our offerings across the hydrocarbon value chain
- Contribute towards empowering lives in local communities
- Create an ecosystem to contribute towards 'Make in India' and 'Aatmanirbhar Bharat' missions

Customers

Given the diverse nature of our business, we serve a wide range of customers, right from individuals and households to industrial consumers and institutional consumers in domestic and international markets. At IndianOil, we strive to fulfil the energy requirements of the nation through a diverse portfolio of products and services.

During the year under review, we continued to integrate our digital platforms and technologies, such as Customer Relationship Management (CRM) portal and chatbots, to serve our customers better. We also leveraged various social media platforms to connect with our customers, create awareness about our products and gain insight about their needs and requirements.

We also associated with third-party agencies to conduct customer feedback surveys and gain independent reviews. Further, we leveraged our vast network of dealers and sales staff across the country to regularly stay in touch with our customers. It allowed us to gather meaningful insight into customer requirements, expectations and feedback. These enabled us to further improve our operations and introduce new and improved products.

At IndianOil, we generally conduct customer meets at regular intervals. Owing to the pandemic, however, they were not conducted this year. Nonetheless, we remained connected with our customers through e-mails, phone calls and virtual meetings, and extended necessary support and assistance to them.

99.99%

of customer / consumer complaints successfully resolved during the year

At IndianOil, we recognise the contribution of our customers in our growth journey. To acknowledge the same, we celebrated Customers Day on January 9, 2021. Our officers visited our bulk customers and conveyed our appreciation to them for being an integral part of our success and assured them the best services.

Suppliers and business partners

Our suppliers and business partners play a vital role in supporting our efforts to ensure uninterrupted fuel supply for millions of customers daily. We strive to conduct our business in an ethical, responsible and transparent manner. IndianOil closely works with various small and big suppliers and business partners, across the value chain. We align our practices with the Government of India's vision of 'Aatmanirbhar Bharat' and therefore, source material and services from local vendors and suppliers.

During these challenging times, we maintained a strong connect with our suppliers and business partners and extended necessary help, as and when required. On a regular basis, we also conducted vendor engagement programmes to ensure smooth and efficient communication with them. Important information related to the requirement of materials in the near future and relevant policy changes were conveyed to them, along with a clear communication of mutual expectations and ways to overcome challenges.

Further, we launched an e-site for suppliers and business partners to help them gather information about our requirements. Likewise, we also launched an e-site to understand their challenges and grievances, and to address their queries. These initiatives enabled us to further strengthen our relationship with suppliers and business partners, creating the foundation for mutual trust and shared success.

76

vendor engagement programmes conducted in 2020-21 for MSME vendors

21

vendor engagement programmes conducted exclusively for SC/ST and women entrepreneurs in 2020-21

Investors and shareholders

Our ability to deliver operational excellence is supported by our strong financial performance and our ability to create value for our shareholders. Our track record of fulfilling financial targets on time, issuance of bonus shares from time to time and high dividend pay-out for our shareholders on a year-on-year basis, stand as a testimony to our value creation philosophy.

We also constantly strive to maintain a strong corporate governance framework and improve disclosures and communication to help stakeholders understand our business model, strategies and performance parameters. We engage with our shareholders and investors through press releases, press conferences, concalls and direct communication through emails. The investor section of the corporate website also provides valuable information. We have also established a dedicated Investor service cell to swiftly address grievances and/or queries of our share and debenture holders.

100%

shareholder grievances resolved or addressed in 2020-21

50.50%

dividend pay-out ratio in 2020-21

₹ 86,469 Crore

market capitalisaton as on March 31, 2021

₹ 11,017 Crore

dividend for 2020-21

Government and industrial bodies

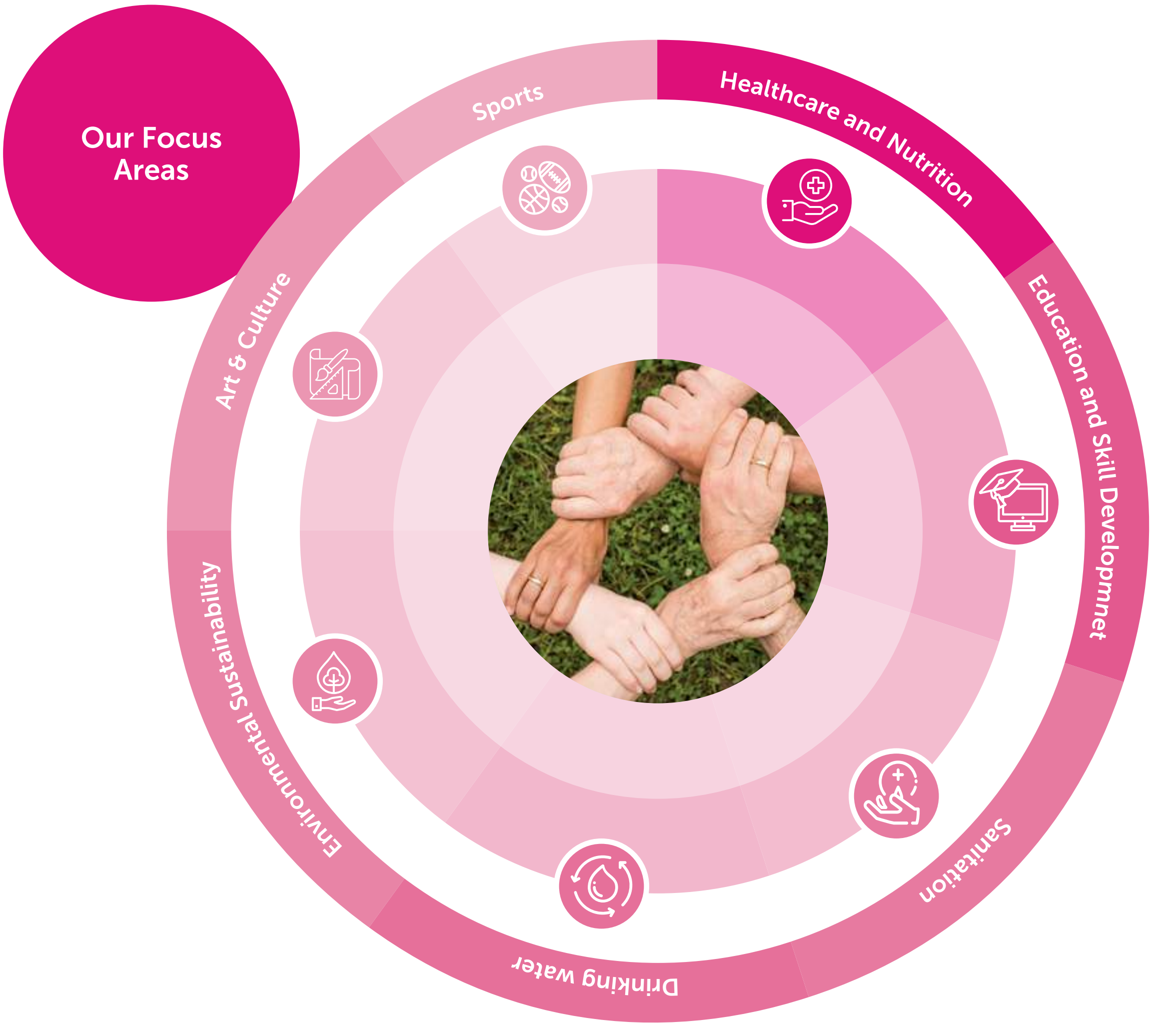
Our association with the Government and various industrial bodies go well beyond compliance. We partner with them to strengthen the country's energy security, develop and propagate clean energy. Through our operations, we contribute and promote various government initiatives, such as '*Aatmanirbhar Bharat*', '*Swachh Bharat Abhiyan*' and the *Pradhan Mantri Ujjwala Yojana* (PMUY). We also encourage procurement from MSMEs and aim to increase the share of natural gas in India's energy mix to 15% by 2030, aligning with the Government of India's vision of promoting clean energy.

₹ 2,38,786 Crore

contribution to exchequer in 2020-21

Community

At IndianOil, our community outreach programmes and initiatives are aimed at the socio-economic development of local communities. We seek to empower and assist underprivileged sections of communities and address their needs and concerns. To fulfil this objective, we partner with Government agencies and other organisations to create meaningful change in people's lives.



An IndianOil retail outlet run by Indore Central Jail Kalyan Samiti, has jail inmates as Customer Attendants

Bandicoot robotic machine handed over to eliminate manual scavenging of sewers

Cleaning of Bindu Sagar Lake, largest water body in Bhubaneswar

Human Milk Bank established at govt. hospitals, Dharampuri, Tamil Nadu

Paddy Scheme by SERPL to reduce water usage & improve rice productivity in Tamil Nadu

Bongaigaon Refinery's drinking water project at an Indo-Bhutan village

Hon'ble Chief Minister of Gujarat launching rainwater harvesting system initiated by IndianOil Gujarat Refinery

For more details on our CSR activities, please refer to page 112

Key Highlights of 2020-21:

460.37

spent towards CSR activities (₹ in Crore)

130

educational activities organised

340

healthcare & nutrition activities undertaken

15,224

economically disadvantaged students benefitted

2765

villages and towns covered

~125 Lakhs

People benefited from our CSR activities

Our fight against Covid-19:

At IndianOil, we remain truly committed to our motto: '*Pehle Indian Phir Oil*'. In challenging times, we stood united together to serve our country in every possible way. We also leveraged our extensive network to provide support and assistance to the socio-economically weaker sections.

Impact created

~18 Lakhs

masks distributed

~1.5 Lakhs

bottles of sanitisers distributed

Fuel for

21,000+

flights provided for people stranded in different countries

Uninterrupted operation

of defence, cargo, repatriation flights, air ambulances and Vande Bharat Mission flights

~ ₹ 36 Crore

spent on medical equipment, including testing kits, PPE kits, ventilators and ICU beds during Covid-19

At every

50 Km

intervals on highways, grocery/food packets provided for drivers

₹ 225 Crore

IndianOil's contribution to PM-CARES fund, under CSR

40 Lakhs

food packets distributed to migrant labourers through our retail outlets

Natural Capital

As a responsible corporate citizen, IndianOil endeavours to maximise resource efficiency and mitigate the negative impact of its operations on the ecosystem. We are transitioning towards a low-carbon economy and embracing sustainable practices to create greener solutions that assure the viability of our natural environment.

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

₹ 344.36 Crore

expenditure in developing alternative energy sources*

Note*: excludes alternative energy efforts undertaken in retail network and R&D

5%

equivalent electricity generated from renewable energy sources

98 billion litres

of water consumption

3.17 MMT CO_2-eq

of reduced GHG emissions

Material issues addressed

- Support for green economy
- Reducing GHG emissions
- Reduced dependence on fossil fuels
- Utilising resources for better waste management

Our environmental performance

We strive to conserve and protect our natural environment by reducing emissions/effluents from our units. We monitor the emission levels regularly and proactively aspire to pursue the transition towards greener fuel, such as natural gas, biofuel, renewable energy, hydrogen fuel, etc., to minimise the impact of our products on the environment.

All our operating units comply with stipulated environmental regulations mandated by the Central/ State Pollution Control Boards and the Ministry of Environment, Forests and Climate Change authorities and orders of the Hon'ble NGT and Hon'ble Courts.

Petroleum Secretary, Shri Tarun Kapoor with Chairman Shri S. M. Vaidya at Bleach Energy Plant at Anand that produces compressed Bio-Gas, marketed under the brand name, IndiGreen

Climate change

Use of oil and gas is considered to be a major contributor to climate change. Greenhouse gas (GHG) emissions from the sector are probably the most significant. As a result, we actively try to limit our impact on the environment. IndianOil, therefore, aims to achieve excellence through sustainable operations and enhance the green cover. In addition, our assets are located in various states that are prone to natural disasters, such as flooding, cyclones and earthquakes. We have drawn up a strategy to internalise these risks and safeguard ourselves from similar incidents.

Ecopark at IndianOil Guwahati Refinery

Energy management

At IndianOil, we acknowledge the possible environmental, social, political and economic implication of climate change. Since our business activities, especially our plants, are energy intensive, we strive to contain and reduce our carbon footprint in a technically and economically feasible manner.

Recently, we moved to alternative energy sources like biofuels, hydrogen/ H-CNG, solar energy, green diesel, carbon capture and utilisation, which has resulted in the production of biodiesel and 2G ethanol. This supports Governments initiative to reduce crude imports. Further, to reduce India's dependence on imported LPG, a solar cooker laboratory was also set up.

Energy saving initiatives implemented:

- Efficiency measures for refinery upgradation
- Shift from crude-based engines to motor-driven engines for pipeline transport
- Thrust on natural gas and electricity
- LED implementation across the Company
- Installation of solar plants with total capacity 6.54 MW

286.24 Trillion BTU

of total energy consumption

232.95 MW

capacity of renewable energy

106.2

Energy Intensity Index (EII) rating

Water management

Water is extensively consumed in our operations for varied purposes. As a result, we undertake measures to reduce the use of water and ensure reuse of water, wherever possible. All refineries and some of our larger marketing and pipeline locations have effluent treatment plants. Wastewater generated from these operations are recycled and used within our facilities.

In keeping with our endeavours to ensure optimum use of water, we undertake various initiatives aimed at conserving water. Necessary interventions like rainwater harvesting projects, watershed projects, 'Zero-liquid Discharge' from locations have been undertaken. Moreover, we conduct water audits/ efficiency evaluations to improve water usage across our units. To promote sustainable water management, most of the refineries have undertaken water audits, in a bid to reduce water consumption and promote water conservation.

135.90 billion litres

of total water footprint*

Note*: Freshwater + recycle wastewater

43.22 billion litres

of waste water generated

37.95 billion litres

of waste water recycled

88%

of waste water recycled

Waste management

Given the nature of our business, a significant amount of waste is generated from our plants. At IndianOil, we ensure waste management as per the laws and policies implemented by the State Pollution Control Boards (SPCBs). We have initiated measures for waste reduction, recycling and efficient waste treatment.

291 MT

Waste paper recycled

1,371 Tonnes

cumulative sale of compressed biogas (CBG) as on March 31, 2021

Waste streams generated at IndianOil:

- Organic waste
- Spent Catalysts
- e-waste
- Oil sludge
- Metal waste
- Plastic waste

Plastic Bottle Recycling machine at IndianOil Retail Outlet

Way Forward

With the responsibility to fulfil the nation's energy demands, IndianOil will continue its pursuit for low carbon energy solutions while establishing safe and resilient energy delivery systems. We strive to offer value-added petroleum products and ensure seamless supply of fuel for customers in every corner of the country. Keeping sustainability at the core of our endeavours, we are consistently exploring opportunities for developing clean energy and enhancing our operational efficiencies through the adoption of new age digital processes. Looking ahead, we are confident of building a brighter tomorrow with ecologically sustainable solutions.

Corporate Information

BOARD OF DIRECTORS

WHOLE-TIME DIRECTORS

1. **Shri S. M. Vaidya,** Chairman
2. **Shri G. K. Satish,** Director (Planning & Business Development)
3. **Dr S. S. V. Ramakumar,** Director (Research & Development)
4. **Shri Ranjan Kumar Mohapatra,** Director (Human Resources)
5. **Shri S. K. Gupta,** Director (Finance)
6. **Shri Sanjiv Singh,** Chairman (upto 30.06.2020)
7. **Shri Akshay Kumar Singh,** Director (Pipelines) (upto 31.01.2021)
8. **Shri Gurmeet Singh,** Director (Marketing) (upto 31.03.2021)

GOVERNMENT NOMINEE DIRECTORS

9. **Dr Navneet Mohan Kothari**
10. **Ms Indrani Kaushal**

INDEPENDENT DIRECTORS

11. **Ms Lata Usendi**
12. **Shri Vinoo Mathur** (upto 21.09.2020)
13. **Shri Samirendra Chatterjee** (upto 21.09.2020)
14. **Shri Chitta Ranjan Biswal** (upto 21.09.2020)
15. **Dr Jagdish Kishwan** (upto 21.09.2020)
16. **Shri Sankar Chakraborti** (upto 21.09.2020)
17. **Shri Dharmendra Singh Shekhawat** (upto 21.09.2020)
18. **Shri Rajendra Arlekar** (upto 10.07.2021)

COMPANY SECRETARY

Shri Kamal Kumar Gwalani

Core Team

Sitting in centre:
Shri S. M. Vaidya, Chairman

Standing from left to right:
Shri G. K. Satish, Director (Planning & Business Development)
Dr S. S. V. Ramakumar, Director (Research & Development)
Shri Sandeep Kumar Gupta, Director (Finance)
Shri Ranjan Kumar Mohapatra, Director (Human Resources)

SENIOR MANAGEMENT TEAM

Alok Khanna
Executive Director (Strategic Information Systems), Refineries

Shailesh Kumar Sharma
Executive Director (City Gas Distribution), Pipelines

Rahul Bhardwaj
Executive Director (Quality Control), Marketing

Surjeet Singh Lamba
Executive Director (LPG), Marketing

Vipin Chandra Sati
Executive Director I/C (Operations), Pipelines

V. K. Raizada
Executive Director (Maintenance & Inspection), Refineries

Subimal Mondal
Executive Director (Lubes), Marketing

Debasish Roy
Executive Director (Finance), Refineries

U. P. Singh
Executive Director (Human Resources), Marketing

D. L. Pramodh
Executive Director & State Head (Karnataka State Office), Marketing

R. D. Kherdekar
Executive Director (Pricing), Marketing

S. K. Bose
Executive Director I/C (Human Resources), Corporate Office

Sandeep Sanjay John
Executive Director (Human Resources), Refineries

Arvind Kumar
Executive Director
(Materials & Contracts), Pipelines

Partha Ghosh
Executive Director & Refinery Head (Haldia Refinery)

D. S. Nanaware
Executive Director (Projects), Pipelines

O. P. Jain
Executive Director (Finance), Business Development

Sanjiv Sharma
Executive Director (Corporate Planning & Economic Studies), Corporate Office

Dr Deepak Saxena
Executive Director (Lube Technology), R&D

Manish Sinha
Executive Director (Explosives), Business Development

Gopal Chandra Sikder
Executive Director & Refinery Head (Panipat Refinery)

Sukla Mistry (Ms)
Executive Director & Refinery Head (Barauni Refinery)

Sanjaya Bhatnagar
Executive Director & Refinery Head (Gujarat Refinery)

Jitendra Prasad Sinha
Executive Director (Eastern Region Pipelines)

Archna Bhardwaj (Ms)
Executive Director (Shipping), Refineries

Amitabh Akhauri
Executive Director (Retail Sales - South & West), Marketing

Sanjay Sahay
Executive Director (Aviation), Marketing

Arup Sinha
Executive Director (Regional Services - Northern Region), Marketing

Hridesh Baindail
Executive Director (Exploration & Production), Business Development

Pritish Bharat
Executive Director & State Head (West Bengal State Office), Marketing

Abhijit Choudhury
Executive Director I/C (Construction), Pipelines

Brij Behari
Executive Director I/C (Optimisation), Corporate Office

Vibhash Kumar
Executive Director & State Head (Bihar State Office), Marketing

P. Jayadevan
Executive Director & State Head (Tamil Nadu State Office), Marketing

Shyam Bohra
Executive Director & State Head (Delhi State Office), Marketing

V. Satish Kumar
Executive Director & State Head (Madhya Pradesh State Office), Marketing

Sanjeev Gupta
Executive Director (Corporate Strategy), Corporate Office

Vigyan Kumar
Executive Director (Retail Sales - North & East), Marketing

Sujoy Choudhury
Executive Director & State Head (Punjab State Office), Marketing

Kalyan Halder
Executive Director (Finance), Pipelines

Dr G S Kapur
Executive Director (Chemical Technology and Technology Promotion & Forecasting), R&D

K. K. Sharma
Executive Director (Sustainable Development), Marketing

Sekar Sambasivan
Executive Director (Materials & Contracts), Refineries

Sunil Garg
Executive Director & State Head (Rajasthan State Office), Marketing

S. S. Bose
Executive Director (Regional Services - Western Region), Marketing

Manoj Sharma
Executive Director (Operations), Refineries

Sanjay Kumar V
Executive Director (South Eastern Region Pipelines)

P. S. Mony
Executive Director (Institutional Business), Marketing

Sanjiv Kumar Surchowdhury
Executive Director (Northern Region Pipelines)

Sandeep Jain
Executive Director (Business Development)

Sathish Kumar Thatipelli
Executive Director (Planning, Economic Studies & Marketing Strategies), Marketing

Sanjay Kaushal
Executive Director (Corporate Affairs & Taxation), Corporate Office

Vinod Kumar
Executive Director (International Trade), Corporate Office

Arvind Kumar
Executive Director (Projects), Refineries

Shrikant P. Bhande
Executive Director (Human Resources), Pipelines

D. S. Sehgal
Executive Director (Process-Projects), Refineries

Sanjeev Goel
Executive Director (Corporate Finance - Project Appraisal Group), Corporate Office

Raj Kumar Dubey
Executive Director & State Head (Uttar Pradesh State Office-II), Marketing

R. S. S. Rao
Executive Director & State Head (Telangana & Andhra Pradesh State Office), Marketing

Liton Nandy
Executive Director (Information Systems), Corporate Business Technology Centre

Uttiya Bhattacharyya
Executive Director & State Head (Uttar Pradesh State Office-I), Marketing

Debasish Nanda
Executive Director (Gas), Business Development

Debasis Bhattacharyya
Executive Director (Technology Implementation Cell), R&D

Vijay Kumar Verma
Executive Director I/C (Operations), Marketing

Sanjeev Kumar
Executive Director (Health, Safety & Environment), Refineries

T. M. Gupta
Executive Director (Health, Safety & Environment), Corporate Office

Ameet Gohain
Executive Director (Finance), R&D

Sandeep Makker
Executive Director (Retail Transformation), Marketing

Siddhartha Protim Baruah
Executive Director & Refinery Head (Bongaigaon Refinery)

M. Annadurai
Executive Director & State Head (Gujarat State Office), Marketing

Rajesh Kumar Sayal
Executive Director (Supplies), Marketing

Atish Chandra Ghosh
Executive Director (Regional Services - Eastern Region), Marketing

Kailash Pati
Executive Director & Refinery Head (AOD Refinery)

Rajesh Nigam
Executive Director (Supplies & Distribution), Marketing

K. Karthikeyan
Executive Director (Law), Marketing

D. R. Paranjape
Executive Director (Finance), Marketing

Asis Kumar Maiti
Executive Director & Refinery Head (Mathura Refinery)

Shyam Sunder Pandita
Executive Director (Co-ordination), Corporate Office

S. P. Singh
Executive Director & Refinery Head (Guwahati Refinery)

V. S. Jain
Executive Director & Refinery Head (Paradip Refinery)

G. S. P. Singh
Executive Director (Cryogenics), Business Development

Urvija Bajpai (Ms)
Executive Director (IndianOil Institute of Petroleum Management)

Rajesh Gupta
Executive Director (Construction), Pipelines

T. C. Shankar
Executive Director (Internal Audit), Corporate Office

D. N. Badarinarayan
Executive Director (Engineering & Projects), Marketing

Chinmoy Ghosh
Executive Director (Western Region Pipelines)

S. S. Sawant
Executive Director (Southern Region Pipelines)

S. K. Ralli
Executive Director (Vigilance), Corporate Office

D. Srivastava
Executive Director (Petrochemicals), Business Development

K. Sailendra
Executive Director (Regional Services - Southern Region), Marketing

Harish Kumar Manchanda
Executive Director (Alternate Energy & Sustainable Development), BD

Saumitra Shankar Gupta
Executive Director (Maintenance & Inspection), Pipelines

Dwipen Goswami
Executive Director (Corporate Communications & Branding), Marketing

Anil Sarin
Executive Director (Health, Safety & Environment), Marketing

G. Ramesh
Executive Director & State Head (AOD State Office), Marketing

Shridhar Bhagwat
Executive Director (Employee Relations & CSR), Corporate Office

Anirban Ghosh
Executive Director & State Head (Maharashtra State Office), Marketing

Dr Madhusudan Sau
Executive Director (Refining Technology), R&D

MAIN OFFICES & MAJOR UNITS

Registered Office

IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai - 400 051

Corporate Office

3079/3, Sadiq Nagar,
J.B. Tito Marg,
New Delhi - 110 049

Refineries Division

Head Office
SCOPE Complex, Core-2,
7, Institutional Area, Lodhi Road,
New Delhi - 110 003

Barauni Refinery
P. O. Barauni Refinery,
Dist. Begusarai - 861 114, Bihar

Bongaigaon Refinery
P. O. Dhaligaon - 783 385
Dist. Chirang, Assam

Digboi Refinery
AOD, P. O. Digboi - 786 171, Assam

Gujarat Refinery
P. O. Jawahar Nagar,
Dist. Vadodara - 391 320, Gujarat

Guwahati Refinery
P. O. Noonmati,
Guwahati - 781 020, Assam

Haldia Refinery
P. O. Haldia Refinery,
Dist. Midnapur - 721 606
West Bengal

Mathura Refinery
P. O. Mathura Refinery,
Mathura - 281 005, Uttar Pradesh

Panipat Refinery
P. O. Panipat Refinery,
Panipat - 132 140, Haryana

Paradip Refinery
P.O. Jhimani, via Kujang,
Dist. Jagatsinghpur – 754 141
Odisha

Pipelines Division

Head Office
A-1, Udyog Marg, Sector-1,
NOIDA - 201 301, Uttar Pradesh

Northern Region
P. O. Panipat Refinery,
Panipat - 132 140, Haryana

Eastern Region
14, Lee Road,
Kolkata - 700 020, West Bengal

Western Region
P. O. Box 1007, Bedipara, Morvi Road,
Gauridad,Rajkot - 360 003, Gujarat

Southern Region
6/13, Wheatcrafts Road,
Nungambakkam,
Chennai - 600 034, Tamil Nadu

South Eastern Region
3rd Floor, Alok Bharti Tower,
Saheed Nagar,
Bhubaneshwar - 751 007
Odisha

Marketing Division

Head Office
IndianOil Bhavan,
G-9, Ali Yavar Jung Marg, Bandra (East),
Mumbai - 400 051
Maharashtra

Northern Region
IndianOil Bhavan
1, Aurobindo Marg,
Yusuf Sarai
New Delhi - 110 016

Eastern Region
IndianOil Bhavan,
2, Gariahat Road (South), Dhakuria,
Kolkata - 700 068
West Bengal

Western Region
IndianOil Bhavan
Plot No. C-33, 'G' Block
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051
Maharashtra

Southern Region
IndianOil Bhavan,
139, Nungambakkam High Road,
Chennai - 600 034
Tamil Nadu

R&D Centre:
Sector 13,
Faridabad - 121 007
Haryana

STATUTORY AUDITORS

1. V. Singhi & Associates, Kolkata
2. K. C. Mehta & Co., Mumbai
3. G. S. Mathur & Co., New Delhi
4. Singhi & Co., Kolkata

BRANCH AUDITOR

O. Aggarwal & Co., New Delhi

COST AUDITORS

1. Narasimha Murthy & Co., Hyderabad
2. K. G. Goyal & Associates, New Delhi
3. DGM & Associates, Kolkata
4. G. R. Kulkarni & Associates, Mumbai
5. P. Raju Iyer, M. Pandurangan Associates, Chennai

Narasimha Murthy & Co., Hyderabad is the Central Cost Auditor.

SECRETARIAL AUDITOR

Ragini Chokshi & Co., Company Secretaries, Mumbai

STOCK EXCHANGES

BSE Ltd.
P.J. Towers, Dalal Street,
Mumbai - 400001

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot C/1, 'G' Block, Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051

BANKERS

State Bank of India
HDFC Bank Ltd.

DEBENTURE TRUSTEE

SBICAP Trustee Company Ltd.
Mistry Bhavan , 4th Floor,
122, Dinshaw Wachha Road,
Churchgate, Mumbai - 400020
Website: www.sbicaptrustee.com

REGISTRAR & TRANSFER AGENT

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda,
Hyderabad – 500 032 / Telangana
Toll Free No. : 1800 309 4001
E-mail Address : einward.ris@kfintech.com
Website : www.kfintech.com

GROUP COMPANIES

SUBSIDIARIES

Name	Business
Indian Subsidiaries	
Chennai Petroleum Corporation Ltd.	Refining of petroleum products
Foreign Subsidiaries	
IndianOil (Mauritius) Ltd., Mauritius	Terminalling, Retailing, Aviation refueling & Bunkering
Lanka IOC PLC, Sri Lanka	Retailing, Terminalling & Bunkering
IOC Middle East FZE, UAE	Lube Blending & Marketing of Lubricants & Base Oil
IOC Sweden AB, Sweden	Investment company for E&P Project in Venezuela and Battery Technology Company in Israel
IOCL (USA) Inc., USA	Participation in Shale Gas Asset Project
IndOil Global B.V., Netherlands	Investment company for E&P Assets in Canada and UAE
IOCL Singapore Pte Ltd.	Trading operation for procurement of Crude Oil, Import / Export of petroleum products and Investment Company for E&P Assets & Alternative Energy Technology Company

JOINT VENTURES

Name	Business	Partners
Avi-Oil India Pvt. Ltd.	Manufacturing of Speciality lubricants	Neden BV, Netherlands Balmer Lawrie & Co. Ltd.
Delhi Aviation Fuel Facility Private Ltd.	Setting up and operation of Aviation Fuel Facility at Delhi Airport.	Delhi International Airport Ltd. Bharat Petroleum Corporation Ltd.
Green Gas Ltd.	City Gas Distribution	GAIL (India) Ltd.
GSPL India Transco Ltd.	Setting up of Natural Gas Pipelines	Gujarat State Petronet Ltd. Hindustan Petroleum Corporation Ltd. Bharat Petroleum Corporation Ltd.
GSPL India Gasnet Ltd.	-Do-	-Do-
Hindustan Urvarak and Rasayan Ltd.	Setting up and operating fertiliser plants at Sindri, Gorakhpur and Barauni	Coal India Ltd. NTPC Ltd. Fertilizer Corporation of India Ltd. Hindustan Fertilizer Corporation Ltd.
IHB Ltd.	Laying, buidling, operating or expanding LPG Pipeline from Kandla (Gujarat) to Gorakhpur (UP)	Bharat Petroleum Corporation Ltd. Hindustan Petroleum Corporation Ltd.
Indian Oiltanking Ltd.	Terminalling EPC services and production of Compressed Bio-Gas (CBG)	Oiltanking India GmbH, Germany
IndianOil Adani Gas Pvt. Ltd.	City Gas Distribution	Adani Total Gas Ltd.
IndianOil Petronas Pvt. Ltd.	Terminalling services and parallel marketing of LPG	Petronas, Nasional Berhad Malaysia.
IndianOil LNG Pvt. Ltd.	LNG Terminal at Ennore	Maximus Investment Advisory Pvt. Ltd. ICICI Bank Ltd.
IndianOil Skytanking Pvt. Ltd.	Aviation fuel facility projects and Into Plane services	Skytanking GmbH, Germany
Indian Synthetic Rubber Pvt. Ltd.	Manufacturing of Styrene Butadiene Rubber at Panipat	Trimurti Holding Corporation, B.V.I.
Indradhanush Gas Grid Ltd.	Setting up Natural Gas Pipeline in North East India	Oil and Natural Gas Corporation Ltd. GAIL (India) Ltd. Oil India Ltd. Numaligarh Refinery Ltd.
IndianOil Total Pvt. Ltd.	Undertaking bitumen business, LPG business as conducted at LPG facilities	Total Marketing and Services S.A., France
IOC Phinergy Pvt. Ltd.	Commercialisation of the Al-Air battery technology in India	Phinergy, Israel
Kochi Salem Pipelines Private Ltd.	Laying pipeline for transportation of LPG from Kochi to Salem	Bharat Petroleum Corporation Ltd.
Lubrizol India Pvt. Ltd.	Manufacturing of Lube Additives	Lubrizol Corp., USA
Mumbai Aviation Fuel Farm Facility Pvt. Ltd.	Setting up common user integrated aviation fuel infrastructure at Mumbai Airport	Bharat Petroleum Corporation Ltd. Hindustan Petroleum Corporation Ltd. Mumbai International Airport Ltd.
NPCIL – IndianOil Nuclear Energy Corporation Ltd.	Setting up Nuclear Power Plant	Nuclear Power Corporation of India Ltd.
Petronet LNG Ltd.	LNG imports/distribution and regasification	Bharat Petroleum Corporation Ltd. Oil and Natural Gas Corporation Ltd. GAIL (India) Ltd.
Petronet VK Ltd.	Construction and operation of pipeline for transportation of POL products from Vadinar to Kandla	Reliance Industries Ltd. Nayara Energy Ltd. Gujarat Industrial Investment Corporation Ltd. IL&FS Deendayal Port Trust State Bank of India Canara Bank
Ratnagiri Refinery & Petrochemicals Ltd.	Refinery and Petrochemical Project in Maharashtra	Bharat Petroleum Corporation Ltd. Hindustan Petroleum Corporation Ltd.
Suntera Nigeria 205 Ltd.	Oil exploration activities.	Oil India Ltd. Suntera Resources Ltd., Cyprus

Performance at a Glance

Particulars	2020-21	2019-20	2020-21	2019-20	2018-19	2017-18	2016-17
	(US $ Million)		(₹ in Crore)				
I **Financial**							
Revenue from operations	**69,374**	79,892	**5,14,890**	5,66,354	6,05,932	5,06,428	4,45,442
Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation (EBITDA)	**5,742**	3,154	**42,614**	22,356	36,952	43,114	35,989
Profit Before Exceptional Items, Finance Cost & Tax (EBIT)	**4,421**	1,917	**32,810**	13,590	29,438	36,047	29,766
Profit Before Exceptional Items & Tax	**4004**	1,074	**29,716**	7,611	25,127	32,564	26,321
Profit Before Tax	**4004**	(521)	**29,716**	(3,694)	25,127	32,564	26,321
Profit After Tax	**2942**	185	**21,836**	1,313	16,894	21,346	19,106
Other Comprehensive Income (net of tax)	**618**	(1,468)	**4,584**	(10,409)	(2,324)	397	4,868
Total Comprehensive Income	**3560**	(1,283)	**26,420**	(9,096)	14,570	21,743	23,974
Contribution to Central & State Exchequer	**32173**	25,683	**2,38,786**	1,82,067	1,93,422	1,90,670	1,79,014
Cumulative Dividend (on issued share capital)			**74,937**	63,920	60,018	51,109	39,940
Value Added	**7185**	2,799	**53,326**	19,844	48,054	53,193	45,708
Distribution :							
To Employees	**1443**	1,240	**10,712**	8,793	11,102	10,079	9,719
To Providers of Capital							
- Finance Cost	**417**	843	**3,094**	5,979	4,311	3,483	3,445
- Dividend	**1299**	680	**9,640**	4,820	9,671	9,479	10,545
To Government- Income Tax & Dividend Tax	**1062**	(567)	**7,880**	(4,021)	10,218	13,139	9,392
Retained in Business							
- Depreciation	**1321**	1,237	**9,804**	8,766	7,514	7,067	6,223
- Retained earnings	**1643**	(634)	**12,196**	(4,493)	5,238	9,946	6,384
What Corporation Owns							
Net Fixed Assets	**19612**	17,666	**1,43,400**	1,33,682	1,18,708	1,13,927	1,07,880
Capital Work In Progress (CWIP)	**4520**	3,930	**33,052**	29,738	23,599	14,348	10,738
Investments	**6649**	5,172	**48,619**	39,139	49,940	47,488	47,305
Other Non Current Assets	**743**	830	**5,436**	6,279	6,401	9,029	7,987
Other Current Assets	**13829**	12,951	**1,01,118**	98,000	1,13,931	94,657	85,299
Total	**45353**	**40,549**	**3,31,625**	**3,06,838**	**3,12,579**	**2,79,449**	**2,59,209**
What Corporation Owes							
Equity							
- Share Capital	**1,256**	1,213	**9,181**	9,181	9,181	9,479	4,739
- Other Equity	**13,857**	11,179	**1,01,319**	84,588	99,477	1,00,692	94,990
Total	**15,113**	**12,392**	**1,10,500**	**93,769**	**1,08,658**	**1,10,171**	**99,729**

Particulars	2020-21	2019-20	2020-21	2019-20	2018-19	2017-18	2016-17
	(US $ Million)		(₹ in Crore)				
Borrowings	**13,994**	15,402	**1,02,327**	1,16,545	86,359	58,030	54,820
Tax Liability (Net)	**1,550**	946	**11,334**	7,160	13,989	10,726	6,811
Other Non Current Liabilities	**597**	496	**4,368**	3,751	3,098	3,912	4,101
Other Current Liabilities	**14,099**	11,313	**1,03,096**	85,612	1,00,476	96,610	93,748
Total	**45,353**	**40,549**	**3,31,625**	**3,06,838**	**3,12,579**	**2,79,449**	**2,59,209**
Net worth (as per Companies Act)	**13,685**	11,610	**1,00,064**	87,851	92,424	91,664	81,474
Market Capitalisation	**11,826**	10,158	**86,469**	76,867	1,53,310	1,71,511	1,87,948
Enterprise Value	**25,777**	25,489	**1,88,483**	1,92,876	2,39,630	2,29,487	2,42,715
Key Financial Indicators							
IOCL Reported GRM (in $/bbl)			**5.64**	0.08	5.41	8.49	7.77
IOCL Normalised GRM (in $/bbl)			**2.31**	2.64	4.81	7.37	4.99
Singapore GRM (in $/bbl)#			**0.54**	3.21	4.88	7.22	5.83
Earnings Per Share* (in $/₹)	**0.32**	0.02	**23.78**	1.43	17.89	22.52	20.16
Cash Earnings Per Share* (in $/₹)	**0.46**	0.15	**34.46**	10.98	25.85	29.98	26.72
Book Value Per Share* (in $/₹)	**1.65**	1.35	**120.36**	102.13	118.35	116.23	105.21
Market Price Per Share (NSE)* (in ₹)			**91.85**	81.65	162.85	176.60	193.53
Price Earning Ratio			**3.86**	57.08	9.10	7.84	9.60
Dividend Payout Ratio			**50%**	297%	53%	52%	48%
Total Payout Ratio			**50%**	358%	63%	63%	58%
Retention Ratio			**50%**	-258%	37%	37%	42%
Debt Equity Ratio							
- Total Debt To Equity			**0.93:1**	1.24:1	0.79:1	0.53:1	0.55:1
- Long Term Debt To Equity			**0.55:1**	0.57:1	0.35:1	0.19:1	0.25:1
Current ratio			**1.06:1**	1.24:1	1.22:1	1.07:1	0.99:1
Return on Average Net Worth (%)			**23.24**	1.46	18.35	24.66	24.39
Return on Average Capital Employed (%)			**18.21**	7.72	18.10	24.22	22.57
Debtor Turnover Ratio (times)			**38.91**	39.61	46.63	53.43	54.66
Inventory Turnover Ratio (times)			**6.89**	8.30	8.52	7.47	8.37
Interest Service coverage ratio (times)			**11.42**	1.82	8.57	12.32	9.94
Debt Service coverage ratio (times)			**5.10**	1.70	4.31	3.31	2.03
EBITDA Margin (%)			**11.08**	4.57	6.99	10.22	9.96
Operating Profit Margin (%)			**7.34**	2.05	4.97	7.74	7.07
Net Profit Margin (%)			**5.68**	0.27	3.19	5.06	5.29

Note:
Exchange rate used:-
For 2020-21 Average Rate 1 US $ = ₹ 74.22 and Closing Rate 1 US $ = ₹ 73.12 as on 31.03.2021
For 2019-20 Average Rate 1 US $ = ₹ 70.89 and Closing Rate 1 US $ = ₹ 75.67 as on 31.03.2020
* Note: Absolute figures in US$ and ₹ Adjusted for Bonus Shares (1:1 issued in March 2018 and 1:1 issued in October 2016)
"# Source Reuters

1	Revenue from operations	Sales (net of discount) + Sale of Services+ other operating revenue+net claim/(surrender) of SSC+ subsidy from Central/state govt.+Grant from govt.
2	Value Added	Profit Before Tax + Finance Cost + Depreciation & Amortisation + Employee benefit expenses
3	Investments	Non-current Investments + Current Investments
4	Other Current Assets	Current Assets - Current Investments-Current tax assets
5	Borrowings (Total Debt)	Short Term Borrowing + Long Term Borrowings + Current Maturities of Long Term Debt
6	Tax Liability (Net)	Deferred Tax Liability + Current Tax Liability + Income Tax Liability - (Current Tax Asset + Income Tax Asset)
7	Other Current Liabilities	Current Liabilities - (Short Term Borrowing + Current Maturities of Long Term Debt+Current Tax Liability)
8	Enterprise Value	Market Capitalisation + Borrowings - Cash and Cash Equivalents
9	Equity	Equity Share Capital + Other Equity
10	Capital Employed	Equity+Borrowings – CWIP
11	Earnings Per Share	Profit After Tax / Weighted average number of Equity shares
12	Cash Earnings Per Share	(Profit after tax + Depreciation & Amortisation) / Weighted average number of Equity shares
13	Book Value Per Equity Share	Equity / Number of Equity Shares
14	Dividend Payout Ratio	Total Dividend / Profit After Tax
15	Total Payout Ratio	(Total Dividend + Total Dividend Distribution Tax*) / Profit After Tax
16	Retention Ratio	(Profit After Tax-Total Dividend-Total Dividend Distribution Tax*)/ Profit After Tax
17	Total Debt To Equity	Borrowings / Equity
18	Long Term Debt To Equity	(Long Term Borrowing + Current Maturities of Long Term Debt) / Equity
19	Return on Average Net Worth (%)	Profit after Tax / Average Net worth (as per Companies Act)
20	Return on Average Capital Employed (%)	EBIT / Average Capital Employed.
21	Interest Service coverage ratio	(Profit before tax+Finance cost+Depreciation)/Finance cost
22	Debt Service coverage ratio	(Profit after tax+Finance cost+Depreciation)/(Finance cost+Principal repayment (long term))
23	Operating Profit Margin	(Profit before Exceptional item and tax+Finance cost-Other non operating income)/ (Revenue from operations net of excise duty)
24	Inventory Turnover Ratio	(Total Income-Profit before Exceptional item and tax-Selling and Distribution expenses)/ Average Inventory
25	Current Ratio	Current Assets/ (Current Liabilities-short term borrowings-current maturities of long term debts)

*Dividend Distribution Tax was applicable up to FY 2019-20

Million Metric Tones

II Operations

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Operating Performance					
Product Sales					
Domestic					
- Petroleum Products	**69.353**	78.541	79.453	77.133	74.110
- Gas	**3.279**	3.318	2.461	1.904	1.920
- Petrochemicals	**2.675**	2.224	2.553	2.275	2.453
- Explosives	**0.266**	0.205	0.183	0.177	0.158
Total Domestic	**75.573**	**84.288**	**84.650**	**81.489**	**78.641**
Export	**5.454**	5.408	5.244	7.274	4.849
Total	**81.027**	**89.696**	**89.894**	**88.763**	**83.490**
Refineries Throughput	**62.351**	**69.419**	**71.816**	**69.001**	**65.191**
Pipelines Throughput	**76.019**	**85.349**	**88.527**	**85.675**	**82.490**

III Manpower Numbers

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
No. of Employees as on March 31	**31648**	32998	33498	33157	33135

Figures for the previous year have been regrouped, wherever necessary.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IndianOil
The Energy Of India
IndianOilPeople accelerating the wheels of progress
So that the nation takes the lead!
IndianOil believes in empowering its people to ensure that nation's wheels of progress get a boost. To achieve this, the corporation provides various learning opportunities on the field as well as at its apex learning centre at IiPM alongwith sponsoring higher studies of IOCians. IndianOil's e-learning platform 'Swadhyaya' enriches IOCians with online training programmes spanning the entire Oil & Gas sector. Every IOCian thus contributes to the growth of the nation.
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DIRECTORS' REPORT

IndianOil - constantly innovating to bring the best to you

Dear Shareholders,

On behalf of the Board of Directors of IndianOil, it is my privilege to present the 62nd Annual Report and the Fourth Integrated Annual Report of the Company for the financial year ended March 31, 2021, along with the Audited Standalone and Consolidated Financial Statements and Auditor's Report thereon.

The year stood testimony to the grit and perseverance of IOCians who scripted success stories despite the challenges unleashed by the Covid-19 pandemic. It was the 'never-say-die' spirit and the indomitable courage of the Company's frontline warriors across the entire supply chain that kept India as well as IndianOil on the move during this unprecedented crisis in modern human history. The Company not only maintained the supply of petroleum products across the country, but also exceeded the tough capital expenditure target for expanding its infrastructure and strengthening its business goals by launching innovative products and services in the retail space.

As the country faced challenges posed by Covid-19, IndianOil stood firm by its philosophy of 'Pehle Indian, Phir Oil'. When the world came to a standstill, IndianOil stopped at nothing. In addition to its 'business as usual' approach, IndianOil stood at the forefront of the pandemic and with a humanitarian approach leveraged it's resources of money, material and workforce. When the entire country was reeling under the second wave of Covid-19 infections, the Company continued to serve silently, taking several initiatives towards Covid-19 management and Liquid Oxygen (LOx) arrangement.

Performance Review

Financial

The Company registered its highest ever net profit on the back of high inventory gains, healthy petrochemicals margin and low finance cost.

The summarised standalone performance and appropriations for 2020-21 are given below:

Particulars	2020-21		2019-20	
	US$ Million	₹ Crore	US$ Million	₹ Crore
Revenue from Operations (Inclusive of Excise Duty & Sale of Services)	**69,374**	**5,14,890**	79,892	5,66,354
EBITDA (Profit Before Exceptional Items, Finance Cost, Tax, Depreciation & Amortisation)	**5,742**	**42,614**	3,154	22,356
Finance Cost	**417**	**3,094**	843	5,979
Depreciation	**1,321**	**9,804**	1,237	8,766
Profit Before Tax & Exceptional Items	**4,004**	**29,716**	1,074	7,611
Exceptional Items	**-**	**-**	(1,595)	(11,305)
Profit Before Tax	**4,004**	**29,716**	(521)	(3,694)
Tax Provision	**1,062**	**7,880**	(706)	(5,007)
Profit After Tax	**2,942**	**21,836**	185	1,313
Interim Dividend paid	**1,299**	**9,640**	550	3,902
Final Dividend paid	**-**	**-**	130	918
Dividend Distribution Tax	**-**	**-**	139	986
Insurance Reserve (Net)	**1**	**11**	3	20
General Reserve	**1,642**	**12,185**	(637)	(4,513)
Balance Carried to Next Year	**-**	**-**	-	-

SHARE VALUE

	2020-21		2019-20	
	US$	₹	US$	₹
Cash Earnings Per Share	**0.46**	**34.46**	0.15	10.98
Earnings Per Share	**0.32**	**23.78**	0.02	1.43
Book Value Per Share	**1.65**	**120.36**	1.35	102.13

Note: Exchange Rate used
For 2020-21: Average Rate 1 US$ = ₹ 74.22 and Closing Rate 1 US$ = ₹ 73.12 as on March 31, 2021
For 2019-20: Average Rate 1 US$ = ₹ 70.89 and Closing Rate 1 US$ = ₹ 75.67 as on March 31, 2020

The macro-economic, geo-political, financial, industry-specific information and markets in which the Company operates are provided in the Management Discussion and Analysis section, which forms a part of this Integrated Annual Report.

Liquid Medical Oxygen (LMO) being transported across the nation by IndianOil

Issue of Securities / Changes In Share Capital

There was no change in the share capital of the Company during the year. However, the Company issued Unsecured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures (NCDs) aggregating to ₹ 7,915.20 Crore on private placement basis, which were listed on the Debt Segment of the NSE and BSE. The funds were utilised for the purpose for which they were raised and there were no deviations or variations in their utilisation.

Dividend

The Board of the Company has formulated a Dividend Distribution Policy and the dividends declared / recommended during the year were in accordance with the said policy. The policy is hosted on the website of the Company at: https://www.iocl.com/download/Policies/Dividend-Distribution-Policy.pdf

During the year, the Company paid a first interim dividend of ₹ 7.50 per share and a second interim dividend of ₹ 3.00 per share. In addition, the Board of the Company has recommended a final dividend of ₹ 1.50 per share for the year, thereby taking the total dividend for the year to ₹ 12 per share with a total pay-out of ₹ 11,017.25 Crore equivalent to 50.50% of the PAT.

This is the 54th consecutive year of dividend declaration with total payout of ₹ 74,937 Crore (including the proposed final dividend for the year 2020-21)

Contribution to Exchequer

Over the years, the Company has been the largest contributor to the Government exchequer in the form of duties, taxes, and dividend. During the year, ₹ 2,38,786 Crore was paid to the exchequer as against ₹ 1,82,067 Crore paid in the previous year, an increase of 31% over the previous year. An amount of ₹ 1,53,827 Crore was paid to the Central Exchequer and ₹ 84,959 Crore to the States Exchequer compared to ₹ 96,104 Crore and ₹ 85,963 Crore paid in the previous year, respectively.

Consolidated Financial Performance

In accordance with the provisions of the Companies Act, 2013, and the Accounting Standards issued by the Institute of Chartered Accountants of India, the Company has prepared the Consolidated Financial Statement for the group, including subsidiaries, joint venture entities and associates. The highlights of the Consolidated Financial Results are shared below:

Particulars	2020-21		2019-20	
	(US$ Million)	(₹ Crore)	(US$ Million)	(₹ Crore)
Revenue from Operations (Inclusive of Excise Duty & Sale of Services)	**70094**	**520237**	81251	575990
Profit Before Tax	**4143**	**30751**	(1012)	(7177)
Profit After Tax	**2932**	**21762**	(265)	(1,876)
Less: Share of Minority	**17**	**124**	(139)	(983)
Profit for the Group	**2915**	**21638**	(126)	(893)

Note: Exchange Rate used

For 2020-21: Average Rate 1 US$ = ₹ 74.22

For 2019-20: Average Rate 1 US$ = ₹ 70.89

Operational Performance

The summary of the operational performance of your Company is as under:

(in MMT)

Particulars	2020-21	2019-20
Refineries Throughput	**62.35**	69.42
Pipelines Throughput	**76.02**	85.35
Product Sales (inclusive of Gas, Petrochemicals & Exports)	**81.03**	89.70

Refineries

The spread of Covid-19 and the resultant lockdown as well as other restrictions, severely impacted the entire value chain of petroleum products and, therefore, refineries had to operate at lower levels compared to the previous years. The refineries showed tremendous resilience and passion to strive during these difficult times by optimising operations to meet skewed product demand. While demand for major petroleum products decreased drastically, demand for cooking gas increased and refinery operations were accordingly tuned for LPG maximisation, despite reduction of crude throughput. Due to grounding of the aviation operations, jet fuel (ATF) production had to be reduced drastically, and the streams were diverted to the diesel pool. Consequently, the performance parameters of capacity utilisation, distillate yield and energy performance were lower than that of 2019-20.

Petrochemicals posted encouraging numbers, with naphtha throughput touching 2.67 MMT, which was 11% higher than the annual target of 2.4 MMT. The overall polymer production (Polyethylene + Polypropylene) clocked 1.5 MMT, while overcoming high stocks (due to low dispatches) and low feed availability from reduced refinery operations. LAB production was aligned to meet the increased demand of sanitation products. 134 TMT of LAB was produced, achieving 100% prime percentage continuously for 16 months.

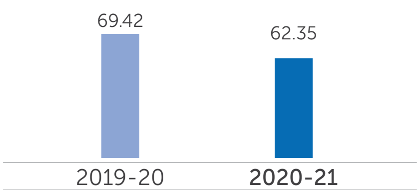
The Company's Panipat Naptha Cracker (PNC) plant was recognised as one of the 'Excellent Energy Efficient Units' by the Confederation of Indian Industries (CII). PNC Polypropylene Units ranked first in internal stream factor globally, out of 54 licensees in the Spheripol Benchmarking Survey 2019 for Polypropylene units undertaken by licensor, M/s Basell. The High Density Poly Ethylene (HDPE) unit ranked second in both prime percentage and specific steam consumption out of 19 licensees in the Global Benchmark Survey 2019 carried out by Licensor M/s Basell.

India's **first batch** of the **premium gasoline XP100** was produced from the **Mathura Refinery** using high octane streams from in-house researched and developed **Octamax technology**. Subsequently, other refineries also produced the XP100 gasoline to meet the countrywide demand. With this endeavour, the Company catapulted India globally to a select league of nations with such superior quality fuel.

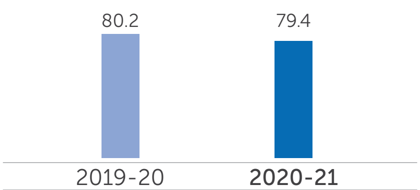
During the year, **16 new crude oil grades** were included in the Company's basket increasing its size to 201 crudes. Over the years, the share of North and South American crude oil grades processed by the Company has increased, standing at 10.1% during 2020-21, thereby improving the flexibility in operations and resilience in crude purchases.

The Company commissioned a new, state-of-the-art INDMAX and Prime-G unit at Bongaigaon (Assam), a new NHT and CCRU unit at Barauni (Bihar), new DHDT units at the Haldia Refinery (West Bengal) and new DHDT and HGU units at its Panipat and Gujarat refineries for improving the bottom line and efficiency of the refineries. The third INDMAX unit at the Bongaigaon Refinery was dedicated to the nation by the Hon'ble Prime Minister on February 22, 2021.

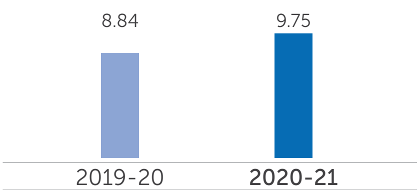
Crude Throughput (MMT)



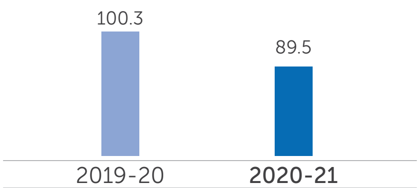
Distillate Yield (%)



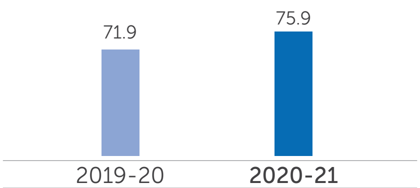
Fuel & Loss (%)



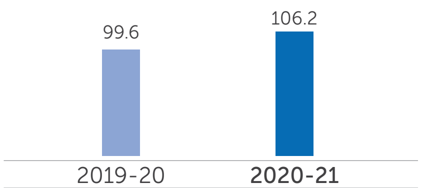
Capacity Utilisation (%)



Specific Energy Consumption (%)



Energy Intensity Index (%)



Chairman, IndianOil and other dignitaries flagging-off indigenously manufactured critical components to the upcoming MEG plant at Paradip Refinery cum Petrochemical Complex

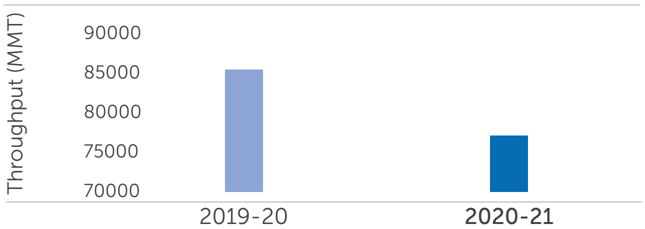
Refinery expansion, coupled with value-added products and petrochemical integration, are the fundamental tenets of the future growth strategy of your Company. Apart from expanding the capacities of its refineries at Panipat (15 to 25 MMTPA), Gujarat (13.7 to 18 MMTPA), Barauni (6.0 to 9.0 MMTPA) and Guwahati (1.0 to 1.2 MMTPA), your Company has decided to establish a **9 MMTPA greenfield Cauvery Basin Refinery** in a joint venture with Chennai Petroleum Corporation Limited (a subsidiary) at Nagapattinam in Tamil Nadu. All refinery expansion with petrochemical and lube integration projects along with other approved capital expenditure (capex) plans translate into an investment commitment of close to Rupees One Lakh Crore in the next four to five years, aimed at a high growth trajectory.

In line with the National Vision of Energy Security and the Paris Agreement, your Company has been working on potential opportunities for developing **Carbon Capture, Utilisation and Storage (CCUS) projects** from its various refineries as an emissions mitigation tool for combating climate change and involving the injection of carbon dioxide into oil reservoirs for enhanced oil recovery (EOR) in India.

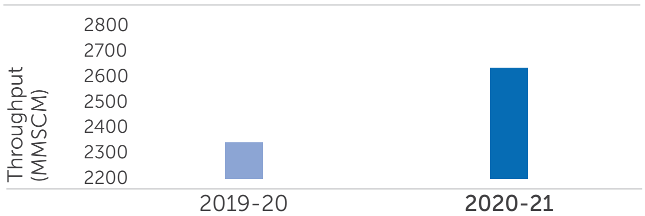
Pipelines

The Company continued to expand its pipeline network during the year and crossed yet another **milestone of 15,000 Km** with a combined throughput capacity of 94.56 Million Tonnes per annum for crude oil / product and 21.69 MMSCMD for gas pipelines. During the year, the crude oil pipelines achieved a throughput of 44.13 MMT and product pipelines achieved a throughput of 31.89 MMT. The lower throughput of product and crude pipelines was mainly due to drop in demand caused by Covid-19. However, gas pipelines achieved the highest ever throughput of 2,691 MMSCM, which is 12% higher than the throughput of 2,400 MMSCM achieved during 2019-20. Your Company continued to demonstrate efficient pipeline operation by achieving a **reduction of 13.5% in Specific Energy Consumption (SEC)** vis-à-vis last year.

Product+Crude



Gas



With over 15000 kms of crude & product pipelines, IndianOil ensures that its petroleum supplies & services reach the last mile

Your Company **commissioned a 337 Km pipeline** during the year, which was dedicated to the nation by the Hon'ble Prime Minister of India. Apart from the commissioning of the Durgapur–Banka (193 Km) section of the Paradip–Haldia–Durgapur LPG pipeline project and the Ramanathapuram–Tuticorin section (143.5 Km) of the Ennore–Thiruvallur–Bengaluru–Puducherry–Nagapattinam–Madurai–Tuticorin natural gas pipeline, capacity augmentation of the Panipat–Bhatinda pipeline was also completed during the year.

Your Company is executing pipeline projects worth ₹ 25,300 Crore, which are under various stages of implementation. Commissioning of these projects will add around 6,600 Km to the existing pipeline network, leading to a total pipeline network length of 21,000 Km with liquid pipeline capacity of approximately 137 MMTPA and gas pipeline capacity of approximately 51.70 MMSCMD. Your Company also bagged the consultancy work for the 2,805-Km long Kandla–Gorakhpur LPG pipeline, one of the world's longest LPG pipelines.

It is a matter of pride to inform you that the meticulous efforts of your Company in ensuring safe and continuous operations of its vast network of pipelines and vital offshore crude handling systems were recognised and the Pipelines Division was bestowed with the '**Oil & Gas Transportation Company of the Year – 2020**' award by the Federation of Indian Petroleum Industry (FIPI).

Oil & Gas Transportation Company of the year – 2020 award by FIPI

Marketing

Amid the lockdown and intermittent travel restrictions during the year, your Company continued to serve the nation by ensuring uninterrupted supply of petroleum products across the country. Domestic sale of 69.35 MMT of petroleum products was registered during the year as against 78.54 MMT registered in the previous year. The Company served around 2.25 Crore customers daily at its retail outlets and delivered around 27 Lakhs LPG cylinders per day to fulfil the energy requirement of India's citizens.

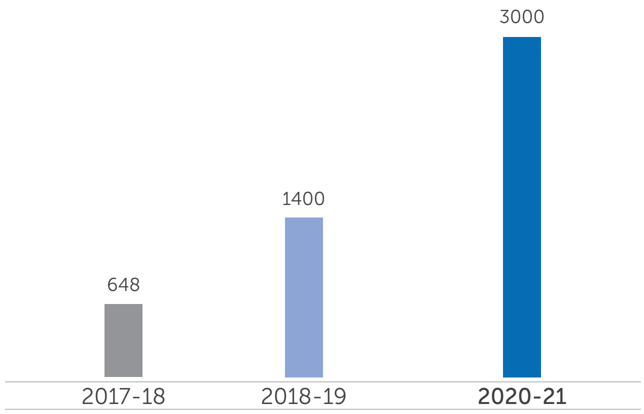
During the year, your Company commissioned 3,000 retail outlets (ROs), which was the highest ever by any Oil Marketing Company. To promote new age fuelling trends, the Company has already commissioned 637 Door-to-door delivery mobile dispensers for diesel.

In a step towards green energy, during the year, 5.95% blending of ethanol with petrol was achieved. Further, your Company is upgrading its supply and retail infrastructure to achieve the Government of India's aggressive target of 20%

ethanol blending by 2023. Recently, on the occasion of World Environment Day on June 5, 2021, the Hon'ble Prime Minister launched the ambitious pilot rollout of bio-fuel E100, i.e., 100% ethanol from your Company's retail outlet at Pune.

To promote alternative fuels, your Company added 310 new CNG, 17 Compressed Biogas (CBG), 205 electric vehicle (EV) charging and 27 battery swapping stations during the year. As of the close of the year, the Company was operating 1,059 CNG, 21 CBG, 257 EV charging and 29 battery swapping stations in the country.

RO Commissioning



India's first super premium petrol, XP100, with an octane value of 100 was launched by the Company during the year. Currently, XP100 is being sold through 87 ROs across 46 cities.

Subsequently, in May 2021, **XP95 (95 Octane Premium Petrol)** was launched to enable automobile manufacturers accelerate automobile development to meet the Corporate Average Fuel Efficiency (CAFE) and BS-VI Stage 2 norms that will come into effect from 2022.

In an initiative towards promoting women's empowerment in the distribution network, **83 all-women retail outlets** were launched across India, during the year. Your Company decided to percolate this culture into every corner of the country by increasing the share of space for women at the Company's forecourts and customer touch points.

To benchmark digital experience at the forecourt, initiatives like the **Integrated Transaction Processing System (ITPS) and Secondary Dealer Management System (SDMS)** were launched, which will ensure linkage of payment with actual delivery of fuel and loyalty programme through automation with a single PoS terminal for acceptance of CC, DC, UPI, Bharat QR, Wallets, XTRAREWARDS, XTRAPOWER, etc. Currently implemented at over 3,000 ROs, the same will be expanded to over 30,000 ROs by end of this year.

In an endeavour to have a rejuvenated feel of ROs with various value-added services, newly designed **Retail Visual Identity (RVI)** elements were piloted at four ROs in the National Capital of New Delhi. Scale up has been planned across major cities at identified ROs for wider feedback and pan India rollout soon.

Your Company achieved the highest ever LPG sale of 12.96 MMT during the year and released more than 38 Lakhs new LPG connections. To improve customer reach and customer satisfaction in services, the Company commissioned 293 new LPG distributorships, taking their total number to 12,726.

Among various initiatives for the convenience of LPG customers, a countrywide 24X7 **common booking number (7718955555) for LPG refills** was introduced with options of vernacular languages. Also, for the **first time in the industry**, a single number was launched for refill bookings and requests for new connections through missed calls.

During the year, **Indane XtraTej**, differentiated LPG with nano-additives for enhanced performance, was launched. The 5-kg cylinder, rebranded as **Chhotu**, was a big fillip to brand Indane. In addition, **Indane composite cylinders** were launched in 5 kg and 10 kg units to offer a new-age and lightweight LPG cylinder to customers.

SERVO, the lubricant brand of the Company, improved its market share and retained its numero uno position registering a growth of 26% over the previous year with a sale of 561 TMT. SERVO expanded its footprint to Fiji and Turkey, taking the Superbrand's presence to **32 countries**. Approvals for 38 SERVO grades were obtained from Original Equipment Manufacturers (OEMs) like Tata Motors, Mahindra & Mahindra, KIA Motors, Nissan, Ashok Leyland, Honda, etc. In view of future demand as well as for manufacturing futuristic lube formulations for enhancing performance, your Company is setting up the **world's second largest** integrated ultramodern, state-of-the-art lube complex of 450 TMTPA capacity with the largest product portfolio at Chennai, with an investment of about ₹ 1,400 Crore.

In the aviation sector too, the Company maintained its leadership position with a market share of 62.9% during the year. Two new Aviation Fuel Stations (AFS) were commissioned at Darbhanga (Bihar) and Bilaspur (Chhattisgarh) during the year, taking the total number of AFS set up in the country by the Company to 121. Standing by the country in testing times, the Company refuelled flights under the Vande Bharat Mission and also refuelled the rescue operations spearheaded by the Defence Forces during the Uttarakhand Glacier Burst.

The cryogenics group of the Company maintained its leadership and sold over 30,000 units of cryo-cans during the year. The cryogenics group also manufactured 19 refuellers, 10 aviation containerised tanks with modules, and two customised heavy duty refuellers. In line with the country's requirement the cryogenics group undertook manufacturing of 20 LOx tankers, to be supplied in the current year. To meet the increasing requirement of cryo products, including LNG and LOx equipment in the country, the Company is planning to expand its manufacturing facilities in and around the existing plant at Nashik.

To improve supply infrastructure for supporting increasing demand, your Company has established a modernised lube blending plant at Trombay, Maharashtra, and new LPG bottling plants at Nagpur (Maharashtra), Jabalpur (Madhya Pradesh) and Korba (Chhattisgarh). Construction of an exclusive jetty at Kamarajar Port near Chennai at a cost of ₹ 921 Crore for import and export for LPG and POL products is also underway.

In a first of its kind campaign, Customers Day was celebrated on January 9, 2021, across the network of retail outlets, LPG distributorships, SERVO stockists, AFSs and other supply locations. The widely followed event brought together customers, channel partners and their families, and trended as one of the top grossing events.

Union Petroleum Minister Shri Dharmendra Pradhan, Petroleum Secretary Shri Tarun Kapoor, Chairman Shri S. M. Vaidya and IndianOil Sports Stars with Indane Composite Cylinders

IndianOil Superbrand 'SERVO' is now available in 32 countries

Research and Development

IndianOil's Team R&D exhibited exemplary resilience in continuing the pursuit of development and commercialisation of indigenous technologies. The Centre pursued cutting-edge research programmes in core petroleum activities like lubricant, refining, petrochemicals, differentiated fuels, high efficiency lubricants and pipeline transportation technology, among others. In addition, the R&D Centre also focussed on research activities in sunrise areas like alternative energy segments like bio-energy, solar energy, hydrogen economy, energy storage, nanotechnology, carbon capture and utilisation, and battery technologies, etc.

IndianOil R&D Campus at Faridabad, Haryana

During the year, these R&D pursuits resulted in the filing of 169 patents (69 in India and 100 overseas) taking the total tally of filed patents till March 31, 2021 to 1,294. A hundred and eighty patents were granted, taking the Company's portfolio of effective patents to 1,165 as on March 31, 2021.

The R&D Centre sustained its efforts in the field of lubricants to achieve self-sufficiency with the Government of India's intent of an 'Aatmanirbhar Bharat' with the issuance of 106 formulations and 47 approvals from Original Equipment Manufacturers (OEM) and customers. The INDMAX technology was selected for a 1.9 MMTPA Petro FCC unit by Numaligarh Refinery Limited, the first success outside the Company's own refineries in the domestic refining sector.

Your Company successfully commissioned the **1.2 MMTPA grassroots IndeDiesel** unit at Haldia Refinery producing on-spec BS-VI diesel. Propylene maximisation study was carried out for the RFCCU at **Haldia Refinery** for improvement of propylene yield with change of catalyst and optimisation of process conditions.

The R&D Centre's indigenous **Octamax technology** enabled the production and launch of XP100, a niche, high octane petrol. A corrosion inhibitor developed by the Centre was accepted for all product and offshore crude pipelines.

In a boost towards green energy, your Company undertook a successful **trial run of 50 buses on HCNG** fuel technology. To reduce import dependency, development of a novel **2G Enzyme** was undertaken for the production of 2G ethanol from lignocellulosic biomass. A demonstration plant of 10 Tonnes Per Day is under construction at Panipat to showcase this technology. A facility was created at Palwal, Haryana, for developing the off-site pre-treatment technology of paddy straw biomass. To support the Government of India's 'Waste to Value' initiative, your Company developed and successfully demonstrated the **eco-friendly Plastic to Fuel (IndEcoP2F) technology** for the conversion of waste plastic at the Digboi Refinery with 95.4 wt% plastic to fuel conversion.

Business Development

Beyond its core business, the Company also integrated and diversified into new business segments through steady and timely investments. Its expanded portfolio of petrochemicals, natural gas, exploration and production, and alternative energy stands out, as its key strength to take on the changes triggered by the ongoing energy transition.

PROPEL- India's leading Petrochemical brand

Petrochemicals

The Company is the **second largest petrochemicals player** in the country offering polymers, Linear Alkyl Benzene (LAB), Purified Terephthalic Acid (PTA), glycols and butadiene. The brand, **PROPEL**, is a leading brand in the Indian petrochemicals market.

The petrochemicals business of the Company demonstrated exemplary performance in the face of tough times and uncertainties during the year. The conditions were exacting for the domestic as well as global petrochemical industry due to sharp volatility in demand and feedstock prices. Certain unexpected events like hurricanes and polar storm in the US, and worldwide container shortages further impacted the supply chain, which impacted global trade.

Amid this volatile business environment, the petrochemicals business continued to perform exceptionally, delivering a 159% growth in profit vis-à-vis last year. During the year, sales, including exports, was 2.68 MMT as against 2.22 MMT in the previous year, registering a growth of 20%, which was backed by higher demand mainly from packaging, FMCG, consumer goods, safety equipment, health and sanitation sectors. Within the bouquet of petrochemicals, polymer sales touched a record high of 1.65 MMT, registering a growth of 28% over the previous year.

A new **Product Applications and Development Centre (PADC)** was set up at Paradip (Odisha) during the year, to cater to the product application and testing needs of the industry as well as to support the entrepreneurial activities in the region. The Company continued to expand its grade basket in polymers and launched four new polymer grades. These developments are in line with the Government of India's 'Aatmanirbhar Bharat' campaign, along with maintaining the Company's competitive advantage in the petrochemicals business. In addition, 21 OEM approvals were received from major Indian and international brands for different polymer grades.

Medical sector centric efforts were one of the core areas of focus this year. The polymer grade 1200-MC was extensively used in medical devices and disposable syringes, thereby lending support in the fight against the Covid-19 pandemic. A new niche grade 1350YH was also introduced to address the emerging requirement in personal hygiene products, such as face masks, sanitary-pads and diapers.

During the year, a 'Share Subscription-cum-Shareholders Agreement & Memorandum of Understanding' was signed with the Odisha Industrial Infrastructure Development Corporation, State Government of Odisha, for the development of the Paradip Plastic Park. The plastic park will help in the development of downstream plastic industries, auxiliary industries and MSMEs in Odisha, generating new employment opportunities in the state and region.

The Paradip port continued to gain prominence as an export destination of the country, with regular exports to nearby South and South East Asian countries commencing from the nearby Paradip Polypropylene Plant of the Company.

The efforts of the Company were duly recognised by the industry and for its exemplary performance in the petrochemicals sector during the year, your Company was awarded the prestigious **'FICCI Chemicals and Petrochemicals Awards 2021'** in two categories—namely the **'Company of the year in Petrochemicals (Public Sector)'** and **'Best Contribution to Academia'**.

Natural Gas

The Company continued to expand its natural gas business during the year and clocked sales (including internal consumption) of 5.38 MMT as against 5.42 MMT in 2019-20. The Company now has a customer base of 70 R-LNG patrons with the addition of nine new customers during the year, besides supplies to its own refineries at Mathura (Uttar Pradesh), Panipat (Haryana) and Koyali (Gujarat). Sale through the Company's **'LNG at the Doorstep'** initiative grew by 25% during the year to reach a level of 104.25 TMT. During the year, 33 LNG cargoes were imported, of which 23 were spot cargoes, while 10 were against long-term contracts.

City Gas Distribution (CGD)

Your Company is swiftly expanding its presence in the CGD business. Along with its two joint venture companies, Green Gas Limited (with GAIL India Limited) and IndianOil Adani Gas Private Limited (with Adani Total Gas Limited), it has authorisation for 40 Geographical Areas (GAs) spread across the length and breadth of the country. During the year, the Company commissioned its first standalone GA in Rewa (Madhya Pradesh), while eight GAs were commissioned by the Company's joint ventures. With this, 22 of the 40 GAs under the Company's fold are now operational. During the year, 0.68 Lakhs PNG connections were released across all GAs, either by the Company directly or through its joint venture companies. On its own, your Company commissioned 12 CNG stations during the year, and commenced registration and on-boarding of domestic PNG customers in various GAs through its in-house portal. In 2021-22, apart from achieving the stipulated Minimum Work Progress (MWP) targets, gas-in is planned for the GAs at Aurangabad (Maharashtra), Bokaro (Jharkhand), Ashoknagar (Madhya Pradesh) and Arwal (Bihar).

IndianOil is expanding its CGD network across India

Exploration & Production (E&P)

The Company continues to explore opportunities in the E&P sphere through participating interests (PI), joint ventures and wholly-owned subsidiaries. The upstream portfolio consists of nine domestic and 11 overseas assets, which are in various stages, viz. eight producing, four under development, four blocks with discovery, one under appraisal and three under exploration.

During the year, the share of production from the producing assets was 3.86 MMT of oil equivalent (MMtoe). Production from the assets stood lower than 4.26 MMtoe registered in the previous year, as OPEC+ cuts and heavy inventory levels affected production in overseas blocks.

During the year, oil flow was established in the appraisal well drilled in the Company's Onshore Block 1 in Abu Dhabi. The Company has 50% participating interest in the asset, which is also its first overseas block with IndianOil as operator.

The Company's Block AAP-ON-94/1 in Dirok Field in Assam recorded the highest ever daily production of natural gas as on August 5, 2020, which was double the Field Development Plan approved at the production level.

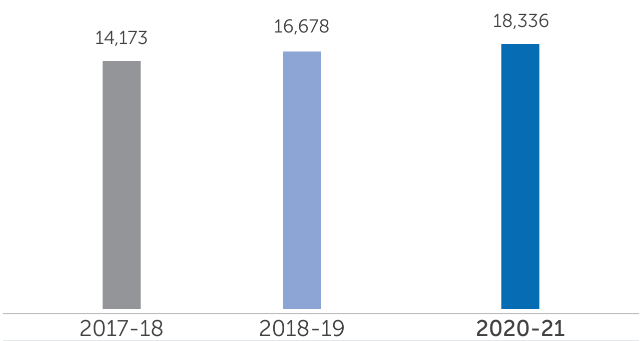
IndianOil is a non-operating partner at the crude processing facility in Lower Zakum Concession, UAE

Alternative Energy

Your Company is steadily progressing towards harnessing renewable energy to minimise carbon emissions for a green economy. The Company has an installed capacity of 232.95 MW of renewable energy, comprising 167.6-MW wind power capacity and 65.35-MW solar energy capacity as on March 31, 2021. These projects generated 329.45 GWh during the year, resulting in emission mitigation of 2.6 Lakhs Metric Tonnes of carbon dioxide equivalent ('00000 MTCo$_2$-eq).

During the year, the company solarised 1658 retail outlets (ROs). As on 31.03.2021, 18336 of IndianOil's ROs were powered by solar power systems with cumulatative installed capacity of 102.4 MW. Upscaling initiatives are in hand for meeting the increasing grid power demand of refineries due to future expansion plans.

Solarised ROs



Committed to enhance its green footprint, your Company is taking strides to contributing towards better air quality by reducing crop burning and lowering vehicular emissions by higher ethanol blending rate (a green and clean fuel). In this regard, the Company is putting up a second-generation ethanol plant at Panipat and a biofuel complex, including CBG plant, at Gorakhpur (Uttar Pradesh). The Company also established two 'cattle dung to biogas' plants in Madhya Pradesh and Uttar Pradesh, while another is being implemented in Rajasthan.

Your Company is the **first and only Oil and Gas Company** selling CBG through 23 ROs across eight states under the **'IndiGreen'** brand. The Company has issued a Letter of Intent to over 1,500 plants for production and supply of approximately 3.5 MMTPA of CBG under the Sustainable Alternative Towards Affordable Transportation (SATAT) scheme of the Government of India.

Going further on the path towards alternative energy, your Company has tied up with 22 plants through EOIs for supplying biodiesel produced from Used Cooking Oil (UCO) with an annual capacity of 229 TKL. On May 4, 2020, the **first truck load of UCO-based biodiesel** blended HSD was flagged off by the Hon'ble Minister of PNG and Steel from the Tirkri Kalan Terminal in West Delhi.

The Company is taking initiatives in a variety of **'waste to energy'** options and has signed an MoU with the North Delhi Municipal Corporation on January 19, 2021, in this regard. Recently, your Company has signed an MoU with the NTPC and the South Delhi Municipal Corporation (SDMC) for setting up 50 TPD 'waste to energy' demo projects at SDMC's Okhla landfill site.

To support the Government of India's e-mobility initiative, your Company acquired equity stake in Phinergy Limited (an Israeli company specialised in Aluminium-Air Battery technology) and formed a joint venture, namely 'IOC Phinergy Private Limited' (IOP) in February 2021 to commercialise the Aluminium-Air Battery technology in India. Your Company is also exploring the prospects of **green hydrogen** and is working towards exploring possible collaboration in the area of 'waste to hydrogen' technology. Discussions are also ongoing with an electrolyser technology company towards utilisation of electricity generated from renewable energy plants to produce green hydrogen.

IndianOil is committed to integrate its sustainability initiatives into business strategy to grow as a responsible organisation

Sustainable Development

As a responsible entity, your Company has taken a number of sustainability initiatives across its locations related to energy conservation, energy efficiency, renewable energy and carbon sequestration, water management through reducing consumption, recycling and rainwater harvesting, and waste management through reducing, reusing and recycling initiatives.

Across the company,rainwater harvesting systems have been installed with catchment area covering more than 2500 Ha and harvesting more than 8 Billion liters of rain water in 2020-21. The increase in rain water harvested during the year is an account of inclusion of the watershed projects implemented in the refineries. The Company launched a unique initiative, **#TreeCheers**, in November 2020, under which the Company planted saplings on behalf of patrons, who refuelled their new vehicles at the Company's outlets. A total of 2.26 Lakhs saplings were planted across the country, during the five-day campaign period, making it one of the biggest success stories in recent times.

The Company is replacing all conventional lights with LED, across its installations. During the year, around 1.12 Lakhs LED lights installed with cumulative replacement count of 7.19 Lakhs of LED lights. Paper recycling is another focus area for the company. During the year, 291 Tonnes of waste paper were recycled through designated recyclers. The Company is also developing a supply chain for plastic recycling with a vision towards plastic neutrality. An MoU was signed with a technology provider for exploring various technological options, such as plastic waste recycling and upcycling, waste-to-chemicals production, anaerobic digestion of organic waste, etc.

Overseas Business

Your Company's approach to overseas business is underpinned by a four-pronged strategy, which includes investment in overseas projects and assets, opening of branch/ representative offices, export of products, and export of services. To expand its footprint in neighbouring countries, its subsidiary company, IOC Middle East FZE, formed a new joint venture company in Bangladesh for conducting LPG business and for exploring other business opportunities in the hydrocarbon sector in Bangladesh. Recently, the Company opened new branch/ representative offices in Myanmar, Bangladesh and Nepal to develop businesses in the downstream hydrocarbon sector in these countries.

MoUs were signed during the year with established international players of Bangladesh, Vietnam and Nepal for mutual cooperation across the entire hydrocarbon value chain, including oil and gas E&P, refining, transportation, setting up plants/terminals, supply and retailing, collaboration for R&D activities, providing consultancy, capacity building and secondment services, etc.

During the year, export of finished petroleum products was given a big push, with your Company reaching out for supplying petroleum products to neighbouring countries. Your Company expanded its reach to global markets and exported 5,394 TMT of petroleum products to various countries, viz., Bangladesh, Mauritius, Sri Lanka, etc. In addition, 60 TMT of petrochemical products were exported during the year. In another breakthrough, an export contract was finalised for exporting HSD via land to Myanmar for constructing a two-lane road from Kaletwa to Zorinpui along the India–Myanmar Border in the Chin State of Myanmar under the 'Kaladan Multi-Modal Transit Transport' project.

An India Energy Office was set up in Russia by a consortium of five Indian PSUs, including your Company. The office was opened with the objective of promoting the interest of Indian Oil Companies in Russia to support current E&P assets, explore new business opportunities, tie-up for new technologies and the import-export of petroleum products and services.

The Company has been providing consultancy services/ capability building services/ secondment services in the Gulf Cooperation Council (GCC) region, South East Asia and East Africa.

Explosives

The explosives group achieved an all-time high production and sales of 265.5 TMT of bulk explosives during the year, registering a growth of 29% over the previous year's volume of 205 TMT.

Charging of bulk explosive at a mine site

Diversification

Your Company has ventured into setting up fertiliser plants at Barauni (Bihar), Gorakhpur (UP) and Sindri (Jharkhand) through a joint venture company, Hindustan Urvarak and Rasayan Limited (HURL), in partnership with National Thermal Power Corporation Limited, Coal India Limited, Fertilizer Corporation of India Limited and Hindustan Fertilizer Corporation Limited. The plants are under advanced stages of construction and slated to be commissioned by the fourth quarter of this fiscal with commercial production expected to start by April 2022.

International Trade

Your Company imported 53.60 MMT of crude oil during the year, as against 59.75 MMT in the previous year to meet the crude oil requirement for processing at its refineries. The import was lower than the previous year due to drop in demand for petroleum products caused by the Covid-19 pandemic. The selection of crude oil is undertaken from a diversified mix of supply sources to optimise the cost as well as to improve flexibility. The import of petroleum products during the year was 8.58 MMT as against 8.57 MMT in the previous year. Various strategies, such as increasing offshore storage of crude and sale to strategic reserves, were deployed during the year to cope with the sudden drop in demand.

Projects

Your Company believes that creation of infrastructure is important to make petroleum products available to customers at the least cost. Therefore, the Company continued to invest in greenfield and brownfield projects. During the year, the total capex spent by the Company was ₹ **28,684 Crore** (including ₹ 24,051 Crore on its capital projects and the rest towards equity investment in its joint ventures/ subsidiaries). The development of infrastructure was financed through an optimum mix of internal accruals and borrowings from domestic as well as international markets.

Your Company is executing a basket of projects ranging from refinery expansions and augmentation of pipeline network to diversification through joint ventures. The major projects are focussed on expansion of refineries, fuel quality upgradation, revamp and expansion of petrochemical plants, petrochemical and lube integration as well as grassroot projects for strengthening the hydrocarbon value chain.

Your Company is committed towards the expansion of its pipeline network and is executing pipeline projects to take the length to 21,000 Km by the end of this fiscal. Major ongoing pipeline projects include the Haldia–Barauni crude oil pipeline, the Paradip–Hyderabad product pipeline, augmentation of the Paradip–Haldia–Durgapur LPG pipeline and its extension up to Patna and Muzaffarpur, the Koyali–Ahmednagar–Solapur product pipeline, the Paradip–Somnathpur–Haldia product pipeline, augmentation of the Salaya–Mathura crude oil pipeline system and the Ennore–Thiruvallur–Bengaluru–Puducherry–Nagapattinam–Madurai–Tuticorin natural gas pipeline. In addition, your Company is undertaking massive LPG and natural gas pipeline projects through joint ventures, spanning approximately 9,300 Km. These include the Kandla–Gorakhpur LPG pipeline (the longest LPG pipeline in the world) through IHB Limited and the North East Natural Gas Grid through Indradhanush Gas Grid Limited (IGGL).

Your Company is also establishing a new R&D campus at Faridabad, Haryana, with state-of-the-art facilities at a cost of ₹ 3,200 Crore to boost the research horizon of the R&D Centre, which has evolved into a world-class technology solutions provider.

Chairman Shri S. M. Vaidya, with the Projects team at Panipat Refinery & Petrochemicals Complex

Health, Safety & Environment (HS&E)

The Company believes that good HS&E performance is an integral part of efficient and profitable business management and, therefore, is committed to conduct its business with a strong environment conscience, ensuring sustainable development, safe workplaces and enrichment of the quality of life of its employees, customers and community. All refineries of the Company are certified to ISO:14064 standards for sustainable development as well as for the Occupational Health and Safety Management System (OHSAS-18001/ ISO:45001), besides having fully equipped occupational health centres.

Most of the pipeline installations and some of the marketing installations of the Company are also ISO-14001 certified. The API 1173 based Pipeline Safety Management System was introduced across the entire pipeline network. Compliance with safety systems and procedures as well as environmental laws is monitored at the unit, division, and corporate levels.

The HS&E activities of the Company are reviewed periodically in the Board meetings. During the year, various capability building, and training programmes were conducted on safety-related topics covering the entire spectrum of activities of the Company.

Your Company undertook various administrative controls, such as implementation of thermal screening at entry points, practice of proper hygiene/sanitation measures, physical distancing, staggered office timings, allowing work from home for identified employees, etc., to safeguard its workforce from Covid-19 infections. An online dashboard was developed for real-time monitoring of the health status of employees and their families with a telemedicine application for online medical consultation too.

During the year, various capability building and training programmes were conducted on safety-related topics, such as all India campaigns for safe decantation of TT, and safe TT driving campaigns, among others. Awareness among LPG domestic customers on safe use of LPG was also generated through Safety Clinics and LPG Panchayats as well as through social media interactions.

Your Company was bestowed with the National Safety Council Award 2020 with the Guwahati Refinery winning the **Sarvashreshtha Suraksha Puraskar**.

A view of Bongaigaon Refinery Eco Park

DIGITAL INITIATIVES

Your Company marked 2020 as the '**Year of Digitalisation**' and aptly transformed processes to best-in-class and deployed various digital tools to further optimise operational performance and effectiveness. Implementation of customer relationship management and secondary dealer management system across LPG, lubes and direct customers business lines was a necessary IT intervention in serving over 25 Crore of our esteemed customers. The **Digitally Advanced Company of the Year 2020** award from FIPI was a fructification and recognition of these initiatives.

The **digital transformation project, i-DRIVE**, made significant strides in 2020-21 and scripted notable successes to accelerate the pace of our digital interventions in the times ahead. Some of these initiatives include the Digital Centre of Excellence (DCoE) for an analytics hub, which operationalised more than 25 AI/ ML-based advanced analytics use-cases, such as yield maximisation of units in our refineries, optimum cleaning schedule for heat exchanger trains, a decision support system for LPG cylinder supply forecasting, PetChem inventory optimisation, customer churn analysis for industrial customers, predictive maintenance and remote monitoring of critical equipment like gas turbines, etc.

Implementation of emerging tech platforms, increased efficiency through digital assistants/ chatbots, robotic process automation (RPA), business intelligence (BI) dashboarding self-service platforms, pan-IndianOil data management platform (DMP), the Data Lake with IT-OT convergence set the foundational platform for all data-driven decision making.

Implementation of off-the-shelf solutions, viz., the data reconciliation and yield accounting tool (DRYA), shutdown management system, integrated shipping tool, end-to-end project management suite, multi-BU pricing tool, network planning tool, coastal scheduler, and the Geographic Information System (GIS) acted as enablers for enhancing process efficiency.

IndianOil is utilising the best-in-class technology to further optimise its operations

Human Resources

The strong, dedicated and resilient workforce of 31,648 IOCians continued to perform their duties, despite challenges posed by Covid-19, to fuel the country. The total number of employees as on March 31, 2021 include 17,762 executives and 13,886 non-executives and 2,775 women employees comprising 8.77% of the total workforce. During the year, the Company recruited 371 executives. To further the cause of apprenticeship training in the country, the Company engaged apprentices under various categories like Trade/ Technician/ Fresher/ skill-certificate holder. The apprentices were imparted practical inputs with a structured monitoring and assessment methodology.

The Company scrupulously follows the Presidential Directives and guidelines issued by the Government of India regarding the reservation in services for SC / ST / OBC / PwBD (Persons with Benchmark Disabilities) / Ex-servicemen / Economically Weaker Sections (EWSs) to promote inclusive growth. Rosters are maintained as per the directives and are regularly inspected by the Liaison Officer(s) of the Company as well as the Liaison Officer of the Government of India to ensure proper compliance. Grievance / Complaint Registers are also maintained at Division / Region / Unit levels for registering grievances from OBC / SC / ST employees and efforts are made to promptly dispose of the representations/grievances received. In accordance with the Presidential Directive, the details of representation of SC / ST / OBC in the prescribed format are attached as **Annexure – I** to this Report.

The provisions of 4% reservation for persons with disabilities in line with the Government of India's guidelines/ instructions were implemented by the Company. Necessary concessions/ relaxations in accordance with the rules in this regard were extended to physically challenged persons in recruitment. The number of differently abled employees as on March 31, 2021 was 707, constituting 2.23% of the total employee strength.

During the year, cordial industrial relations were maintained across the Company. The Company provides comprehensive welfare facilities to its employees to take care of their health, efficiency, economic betterment, etc., and to enable them to give their best at the workplace. The Company supports participative culture in the management of the enterprise and has adopted a consultative approach with collectives, establishing a harmonious relationship for industrial peace, thereby leading to higher productivity.

The Company believes in holistic and meaningful employee engagement; and their development to catalyse the emergence of the highest potential of employees. To align HR activities with the Corporate Vision and the newly launched Talent Vision, many initiatives were taken during the year. The 'People first' approach of the Company is focused at the well-being of teams and stakeholders.

During the year, a Talent Vision and Strategy Framework for three years was launched. Your Company's vision was to 'Align our People and Talent Capability to deliver our Energy Promise to the Nation'. Along with its core values, the Company will be driven by a DARE2 framework, which emphasises 'Dexterity, Adaptability, Resilience, Engagement and Empathy'.

The Company achieved Level 3 under the **People Capability Maturity Model (PCMM)**, which is a proven set of Human Capital Management practices that provide a roadmap for continuously improving the capability of workforce. The employees of the Company have been provided access to the Bersin–Research and Sensing Portal, a state-of-the-art knowledge platform, which will keep readers informed of the latest developments. The wholehearted adoption of

Our People, Our Strength

e-learning portal Swadhyaya

e-learning portal Swadhyaya by employees during the pandemic emerged as a successful engagement-cum-development practice. In all, employees completed more than 1 Million e-modules. A new mentoring framework was institutionalised to provide opportunity for all employees to help one another grow through collaboration, goal achievement and psycho-social support.

As a forward looking responsible corporate, your Company has always strived to establish an inclusive work culture, which ensures providing a secure work environment to its women employees and has initiated many measures to facilitate the same.

Particulars of Employees

The provisions of Section 134(3)(e) of the Act are not applicable to a Government Company. Consequently, details on Company's policy on Directors' appointment and other matters as required under Section 178 (3) of the Act, are not provided.

Similarly, Section 197 of the Act is also exempt for a Government Company. Consequently, there is no requirement of disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other such details, including the statement showing the names and other particulars of every employee of the Company, who if employed throughout / part of the financial year, was in receipt of remuneration in excess of the limits set out in the rules are not provided in terms of Section 197 (12) of the Act read with Rule 5 (1) / (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Hindi Implementation

The Company is committed to implementing Hindi into the day-to-day functioning at its various offices/ locations/ units. The provisions of the Official Language Act, 1963, and rules notified thereunder were complied with. The communications received in Hindi including any application, appeal or representation written or signed by an employee in Hindi is replied to in Hindi. Official Language Implementation Committees (OLIC) have been formed in all offices/units to review the progress of implementation of official language policies.

Corporate Social Responsibility

Your Company's CSR objectives are enshrined in its Vision / Mission statement, '...to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience...'. CSR thrust areas include 'safe drinking water and protection of water resources', 'healthcare and sanitation', 'education and employment-enhancing vocational skills', 'rural development', 'environment sustainability', 'empowerment of women and socially / economically backward groups', etc., undertaken mainly for improving the quality of life in various communities, including marginalised and under privileged sections of the society. The Company has partnered many life-changing community development projects and has positively impacted stakeholders with around 600 projects across the length and breadth of the country.

During the year, the Company also undertook various CSR initiatives to overcome the challenges posed by the Covid-19 pandemic like insurance coverage for employees of business partners, providing medical equipment to hospitals, procurement of cold chain equipment for transportation of vaccines, contributions to the PM Cares Fund, etc. During the year, as against the CSR budget of ₹ 342 Crore (being 2% of the average profit of the previous three years, as per the provisions of the Companies Act, 2013), the Company set aside an enhanced budget of ₹ 460.37 Crore to ensure continuity in the planned CSR activities including many flagship projects. The entire budget of ₹ 460.37 Crore was spent during the year on various CSR activities. A report on the Company's CSR activities as per the provisions of the Companies Act, along with CSR highlights for the year is attached as **Annexure – II** to the Report. The composition of the CSR Committee is provided in the Corporate Governance Report. The CSR policy of the Company can be accessed on the Company website: https://www.iocl.com/download/Policies/IOC_S&CSR_Policy.pdf.

IndianOil's Mobile Medical Unit catering to the patients

Right to Information Act (RTI)

The Company has put in place an elaborate mechanism to deal with matters relating to the RTI as required under the Right to Information Act, 2005. Detailed information is hosted and regularly updated on the official website of the Company, www.iocl.com, which inter-alia includes details of Central Public Information Officers (CPIOs) / Assistant Public Information Officers (APIOs), third-party audited reports on mandatory disclosures, etc.

The Company has designated a Nodal Officer at its Corporate Office, New Delhi. In addition, 30 First Appellate Authorities, 41 CPIOs and 41 APIOs have been designated across various locations. The Company has aligned with the Online RTI Portal of DoPT, Government of India, and all applications / appeals received through the portal are handled through the portal itself. The quarterly / annual reports are submitted, within the prescribed timeline, on the website of Central Information Commission, www.cic.gov.in.

During the year, 4,813 requests and 578 first appeals were received and disposed-off within the prescribed timelines. In addition, 90 second appeals were filed before the Central Information Commission, New Delhi, and all were handled without any penalty/disciplinary action by the Hon'ble Commission.

Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, have been implemented across the Company with the clear objective of providing protection to women against sexual harassment at the workplace and redressal of complaints of sexual harassment. Internal committees have been set up at each Unit / Region / Head Office level, headed by senior-level women employee to deal with sexual harassment complaints.

Six complaints of sexual harassment were pending as on April 1, 2020. During the year, four complaints were received, and eight complaints were handled. As on March 31, 2021, two complaints were pending.

Regular workshops were organised, especially for women employees, to bring awareness about their rights and facilities at the workplace and emphasising the provisions of the Act. During the year, 35 workshops/awareness programmes were conducted. Gender sensitisation programmes and sensitising male employees were also conducted regularly.

Vigilance

The objective of the vigilance function is to ensure maintenance of the highest level of integrity in the Company. The Company has a separate Vigilance Department, which is headed by the Chief Vigilance Officer. The department acts as a link between the Company and Chief Vigilance Commissioner and also advises the Company on all matters pertaining to the subject. The vigilance department takes preventive, punitive and participative measures, with emphasis on the preventive and participative aspects, and also helps in establishing effective internal control systems and procedures for minimising systemic failures. During the year, 62 vigilance awareness programmes were conducted, which were attended by about 2,400 employees. Disciplinary action under applicable Conduct, Discipline and Appeal Rules, 1980, and Certified Standing Orders were taken by the Company for irregularities/lapses. During the year, 44 disciplinary matters related to vigilance cases were disposed of and 16 such cases were pending at the end of year. The cases pertain to irregularities such as indiscipline, dishonesty, negligence in performance of duty or neglect of work, etc. The Company continuously endeavours to ensure fair and transparent transactions through technology interventions and system/process review in consultation with the Central Vigilance Commission and internal vigilance set-up. The Vigilance Department (Corporate) of the Company was awarded ISO certification during the year.

Public Deposit Scheme

The Public Deposit Scheme of the Company was closed with effect from August 31, 2009. The Company has not invited any deposits from the public during the year and no deposits were outstanding as on March 31, 2021, except the old cases amounting to ₹ 55,000, which remain unpaid due to unsettled legal/court cases.

Corporate Governance

Your Company always endeavours to adhere to the highest standards of corporate governance, which are within the control of the Company. A comprehensive Report on Corporate Governance inter-alia highlighting the endeavours of the Company in ensuring transparency, integrity and accountability in its functioning has been incorporated as a separate section, forming a part of the Annual Report. The certificate issued by the Statutory Auditors on Compliance with Corporate Governance guidelines is annexed to the Report on Corporate Governance.

Management's Discussion & Analysis Report

The Management's Discussion and Analysis (MDA) Report, as required under Corporate Governance guidelines, has also been incorporated as a separate section forming a part of the Annual Report.

Hydrogen CNG plant at Rajghat, New Delhi

Business Responsibility Report

The Business Responsibility Report, providing information on the various initiatives taken with respect to environmental, social and governance perspectives, has been prepared in accordance with the directives of SEBI and is hosted on the website of the Company on the link https://www.iocl.com/business-responsibility-report

Audit Committee

The Audit Committee of the Board comprised three members, as on March 31, 2021 of whom two were Independent Directors (including the Chairman) and one non-executive Director. The observations / recommendations made by the Audit Committee during the year were put up to the Board and the same were accepted by the Board. Other details of the Audit Committee, such as its composition, terms of reference, meetings held, etc., are provided in the Corporate Governance Report.

Other Board Committees

The details of other Board Committees, their composition and meetings, are also provided in the Corporate Governance Report.

Code of Conduct

The Board of the Company has enunciated a Code of Conduct for the Directors and Senior Management Personnel, which was circulated to all concerned and was also hosted on the Company's website. The Directors and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2020-21.

Risk Management

The Company considers risk management as a key element of its business operations and has put in place effective systems to identify, analyse, monitor and mitigate risks to ensure the organisation's sustained growth and profitability.

The Company's Enterprise Risk Management involves risk identification, assessment and categorisation (based on risk appetite) and is reviewed regularly by risk-owners to optimise risks with appropriate mitigation plan. A Risk Management Compliance Board comprising senior management personnel and headed by Chief Risk Officer reviews the various risks associated with the Company's business. The Company has constituted a Risk Management Committee comprising Whole-time Directors which oversees the risk management activities. A report was, thereafter, put up to the Audit Committee and the Board.

Over and above the various business risks, which are apprehended and analysed in the regular course of business, the Company encountered a totally unprecedented risk to its business posed by the Covid-19 pandemic. However, your Company demonstrated strong resilience in the face of adversity during the pandemic despite demand destruction and declining product cracks. The risks posed by Covid-19 were closely monitored by the top management of the Company on a regular basis to ensure continuity of business operations in an optimised and safe manner.

Internal Financial Controls

The Company put in place adequate internal financial controls for ensuring efficient conduct of its business in adherence with laid-down policies; 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, which is commensurate with the operations of the Company.

The Company also has a separate Internal Audit department headed by an Executive Director, who reports to the Chairman. The Internal Audit department has a mix of officials from finance and technical functions, who carry out extensive audit throughout the year. The statutory auditors are also required to issue the Independent Auditor's Report on the Internal Financial Controls over financial reporting of the Company under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act 2013. The report issued thereupon has been attached along with the Standalone and Consolidated Financial Statements, respectively.

The Board believes that systems in place provide a reasonable assurance that the Company's internal financial controls are designed effectively and are operating as intended.

Statutory Auditors

The Office of the Comptroller & Auditor General of India had appointed the Statutory Auditors for the financial year 2020-21. The Auditors had confirmed that they are not disqualified from being appointed as Auditors of the Company. The Notes on the financial statement referred to in the Auditors' Report are self-explanatory. The Auditors' Report does not contain any qualification or adverse remark.

The Auditors' remuneration for the year was fixed at ₹ 200 Lakhs plus applicable taxes for Statutory Audit. In addition, reasonable out-of-pocket expenses incurred are also reimbursed at actuals. The total amount payable to the Statutory Auditors for all services rendered to the Company during 2020-21 was ₹ 402 Lakhs.

Cost Audit

The Company maintains cost records as required under the provisions of the Companies Act. The Company had appointed Cost Auditors for conducting the audit of the cost records maintained by its refineries, lube blending plants and other units for 2020-21. A remuneration of ₹ 20.20 Lakhs and applicable taxes was fixed by the Board for payment to the cost auditors for 2020-21, which was ratified by the shareholders in the last AGM. The cost audit reports are filed by the Central Cost Auditor with the Central Government in the prescribed form within the stipulated time.

Secretarial Audit

The Board had appointed M/s. Ragini Chokshi & Co., Practising Company Secretaries, to conduct the Secretarial Audit for 2020-21. The Secretarial Auditor in their report have stated that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., except as under:

- The Company could not comply with the requirement of having not less than 50% of the Board of Directors as Non-Executive Directors for the period September 22, 2020 to March 31, 2021.
- The Company could not comply with the requirement of having at least half of the Board of Directors as Independent Directors during 2020-21.
- The Company could not comply with Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR)), which requires performance evaluation of Independent Directors by the entire Board of Directors, and regulation 25(4) of the SEBI (LODR), which requires review of performance of Non Independent Directors, the Board of Directors as a whole and the Chairperson of the Company by the Independent Directors.

In this regard, it clarified that the Company being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas, the selection and appointment of Directors (including Independent Directors and Women Directors) vests with the Government of India as per Government guidelines. Further, the Ministry of Corporate Affairs, vide notification dated June 5, 2015, has provided exemption to Government Companies, regarding the provisions related to evaluation of performance of Directors under the Companies Act, 2013, as the evaluation is carried out by the administrative ministry.

The Secretarial Audit report issued by M/s. Ragini Chokshi & Co., Practising Company Secretaries, is attached as **Annexure - III** to this report.

Reporting of Frauds by Auditors

The Auditors in their report for the year have not reported any instance of fraud committed by the officers/employees of the Company.

Public Procurement Policy for Micro and Small Enterprises (MSEs) Order 2012

In line with the Public Procurement Policy of the Government of India, as amended, the Company is required to procure minimum 25% of the total procurement of Goods and Services from MSEs, out of which 4% is earmarked for procurement from MSEs owned by SC/ ST entrepreneurs and 3% from MSEs owned by women. The procurement from MSEs (excluding crude oil, petroleum products and natural gas, API line pipes and certain proprietary items) during 2020-21 was as under:

PARAMETERS	TARGETS	ACTUAL
Total Procurement from MSEs (General, Reserved SC/ST &Women)	25%	28.36%
Procurement from Reserved SC/ST MSEs	4% (Sub-target out of 25%)	0.75%
Procurement from Women-owned MSEs	3% (Sub-target out of 25%)	0.14%

The deficit of 3.25% and 2.86% under the sub-targets was due to non-availability of vendors in the sub-category; however, the overall target was achieved by procurement from other micro and small enterprises in line with the policy.

Several initiatives were undertaken to identify the entrepreneurs for procurement of goods and services from MSEs owned by SC/ST enterprises, including 76 vendor development programmes.

Subsidiaries, Joint Ventures & Associates

During the financial year, two new joint venture companies were incorporated, as per details given below:

- IndianOil Total Private Limited incorporated on October 7, 2020 with 50:50 equity holding between your Company and Total Marketing and Services S.A., France, for undertaking Bitumen and LPG business.
- IOC Phinergy Private Limited incorporated on February 19, 2021 with 50:50 equity holding between your Company and Phinergy, Israel, for commercialisation of Aluminium-Air Battery technology in India.

In March 2021, your Company exited from an inoperative joint venture, IndianOil Panipat Power Consortium Limited (IPPCL), through sale of its entire equity shareholding.

As required under the provisions of the Companies Act, 2013, a statement on the performance and financial position of each of the subsidiaries, joint venture companies and associates is annexed to the Consolidated Financial Statements. The financial statements of the subsidiaries have also been hosted on the Company website, www.iocl.com, under the 'Financial Performance' section.

In accordance with the provisions of SEBI guidelines, your Company has framed a policy for determining material subsidiaries, which can be accessed on the Company's website at, https://www.iocl.com/download/Policies/Material_Subsidiary_Policy.pdf.

Related Party Transactions (RPTs)

During the year, your Company entered RPTs, which were on arm's length basis and were in the ordinary course of business. As required under the provisions of the Companies Act, 2013, and SEBI (LODR), all RPTs were approved by the Audit Committee.

During the year, the Company had not entered into any transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

In view thereof, there is no transaction which needs to be reported in Form No. AOC-2, in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is hosted on the Company's website and can be accessed at: https://iocl.com/download/RPT_Policy.pdf.

Energy Conservation, Technology Absorption and foreign Exchange Earnings and Outgo

Energy conservation is accorded utmost importance among the various operating parameters of the Company. The performance of all units is monitored on a continuous basis and efforts are made for continuous improvement by incorporating the latest technologies and global best practices. The various energy conservation measures implemented across the refineries during the year, resulted in energy saving as well as monetary saving. Under pipeline operations, various initiatives were taken during the year, which resulted in reduction in Specific Energy Consumption by 13.5% over 2019-20.

In accordance with the provisions of the Companies Act, 2013, and rules notified thereunder, the details relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed as **Annexure-IV** to the Report.

Board of Directors & Key Managerial Personnel

The following changes occurred in the Board / Key Managerial Personnel of the Company:

1. Shri Vinoo Mathur, Shri Samirendra Chatterjee, Shri C.R. Biswal, Dr Jagdish Kishwan, Shri Sankar Chakraborti and Shri D. S. Shekhawat ceased to be Independent Directors w.e.f. September 22, 2020, consequent upon completion of their term.

2. Shri Akshay Kumar Singh, ceased to be Director (Pipelines) w.e.f. February 1, 2021, consequent upon resignation due to his appointment as Managing Director of Petronet LNG Limited.

3. Shri Gurmeet Singh, ceased to be Director (Marketing) w.e.f. April 1, 2021, consequent upon his superannuation.

4. Shri Rajendra Arlekar, ceased to be an Independent Director w.e.f. July 11, 2021 consequent upon his resignation due to his appointment as the Hon'ble Governor of the State of Himachal Pradesh

Dr S. S. V. Ramakumar, Director (Research & Development) and Shri Ranjan Kumar Mohapatra, Director (Human Resources), are liable to retire by rotation and being eligible are proposed to be re-appointed at the forthcoming Annual General Meeting (AGM).

A brief profile of the Directors proposed to be appointed / re-appointed at the forthcoming AGM is provided in the notice of the AGM.

Independent Directors

The Company received the Certificate of Independence from the Independent Directors confirming that they meet the criteria prescribed for Independent Directors under the provisions of the Companies Act, 2013, and SEBI (LODR). The Independent Directors have confirmed that they have registered with the Database maintained by the Institute of Corporate Affairs (IICA) under the Ministry of Corporate Affairs and have also cleared the online proficiency self-assessment test as prescribed by the IICA.

The Company being a Government Company, the power to appoint Directors (including Independent Directors) vests with the Government of India. The Directors are appointed by following a process as per laid down guidelines. In the opinion of the Board, the Independent Directors have the requisite expertise and experience.

A separate meeting of Independent Directors was held during the year as per provisions of the Companies Act, 2013, and SEBI (LODR).

Board Meetings

During the year, 11 meetings of the Board of Directors were held. The details of the meetings attended by each Director are provided in the Corporate Governance Report and, hence, not repeated to avoid duplication.

Board Evaluation

The provisions of Section 134(3)(p) of the Companies Act, 2013, require a listed entity to include a statement indicating the manner of formal evaluation of performance of the Board, its Committees and of individual Directors. However, the said provisions are exempt for Government Companies as the performance evaluation of the Directors is carried out by the administrative ministry, i.e., Ministry of Petroleum and Natural Gas (MoP&NG), as per laid-down evaluation methodology.

Significant and Material Orders Passed by the Regulators or Courts

No significant and material orders were passed by the regulators or courts or tribunals, during the year that impact the going concern status of the Company and its operations in the future. The response to the notice issued by the

National Green Tribunal and Haryana State Pollution Control Board last year, with regard to air and water pollution caused by the PTA Unit of Panipat Refinery was provided by the Company. However, as directed by NGT, an amount of ₹ 17.31 Crore was deposited 'under protest' with CPCB as interim compensation for restoration of the environment. Since then plant operations had commenced. Subsequently, based on the directions received from the NGT, a further amount of ₹ 25 Crore was deposited as interim compensation for restoration of the environment. In January 2021, the Joint Committee visited the refinery and petrochemicals plant at Panipat to review the progress of the various initiatives as suggested by the Committee. The restoration plan was submitted by the Committee in January and the final report on the progress of its recommendations to the NGT in February 2021. The case was heard by the Hon'ble NGT in March 2021 and was disposed of with directions to complete all the recommendations of the Joint Committee within a time schedule.

Vigil Mechanism / Whistle-Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has established a robust Vigil Mechanism and a whistle-blower policy in accordance with provisions of the Act and Listing Regulations. Under the whistle-blower policy, employees are free to report any improper activity resulting in violation of laws, rules, regulations, or code of conduct by any of the employees to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any complaint received is reviewed by the Competent Authority or Chairman of the Audit Committee as the case may be. No employee has been denied access to the Audit Committee. The policy on Vigil Mechanism/Whistle-Blower can be accessed on the Company's website at: https://iocl.com/download/Policies/Whistle_Blower_policy.pdf.

Details of Loans / Investments / Guarantees

The Company has provided loans / guarantees to its subsidiaries, joint ventures and associates and has made investments during the year in compliance with the provisions of the Companies Act, 2013, and rules notified thereunder. The details of such investments made, and loans / guarantees provided as on March 31, 2021 are provided in the Standalone Financial Statement.

Annual Return

As required under the provisions of the Companies Act, 2013, the Annual Return is hosted on the Company's website and can be accessed from the link: https://iocl.com/annual-return.

Compliance with Secretarial Standards

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Credit Rating of Securities

The credit rating assigned by rating agencies for the various debt instruments of the Company is provided in the Corporate Governance Report.

Investor Education & Protection Fund (IEPF)

The details of unpaid / unclaimed dividend and shares transferred to the IEPF in compliance with the provisions of the Companies Act, 2013, has been provided in the Corporate Governance Report.

Material Changes Affecting the Company

The Covid-19 pandemic and the consequent lockdown in the country since the end of March 2020 had impacted the operations as well as sales of the Company. However, the gradual relaxations in the lockdown during the year resulted in improvement in sales as well as operations. With the resurgence of the second wave of Covid-19, there has been some impact on the demand of petroleum products since April 2021. The Company is taking necessary steps to overcome the challenges.

Directors' Responsibility Statement

Pursuant to Sec.134(3)(c) of the Companies Act, 2013 pertaining to the Directors' Responsibility Statement, it is hereby confirmed that:

(a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(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 on a going concern basis; and

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

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

Acknowledgements

The Board of Directors would like to express its appreciation for the sincere, dedicated and untiring efforts of the employees of the Company, the contract labourers, and employees of business channel partners to ensure the supply of petroleum products across the country during the lockdown and restrictions caused by the Covid-19 pandemic, and for achieving an excellent performance despite challenges during the year. The Board would also like to thank the Government of India, particularly the Ministry of Petroleum & Natural Gas, as well as the various State Governments, regulatory and statutory authorities, for their support as well as guidance from time to time. The Board is also thankful to all its stakeholders, including bankers, investors, members, customers, consultants, technology licensors, contractors, vendors, etc., for their continued support and confidence reposed in the Company. The Board would like to place on record its appreciation for the valuable guidance and significant contribution made by Shri Vinoo Mathur, Shri Samirendra Chatterjee, Shri C. R. Biswal, Dr Jagdish Kishwan, Shri Sankar Chakraborti, Shri D. S. Shekhawat, Shri Akshay Kumar Singh, Shri Gurmeet Singh and Shri Rajendra Arlekar during their tenure on the Board of the Company.

For and on behalf of the Board

Sd/-
(Shrikant Madhav Vaidya)
Chairman
DIN: 06995642

Place: New Delhi
Date: July 27, 2021

ANNEXURE-I

SC / ST / OBC Report - I

Annual Statement showing the representation of SCs, STs and OBCs as on January 01, 2021 and number of appointments made during the preceding calendar year

Name of the Public Enterprises : Indian Oil Corporation Limited

	Representation of SCs / STs / OBCs (As on 01.01.2021)				Number of appointments made during the calendar year 2020									
					By Direct Recruitment				By Promotion			By Deputation / Absorption		
Groups	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Executives														
A	17651	2972	1304	4095	253	48	19	74	3837	634	278	-	-	-
Non-executives														
B	4992	825	514	506	-	-	-	-	116	32	17	-	-	-
C	8710	1591	692	2498	83	14	9	26	1023	198	94	-	-	-
D (Excluding Sweeper)	373	60	24	109	13	2	2	2	-	-	-	-	-	-
D (Sweeper)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total (Executives plus Non-executives)	31726	5448	2534	7208	349	64	30	102	4976	864	389	-	-	-

SC / ST / OBC Report - II

Annual Statement showing the representation of SCs, STs and OBCs in various group A services as on January 01, 2021 and number of appointments made in the service in various grades in the preceding calendar year

	Representation of SCs / STs / OBCs (As on 01.01.2021)				Number of appointments made during the calendar year 2020									
					By Direct Recruitment				By Promotion			By Deputation / Absorption		
Pay Scale (in ₹)	Total No. of Employees	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
40000 - 140000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
50000 -160000	519	110	28	141	214	39	16	64	144	39	7	-	-	-
60000 - 180000	3711	584	294	1074	39	9	3	10	13	1	-	-	-	-
70000 - 200000	4369	686	303	1346	No recruitment is made in this Group.				1709	275	125	-	-	-
80000 - 220000	3537	628	252	776	No recruitment is made in this Group.				692	103	46	-	-	-
90000 - 240000	1884	322	164	376	No recruitment is made in this Group.				454	93	39	-	-	-
100000 - 260000	1384	278	112	245	No recruitment is made in this Group.				281	42	22	-	-	-
120000 - 280000	1230	243	105	116	No recruitment is made in this Group.				259	45	22	-	-	-
120000 - 280000	677	92	41	18	No recruitment is made in this Group.				168	27	16	-	-	-
120000 - 280000	254	23	5	3	No recruitment is made in this Group.				84	8	1	-	-	-
150000 - 300000	86	6	-	-	No recruitment is made in this Group.				33	1	-	-	-	-
Grand Total	17651	2972	1304	4095	253	48	19	74	3837	634	278	-	-	-

ANNEXURE-II

Highlights of CSR Activities

"Pehle Indian, Phir Oil" truly epitomises IndianOil's Corporate Social Responsibility (CSR) philosophy and the same was aptly displayed during the difficult year of the pandemic. Being a responsible corporate, IndianOil not only ensured continuous supply of essential petroleum products and services across the nation, but also enhanced the CSR allocation beyond the prescribed CSR budget (i.e. 2% of average net profit of the immediately preceding 3 financial years) as required under the provisions of the Companies Act, 2013. Moreover, IndianOil has exemplified its CSR commitment by utilising 100% CSR budget allocation of ₹ 460.37 Crore, for the fourth year in a row.

IndianOil's CSR objective is enshrined in its Vision / Mission statement - *"...to help enrich the quality of life of the community and preserve ecological balance and heritage through a strong environment conscience..."*. IndianOil's CSR thrust areas include 'Safe drinking water and protection of water resources', 'Healthcare and sanitation', 'Education and employment-enhancing vocational skills', 'Rural development', 'Environment sustainability', 'Empowerment of women and socially / economically backward groups', etc. The CSR activities are undertaken primarily to improve the quality of life in various communities, including marginalised & underprivileged sections of the society viz., schedule caste, schedule tribe, other backward caste, physically handicapped, etc., During the year the Company has patronised / sponsored many life-changing community development projects and has positively impacted numerous stakeholders with around 600 projects across the length and breadth of the country.

In compliance with the Department of Public Enterprises (DPE) guidelines for CSR Expenditure by Central Public Sector Enterprises (CPSE), IndianOil spent ₹ 307.17 Crore (which is 67% of total CSR expenditure) on thematic area i.e. Health and Nutrition during 2020-21; and as against the 18 Aspirational Districts allotted by DPE, the Company spent ₹ 13.76 Crore in 32 Aspirational Districts in 2020-21.

KEY CSR INITIATIVES DURING 2020-21

IndianOil's CSR contribution in fighting Covid-19 Pandemic

To fight the pandemic, IndianOil contributed ₹ 225 Crore to the 'PM CARES fund'. In addition, IndianOil extended support to set up Covid CARE Centres, Quarantine Centres etc. and provided / distributed 16 Ambulances, 30 ventilators, 37 ICU cots, 460 IR temperature guns, more than 1,900 testing kits, more than 29 Lakhs masks; more than 33 kl of sanitisers; more than 17.5 Lakhs food packets; more than 40 thousand grocery packets; more than 2 Lakhs gloves; more than 10 thousand PPE kits, more than 65 thousand soap / liquid hand wash, mosquito nets, gum boots, etc., across the country.

As a major CSR initiative, IndianOil:

- Provided Health Insurance coverage to more than 3 Lakhs frontline workers including employees / contract labourer of the Business Channel partners who work round the clock to maintain the supply of essential services at various customer touch points such as Retail Outlets, LPG Distributors, Lubes CFA, Transporter, etc. during the lockdown.
- Extended support to set up Covid Care Centre and 100 bed facility (92 General bed facility + 8 ICU Bed facility) Covid-19 Hospital at Medical College & Hospital (MCH) building of District Headquarter Hospital (DHH), Bargarh, Odisha
- Augmented the country's Covid-19 vaccination programme by providing Cold Chain Equipmnet (CCE) viz. Ice Line Refrigerator (ILR), Deep Freezer (DF), Walk-in-Cooler (WIC), Walk-in-Freezer (WIF), Refrigerated Truck (RT), etc. to the state government in 4 states of Jammu & Kashmir, Tamil Nadu, Bihar and Manipur.

The details of other major CSR activities during the year are as under:

Institute of Chemical Technology, Mumbai-IndianOil Odisha Campus (ICTM-IOC), Bhubaneswar, Odisha

In a first-of-its-kind initiative, IndianOil collaborated with Institute of Chemical Technology, Mumbai to set-up an off-campus of the Institute of Chemical Technology, Mumbai at Bhubaneswar. The institute christened as 'ICT Mumbai IndianOil Odisha Campus, Bhubaneswar' (ICTM-IOC), was inaugurated by the Hon'ble President of India in 2018. The institute has been planned to evolve into an R&D / innovation hub to carry out high-end research in chemical engineering, petrochemicals, textiles, pharmaceuticals and energy, in order to become a world-class Centre of Excellence in Chemical Engineering & Technology. The first academic session started in 2018 with the enrolment of 60 students for the 5-year integrated M. Tech Programme. As on March 31, 2021, 178 students are undergoing 5-year integrated M. Tech Programme; 21 students are undergoing 2-year full time M. Tech. Programme; 12 industrial personnel are pursuing 2-year Executive M. Tech course and 37 students are pursuing their PhD at the Institute.

Students of integrated M.Tech programme at Institute of Chemical Technology, Odisha Campus

Skill Development Institute, Bhubaneswar, Odisha

With an aim to provide livelihood enhancing skill development training to unemployed & underprivileged youth and to provide skilled human resources to the job ready industry, Skill Development Institute, Bhubaneswar (SDI-B) was set up on May 9, 2016 in a temporary campus. On March 18, 2018, Hon'ble President of India laid the Foundation Stone for the SDI Main Campus, which is being developed as mega-world-class, model skill development academy at Jatni Tehsil of Khurda; near IIT Bhubaneswar. Hon'ble Minister of Petroleum & Natural Gas & Steel inaugurated the Main Campus on February 24, 2019. The multi skilling institute (green campus), offering international standards of training is imparting world class skill development courses, supported by industry experts. SDI-B prepares students with adequate skills for pursuing careers as Industrial Electricians, Welders, Computer Data Application (only for girls), Fitter Fabrication, Instrumentation Technicians, Pipe Fitters (City Gas Distribution), Solar PV Installation and LPG Mechanics. About 240 students are enrolled in a single batch and are skilled in 8 trade courses. The course duration ranges between 3 and 6 months. During 2020-21, about 251 youth were skilled and certified. Various Centres of Excellence (CoE) have been established in collaboration with internationally reputed institutions / industry partners such as Schneider Electric, Cisco, Intel, Siemens, Kemppi, etc., to provide relevant skill development training with high potential for generating employment. Once fully functional, about 3,000 to 4,000 youth will be trained every year in 16 regular trades pertaining to the hydrocarbon sector and local industries.

Girl students, attending Computer Data Application course at Skill Development Institute, Bhubaneswar

IndianOil Vidushi

"If you educate a man, you educate an individual. But if you educate a woman, you educate a nation." A famous African proverb by James Emman Kwegyir Aggrey truly depicts the objective of starting 'IndianOil Vidushi' CSR programme in 2018. Under this CSR initiatve, specialised coaching and mentoring is provided to under-privileged girls after class XII, to help them succeed in JEE Mains, JEE Advanced & other Central and State Engineering College Entrance Examinations. Till 2019-20, a maximum of 30 girls were selected for each of the 4 residential centres at Noida, Bhubaneswar, Patna and Jaipur through written tests and personal interviews, on merit–cum-means basis. The entire cost for specialised coaching, study material, boarding, food & other consumables, blankets, hygiene kits, dresses, health insurance etc. is borne by IndianOil. During 2020-21, due to the Covid-19 pandemic, online classes were conducted for 120 girls from 2 centres. Out of the 117 girls enrolled in 2019-20, 25 joined IITs, 26 joined NITs & 47 joined other engineering colleges. Scholarship is also given to students after getting admission in IITs / NITs / government engineering colleges, for 4 year graduate programs [₹ 5,000 per month for IITs / NITs; ₹ 4,000 per month for other government engineering colleges].

Students of IndianOil Vidushi programme, Bhubaneswar Centre, receiving digital aids for online classes

IndianOil Aarogyam

With the objective to provide primary healthcare at people's doorstep, particularly in rural and under-served areas, IndianOil had started a flagship CSR project 'IndianOil Aarogyam' in 2018-19. Twelve Mobile Medical Units (MMU), each with a 4-member medical team consisting of 1 Doctor, 1 Nurse, 1 Nursing Attendant and 1 Driver-cum-Community Mobilizer have been operating in the catchment areas of 3 Refinery Units, i.e., Mathura (Uttar Pradesh), Bongaigaon (Assam) & Paradip (Odisha). The MMUs conduct health screening, basic diagnosis and provide medical treatment. The MMUs cover more than 140 villages near the 3 Refineries. During 2020-21, patient footfall in the target geographies was around 1.94 Lakhs, out of which about 99,000 were female patients.

Drinking Water Project, Bishnupur, Bongaigaon in Assam

Assam Oil School of Nursing, Digboi, Assam

India has an average of 1.7 nurses for every 1,000 people, 43% less than the World Health Organisation norm (3 per 1,000). India needs 20 Lakhs nursing personnels to fill this wide gap. The Covid-19 pandemic has further increased the requirement for qualified nursing personnel. The Assam Oil School of Nursing (AOSN), Digboi was established with the dual objective of providing stable career and livelihood opportunities to young underprivileged girls and ensure availability of qualified nurses in the country. AOSN offers 3-year diploma in General Nursing and Midwifery (GNM) to young girls and enrols 30 students every year. For the 4-year B.Sc. (Nursing) course, 30 students are offered admission every year (since 2014). During 2020-21, 30 girls were provided training for GNM and 30 girls were provided training for B.Sc. (Nursing) courses. Since inception, 469 students have completed the GNM course and 87 students have completed the B.Sc. (Nursing) course with 100% placement record.

Students at Assam Oil School of Nursing, Digboi, Assam

IndianOil Gyanodaya Scheme in Govt. ITIs & Polytechnics

IndianOil Gyanodaya Scheme provides scholarships on merit-cum-means basis to students pursuing 2-year regular courses in Government ITIs and 3-year regular courses in Government Polytechnic, incentivising them to perform well. The scheme covers 36 Government institutes (18 ITIs and 18 Polytechnics) near 9 IndianOil Refinery locations. 50 students per batch are selected from each institute every year. Each student is provided scholarship of ₹ 1,000 per month for the entire duration of the course. During 2020-21, 1,152 students from 28 ITIs and Polytechnics were selected for scholarship.

Students at Dibrugarh Polytechnic, Assam

Cleaning of Bindusagar Lake, Bhubaneswar, Odisha

Bindusagar is one of the largest water bodies in the famous Lingaraja Temple, Bhubaneswar. Due to wastewater and sewage from the surrounding buildings, flowers and offerings from the temples, and other waste from the ghats, the lake was polluted and had lost its self-purifying capacity.

IndianOil in collaboration with Institute of Chemical Technology, Mumbai - IndianOil Campus, Bhubaneswar (ICTM-IOCB) undertook the project for cleaning the Lake. ICTM-IOCB used the patented Hydrodynamic cavitation technology to reduce Biochemical oxygen demand (BOD), Chemical oxygen demand (COD) & microbial population in the water body. The project has also reduced turbidity of water in an energy efficient and affordable manner. The project is in line with Government of India 's Swachh Bharat Mission and would help to improve the ecological environment around the lake, adding to its aesthetic value and promoting tourism to the area.

Inauguration of Bindu Sagar Lake cleaning project at Bhubaneswar

Installation of cattle dung-based Biogas plant at Betul, Madhya Pradesh

Under the aegis of Swachh Bharat Mission of the Govt. of India, IndianOil has set up a 5 TPD (tons per day) cattle dung-based Biogas plant at Village Jamthi, District Betul, Madhya Pradesh. The Hon'ble Minister of Petroleum & Natural Gas and Steel, Government of India inaugurated the plant on January 18, 2021. The location presently has a population of 204 cattle heads and has access to various Gaushalas of nearby villages. Installation of a Biogas plant has provided the option for procuring clean energy for cooking and other purposes and to yield better quality manure. The project is in alignment with the national goals of 'Aatmanirbhar Bharat', Make in India and Swachh Bharat mission.

Cattle dung-based Biogas plant at Betul, Madhya Pradesh

Assam Oil Division Hospital, Digboi, Assam

Assam Oil Division Hospital, Digboi (Estd.1906) is a 200-bed hospital with modern facilities. It caters to the population residing near Digboi Refinery and other nearby areas of the North East. Every year, about 1 Lakh patients are treated at the hospital, including non-employees. The hospital admits about 4,000 patients and conducts operative procedures on about 2,000 patients every year. General as well as specialised health camps are also organised regularly by the hospital to reach out to poor villagers in the vicinity, who otherwise have no access to medical consultations or treatment. During 2020-21, 4,120 non-employee patients were treated at the hospital.

Assam Oil Division Hospital, Digboi, Assam

Swarna Jayanti Samudayik Hospital, Mathura, Uttar Pradesh

Swarna Jayanti Samudayik Hospital at Mathura (Estd.1999) is a 50-bed hospital providing medical treatment to residents near Mathura Refinery, Uttar Pradesh. The hospital provides free treatment to the destitute and offers subsidised treatment to others. During 2020-21, 30,707 patients were treated at the hospital, out of which operative procedures were conducted on 337 patients.

Swarna Jayanti Samudayik Hospital,Mathura, UP

IndianOil Sports Scholarship Scheme

In line with the sports policy adopted in 1985, IndianOil has, over the years, recruited many promising sportspersons, who excelled at National & International levels and brought laurels to the Company and the Country. The Company had introduced Sports Scholarship Scheme in the year 2006-07 for promising young sports persons representing States in team games and National rank holders. The scheme started with 55 scholarships in 7 games / sports. At present, 250 scholarships in 20 games / sports (Olympic sports categories & other popular games such as Cricket, Carom, Chess, etc) are awarded to upcoming junior players from 13 to 16 years of age in two categories viz., Elite Scholar and Scholar. The scholarship amount varies from ₹ 15,000 to ₹ 19,000 per month for Elite Scholars and ₹ 12,000 to ₹ 16,000 per month for Scholars, for a period of 3 years and covers the cost of kits as well. In addition, IndianOil also provides assistance for their travel and lodging. During 2020-21, 166 sportspersons benefitted from the scheme and since inception, more than 1,000 sportspersons have benefitted from the scholarship.

Sports Scholars: 1 Mahipal (Hockey) 2 Lavanya Verma (India team camp for FIFA U-17 girls World Cup) 3 Diya Chitle (Table Tennis Current Youth & Junior U-18 National Champion) 4 Jemimah Rodrigues (Cricket) 5 Riddhi & 6 Rishabh Yadav (Archery) 7 Manisha (Wrestling)

Cleaning of Bhalswa Lake, Jahangirpuri, Delhi by remote operated water drone (Floater Boat)

Water is the most precious life sustaining natural resource. Water conservation and availability of clean water has, therefore, become a necessity. To ensure steady supply of water and to maintain ecological balance, cleaning of water bodies is essential.

Contributing towards this cause, IndianOil implemented an innovative project and provided remote operated water drone or Floater Boat to clean the Bhalswa Lake at Jahangirpuri, Delhi. It helped to remove the floating garbage from the lake on a regular basis. It cleaned plastics, micro-plastics, alien vegetation (e.g. duckweed), floating debris etc. from the water body. It is an unmanned garbage collection marine surface vessel designed for round-the-clock waste collection. It also scans and monitors the environment, sending necessary data to the central command. The project has not only benefitted the flaura and fauna dependent on the water body but, has also been a boon for residents of surrounding areas.

Remote-operated water drone (Floater Boat)

Renovation & upgradation of Anganwadi Centres, Jharkhand

Anganwadi is a rural healthcare and child care centre in India. They were started by the Indian government in 1975 as part of the Integrated Child Development Services program to combat child hunger and malnutrition. These centres provide supplementary nutrition, non-formal pre-school education, nutrition, health education, immunisation, health check-up and referral services, of which the last three are provided in collaboration with public health systems.

IndianOil in collaboration with Govt. of Jharkhand renovated and upgraded 200 Angnawadi Centres into model Anganwadi centres at various villages in 6 Districts of Dumka, Godda, Jamtara, Deogarh, Khunti and Ranchi. IndianOil helped to renvoate and upgrade the Anganwadi centers and offered services related to its painiting, flooring and making provision for furniture & utesils. Toys and playing equiment for kids were also arranged for the centres. It has benefitted more than 7,500 children.

Renovated and upgraded Anganwadi Centre in village Sarsa, Deogarh, Jharkhand

Establishment of Fodder bank and Skill training facility, Hyderabad

IndianOil, in association with NTR College of Veterinary Science, Gannavaram, Hyderabad implemented a one-of-its-kind CSR project - 'Establishment of fodder bank and skill based training facility for youth and farmers to mitigate fodder scarcity and improve food and employment security of women farmers'. The project includes cultivation of high yielding locally adaptable fodder varieties like Hybrid Napier grass (Super Napier), Guinea grass, COFS 29 and fodder trees like Moringa, Subabul and Sesbania. Around 2,000 tons of green fodder is being produced every year and it is stored in the form of silage bales. The silage bales, weighing about 50-60 kg, is distributed to landless, marginal and small dairy women farmers whose livelihood depend on cattle and buffalo rearing. A training centre has also been developed to impart training to unemployed youth and women, in the areas of livestock and fodder production, thereby empowering them to become successful livestock entrepreneurs.

Villagers in Hyderabad being trained for silage bales formation

The aim of this project is to eliminate fodder scarcity and ensure steady supply of fodder for small women dairy farmers. The high protein content in the fodder leaves helps to increase milk production, thereby enhancing the income generating capacities of these women. The project has benefitted around 200 women farmers and also provided employment to around 10 people who are involved in silage production and preparation of value-added leaf meal products.

The project also helps in environmental sustainability as an acre of grass can sequester more carbon than an acre of forest. Most of the forage grasses and trees planted in the fodder bank are multi-cut varieties and they serve as vegetative mulch in zero tilled conditions for a period of 10 years, depending on soil fertility and the availability of water.

ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2020-21

1. A brief outline of the Company's CSR policy

   IndianOil's CSR initiatives are guided by its corporate vision of caring for environment and community. IndianOil believes that CSR is its continuing commitment to conduct business in a responsible and sustainable manner and contribute to the economic well-being of the country. It also helps to improve the quality of life of local communities residing in the vicinity of its establishments and the society at large.

   IndianOil's Sustainability & Corporate Social Responsibility (S&CSR) vision aims to operate its activities in a manner that is efficient, safe and ethical practices that minimises negative impact on the environment and enhances quality of life of communities, thereby fulfilling its mission of sustaining a holistic business.

2. Composition of the CSR & Sustainable Development Committee as on 31.03.2021

Name of Director / Designation	Committee Position	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Shri Rajendra Arlekar Independent Director	Chairman	7	7
Shri G. K. Satish Director (Planning & Business Development)	Member	7	7
Shri Ranjan Kumar Mohapatra Director (Human Resources)	Member	7	7
Shri Gurmeet Singh Director (Marketing)	Member	7	5
Shri Sandeep Kumar Gupta Director (Finance)	Member	7	6

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company

   Composition of CSR committee: https://iocl.com/InvestorCenter/PDF/Board-Committees.pdf

   CSR Policy: https://iocl.com/download/Policies/IOC_S&CSR_Policy.pdf

   CSR projects approved by the Board: https://iocl.com/pages/board-approved-csr-projects

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

   Not Applicable for the financial year under review

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
2020-21	Nil	Nil

6. Average net profit of the company as per Section 135(5): **₹ 17,100.00 Crore**.

7. (a) Two percent of average net profit of the company as per section 135(5): **₹ 342.00 Crore**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

   (c) Amount required to be set off for the financial year, if any: **Nil**

   (d) Total CSR obligation for the financial year (7a+7b-7c): **₹ 342.00 Crore**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Spent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 460.37 Crore	Nil	NA	Nil	Nil	NA

   (b) Details of CSR amount spent against ongoing projects for the financial year: **Annexure – A**

   (c) Details of CSR amount spent against other than ongoing projects for the financial year: **Annexure – B**

   (d) Amount spent on Administrative Overheads: **₹ 15.31 Crore**

   (e) Amount spent on Impact Assessment, if applicable: **₹ 0.01 Crore**

   (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹ 460.37 Crore**

   (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	342.00
(ii)	Total amount spent for the Financial Year	460.37
(iii)	Excess amount spent for the financial year [(ii)-(i)]	118.37
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	118.37

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
			Name of the Fund	Amount	Date of transfer	
2017-18	Nil	Nil	Nil	Nil	Nil	Nil
2018-19	Nil	Nil	Nil	Nil	Nil	Nil
2019-20	Nil	Nil	Nil	Nil	Nil	Nil

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Annexure - C**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

    (a) Date of creation or acquisition of the capital asset(s).

    (b) Amount of CSR spent for creation or acquisition of capital asset.

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

    No capital Asset was created / acquired in the books of account of the Company during 2020-21 through CSR Spent.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).

    The Company has spent ₹ 460.37 Crore, which is more than two per cent of the average net profit as per Section 135(5) i.e. ₹ 342.00 Crore.

Sd/-
(Ranjan Kumar Mohapatra)
Director (Human Resources) &
Member, CSR&SD Committee

Sd/-
(Rajendra Arlekar)
Independent Director &
Chairman, CSR&SD Committee

Annexure A

Details of CSR amount spent against ongoing projects for the year 2020-21 (₹ Crore)

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of Project		Project Duration (in years)	Amount allocated for the project	Amount spent in current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation- Direct (Yes/ No)	Mode of Implementation -Through Implementing Agency	
				State/ UT	District						Name	CSR Registration No.
1	Contribution to Skill Development Institute, Bhubaneswar: CAPEX	(ii)	Yes	Odisha	Khordha	1.6	17.11	17.11	Nil	No	Skill Development Institute, Bhubaneswar	NA
2	Construction of 100 TPD cattle dung based biogas plant, Jaipur	(iv)	Yes	Rajasthan	Jaipur	1.5	16.89	16.89	Nil	Yes	CEID Consultants & Engineering Private Limited and IRCLASS SYSTEMS AND SOLUTIONS	NA
3	Provision of 27 Tube well and 80 Hand pumps at Jodhpur District, Rajasthan	(i)	No	Rajasthan	Jodhpur	1.3	4.24	4.24	Nil	Yes	Public Health & Engineering Department, Jodhpur	NA
4	Providing scholarships to sports person under IndianOil ACERS	(vii)	Yes	All India	All India	2.0	3.77	3.77	Nil	Yes	IOCL	NA
5	Construction of 50 community toilet in Tripura	(i)	No	Tripura	West Tripura	2.5	2.73	2.73	Nil	Yes	DIRECTOR URBAN DEVELOPMENT	NA
6	Providing facilities for Yoga & Naturopathy Centre at New Delhi for general public	(i)	Yes	Delhi	New Delhi	3.0	2.04	2.04	Nil	Yes	IOCL	NA
7	Other CSR Projects approved by Competent Authority with expenditure upto ₹ 2 Crore per project	Various Schedule VII activities	Local & Other Areas both	All India	All India	from 1.1 to 6 years	40.59	40.59	Nil	Direct as well as through others	Multiple Implementing Agencies	NA
						Total	**87.37**	**87.37**				

Annexure B

Details of CSR amount spent against other than ongoing projects for the year 2020-21 (₹ Crore)

Sl. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of Project		Amount spent for the project	Mode of Implementation- Direct (Yes/ No)	Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR Registration No.
1	Contribution to PM-CARES Fund	(i), (xii)	No	All India	All India	225.00	Yes	PM-CARES	NA
2	Contribution towards Institute of Chemcial Technology- IOC campus, Bhubaneswar	(ii)	Yes	Odisha	Khordha	21.00	Yes	Institute of Chemcial Technology- IOC campus, Bhubaneswar	NA
3	Contribution to IOF: Developing tourist friendly facilities at Archaeological Survey of India sites of iconic importance	(v)	No	All India	All India	11.44	No	Indian Oil Foundation	NA
4	Health Cover insurance for employees of business/logistic partners under CSR for Covid-19	(i), (xii)	Yes	All India	All India	7.97	Yes	IOCL	NA
5	CovidRelief - Contribution towards procurement of various equipment for dedicated Covid Hospital & CovidCare Centre at Bargarh, Odisha	(i), (xii)	Yes	Odisha	Bargarh	5.58	Yes	District Administration, Bargarh	NA
6	Running expenses of Swarn Jayanti Samudayik Hospital, Mathura	(i)	Yes	Uttar Pradesh	Mathura	5.34	Yes	Manav Jan Kalyan Samiti, Kanpur	NA
7	Operation of Kendriya Vidyalaya ,Mathura Refinery	(ii)	Yes	Uttar Pradesh	Mathura	3.74	No	Kendriya Vidyalaya Samiti	NA
8	OPEX & CAPEX for Assam Oil School of Nursing, Digboi, Assam	(iii)	Yes	Assam	Tinsukia	3.54	Yes	1.M/s D.B Construction 2.M/s Ace consortium	NA
9	Contribution to PCRA for Saksham 2021 towards conservation of energy	(ii)	Yes	All India	All India	3.50	Yes	IOCL	NA
10	Running expenses of Kendriya Vidyalaya School, Barauni	(ii)	Yes	Bihar	Begusarai	3.20	Yes	Kendriya Vidyalaya Sangathan	NA
11	Running expendses of AOD Hospital (in proportion to non-employee patients)	(i)	Yes	Assam	Tinsukia	3.04	Yes	IOCL	NA
12	Running expenses of Kendriya Vidyalaya, Guwahati Refinery	(ii)	Yes	Assam	Kamrup (Metro)	2.97	Yes	Guwahati Refinery	NA
13	Other CSR Projects approved by Competent Authority with expenditure upto ₹ 2 Crore per project	Various Schedule VII activities	Local & Other Areas both	All India	All India	61.38	Direct as well as through others	Multiple Implementing Agencies	NA
					Total	357.70			

Annexure C

Details of CSR amount spent in the year 2020-21 for ongoing projects of the preceding year(s) (₹ Crore)

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration scheduled (Years)	Total amount allocated for the project	Amount spent on the project in the Reporting Financial year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed/ Ongoing
1	CO/20/09	Contribution to Skill Development Institute, Bhubaneswar: CAPEX	2019-20	1.6	314.00	17.11	231.11	Ongoing
2	P&BD/20/04	Construction of 100 TPD cattle dung based biogas plant, Jaipur	2018-19	1.5	21.72	16.89	17.25	Ongoing
3	MK/NR/RSP/20/11	Provision of 27 Tube well and 80 Hand pumps at Jodhpur District, Rajasthan	2019-20	1.3	4.53	4.24	4.24	Completed
4	MK/HO/HO/20/03	Providing scholarships to sports person under IndianOil ACERS	2017-18	2.0	22.85	3.77	9.88	Ongoing
5	MK/AOD/AOD/20/12	Construction of 50 community toilet in Tripura	2019-20	2.5	7.39	2.73	2.73	Ongoing
6	MK/NR/NRO/20/01	Providing facilities for Yoga & Naturopathy Centre at New Delhi for general public	2018-19	3.0	6.23	2.04	4.06	Ongoing
7	Multiple Projects	Other CSR Projects approved by Competent Authority with expenditure upto ₹ 2 Crore per project	2014-15 to 2019-20	from 1.1 to 6 years	172.08	40.52	96.02	Completed/ Ongoing
				Total	**548.80**	**87.30**	**365.29**	


इंडियनऑयल
IndianOil
The Energy Of India
When it comes to serving you
No terrain is beyond our reach
IndianOil
Accompanying you
on the road least travelled
IndianOil has been at the forefront 24x7x365 to ensure energy supplies to the nation. Accounting for nearly 50% of India's petroleum products market share, IndianOil reiterates its commitment to serve the nation and its people. We take pride in being called as 'The Energy of India'
www.iocl.com
REFINERIES | PIPELINES | MARKETING | R&D CENTRE | BUSINESS DEVELOPMENT | HUMAN RESOURCES | CSR | ECOPARKS

ANNEXURE-III

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
(FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021)

To,
The Members,
INDIAN OIL CORPORATION LIMITED
Indian Oil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai – 400051

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDIAN OIL CORPORATION LIMITED (CIN: L23201MH1959GOI011388)** (hereinafter called the "Company") for the financial year ended 31st March, 2021. The 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 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering **1st April, 2020 to 31st March, 2021** 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 audit period 1st April, 2020 to 31st March, 2021 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 thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(No such event during Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(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; **(No such event during Audit Period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(No such event during Audit Period)**

(i) Guidelines on Corporate Governance for Central Public Sector Enterprises (Guidelines), as issued by the Department of Public Enterprises (DPE) of Ministry of Heavy Industries and Public Enterprises, Government of India.

(vi) The following Acts and Rules made thereunder pertaining to oil and gas business, as applicable to the Company :-

(a) The Petroleum Act,1934;

(b) The Oil Fields (Regulation and Development) Act,1948;

(c) The Oil Industry (Development) Act, 1974;

(d) Mines and Minerals (Regulation and Development) Act, 1957

(e) The Energy Conservation Act, 2001;

(f) The Petroleum & Natural Gas Regulatory Board Act, 2006;

(g) Petroleum & Mineral Pipelines (Acquisition of Rights of User in Land) Act, 1962

(h) Petroleum & Natural Gas Rules 1959,

We have also examined compliance with the applicable provisions and clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulation, 2015 "SEBI (LODR)".

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except mentioned below:

- *The Company could not comply with the requirement of having not less than fifty percent of the Board of Directors as Non-Executive Directors for the period 22nd September 2020 to 31st March, 2021.*
- *The Company could not comply with the requirement of having at least half of the Board of Directors as Independent Directors.*
- *In view of exemption provided to Government Companies, vide notification dated 5th June 2015 issued by Ministry of Corporate Affairs, from complying with the provision of section 134(3)(p) of the Companies Act 2013, the Company has not complied with regulation 17(10) of the SEBI (LODR), which requires performance evaluation of Independent Directors by the entire Board of Directors and regulation 25(4) of the SEBI (LODR), which requires review of performance of Non-Independent Directors, the Board of Directors as a whole and the Chairperson of the Company by the Independent Directors.*

We further report that :

- The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in the compliance with the provision of the Act. ***However, the Company has not been able to appoint requisite number of Independent Directors and Non-Executive Directors as required under the provisions of Section 149 of Companies Act, 2013 and Regulation 17 of SEBI (LODR), during the period as mentioned above.***
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.
- As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- The agenda items are deliberated before passing the same and the views / observations made by the Directors are recorded in the minutes.

We further report that there are adequate 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 guidelines.

We further report that during the year 2020-21:

I. The Company has issued Unsecured, Rated, Listed, Taxable, Redeemable and Non-Convertible Debentures aggregating to ₹ 7,915.20 Crore on Private Placement basis.

II. The Board of Directors of the Company at its Meeting held on 29th January 2021 declared first Interim Dividend of 75% i.e. ₹ 7.50 per equity share of face value of ₹ 10/- each & on 16th March, 2021 declared Second Interim Dividend of 30 % i.e. ₹ 3.00 per equity share of face value of ₹ 10/- each for the financial year 2020-21.

For Ragini Chokshi & Co.
(Company Secretaries)

Sd/-
Ragini Chokshi
(Partner)
C. P. No. 1436
FCS No. 2390
UDIN: F002390C000436879

Date: **9th June 2021**
Place: **Mumbai**

ANNEXURE-IV

Report on Energy Conservation, Technology Absorption and Foreign Exchange Earning as per the provisions of the Companies Act 2013 and rules notified there under

(A) Conservation of Energy:

a. The steps taken or impact on Conservation of Energy:

During 2020-21, 69 Energy Conservation Schemes (In-house, PCRA-identified and Engineers India Limited (EIL)-identified) were implemented across the Refineries resulting in energy saving of 92,588 Standard Refinery Fuel Tons, SRFT/year, equivalent to a monetary saving of ₹ 204.55 Crore/year. Out of the total saving, ₹ 108.73 Crore was achieved during 2020-21 and the balance will be achieved in 2021-22. With the implementation of these Energy Conservation schemes, reduction in approximately 0.299 MMT equivalent CO_2 emission per year has been achieved. Details of some of the major energy conservation schemes implemented across refineries are as under:

Sl. No.	ENERGY SAVING SCHEMES	ESTIMATED COST (₹ in Lakhs)	ESTIMATED FUEL SAVINGS (Standard Refinery Fuel Equivalent) MT/Year
1	Stoppage of RFCCU Gasoline splitter operation at Barauni Refinery	-	2930
2	Replacement of 26500 no. of lamps with LED at Barauni Refinery	517	1683
3	Additional supplementary firing in HRSG-2 at Barauni Refinery	1808	1394
4	Additional supplementary firing in HRSG-1 at Barauni Refinery	-	1313
5	AU-1 preheat improvement by Re-arrangement of HE network for heat recovery. Kero tray Column modification job & Preheat heat improvement by utilising circulating refluxes and hot run down at Gujarat Refinery	103	1526
6	Stoppage of flare from LAB Benzene column O/H by changing Pressure control Philosophy at Gujarat Refinery	-	1245
7	Implementation of H2 recovery from DHDS (stripper off gases), ISOM (LP off gases), Prime-G (MP off gases), OHCU (LP off gases) and DHDT (MP off gases) at Haldia Refinery	-	3500
8	Routing of MP steam generation ex-slurry PA exchangers 18E18A/B to LP steam header at B/L of RFCCU at Haldia Refinery	3	1300
9	Reduction in Steam Consumption @ 5 TPH at Haldia Refinery	246	2963
10	Commissioning of the scheme "Injection of the BFW in preheat train 3 for Preheat Improvement" at Mathura Refinery	10	4000
11	Stoppage of BBU and direct production of bitumen from VDU bottom from March 28, 2020 to September 30, 2020 at Mathura Refinery	-	5000
12	AVU optimisation: PF column modification & optimisation to draw more naphtha at Mathura Refinery	25	4500
13	Optimisation of Motive Steam in the Vacuum column Overhead Ejector System in VDU by replacing existing Ejectors with new Ejectors at Digboi Refinery	286	1725
14	Hydrogen recovery from WHFU & CRU off gas at Digboi Refinery	7	1100
15	Optimisation of ejector combination at AVU- 1 to reduce steam consumption at Panipat Refinery	-	6600
16	Stoppage of RSU Column at Panipat Refinery	-	3433
17	Low end heat recovery from HRSG flue gas at Panipat Refinery	-	11045
18	Provision of CW booster-Pump in PP plant at PNC	-	1280
19	Provision of reduction in MP steam import by Dilution steam generation in reboiler at PNC	-	3600
20	Improve LPG recovery at AVU Naphtha Stabilizer by reducing feed to the Naphtha Stabilizer at Paradip Refinery	4	1043

b. **The following initiatives/projects are planned for the refineries of the Company:-**

Guwahati Refinery:

- Import of 15 MW power from 132 KV Grid
- APH replacement in HGU Reformer

Barauni refinery:

- Installation of Additional WHB in bypass line of present CO-Boiler line
- Replacement of Naphtha feed in Hydrogen Generation Unit-I and II with Natural Gas
- Routing of Sour gas from SWS unit to SRU- 706

Gujarat Refinery:

- Maximisation of Stripper Feed Temperature in NHT (CCR) by recovering heat from reactor effluent
- Application of Electrical Tracing in Offsite Piping and Tank Farm in-place of existing Steam Tracing
- Recovery of Hydrogen from Refinery Off-gases
- Low End Heat Recovery from Exhaust Gas to HRSG-5 by installation of MUH
- Thermal Efficiency Improvement of the FPU-II heater (03-FF-01) by stack temperature optimisation
- Routing of flare gas from AU-1/2 rerun K8 column to DCU WGC

Haldia Refinery:

- Recovery of RFCCU Naphtha Splitter off gases
- Crude Preheat Temperature Improvement by Pinch Analysis and modifications in Preheat train in Crude Distillation Unit (CDU II)
- Routing of UCO to RFCC as hot feed
- Replacement of Naphtha feed in Hydrogen Generation Unit-I and II with Natural Gas
- Maximising Feed Preheat Temperature in NHT (CRU) unit

Mathura Refinery:

- Application of Electrical tracing in offsite piping and tank farm in place of existing stream tracing
- Reduction in refinery steam load by replacement of existing turbine driven WGC to motor driven WGC at FCCU
- Conversion of the HPC compressor in NPRU from turbine to motor driven

Digboi Refinery:

- LP Steam Generation from MP condensate in MS block, SDU & WHFU through a flash vessel.
- Provision for recovery of Hydrogen from Refinery Off-gases
- Thermal efficiency improvement of CDU/VDU heaters (01-FF-001/02-FF- 001) by hardware improvement including redesigning the APH system based on 100% gas firing

Panipat Refinery:

- Thermal efficiency improvement of AVU-II heater by partial switchover from FO to NG/FG in AVU-II

Bongaigaon Refinery:

- MUG operation for low end heat recovery from exhaust gas of HRSG
- Thermal efficiency improvement in CRU Heater
- Use of Low pressure gas generated in CDU-I as fuel by using LP burner at CDU-I furnace

Paradip Refinery:

- Routing of PP off gas to WGC
- H2 recovery from sweet off gas of DHDT & VGO HDT through CCR PSA
- Reduce dead weight in off gas by replacing air with steam for flue gas stripping and fluffing
- Bypass crude column over flash around VDU furnace for heat duty saving
- Coker De-ethaniser/ Stripper inlet feed preheater for reduced MP Steam consumption in DCU
- VDU Furnace heat duty saving by Changing Preflash Vapor's routing in CDU Column

c. **Steps taken by the Company for Utilising Alternate Sources of Energy**

- The renewable energy portfolio of the Company includes grid connected power and off-grid solar power. The Company is replacing fluorescent tube lights & incandescent lamps with LED lighting; for which procurement has been initiated at various refineries. About 4.4 Lakhs LEDs have already been installed across refineries (including around 0.52 Lakhs in 2020-21) as an ENCON initiative.
- The Company has 24.36 MWp of solar panels across various refineries (including installation of solar panels of 4.77 MWp in 2020-21) with a total annual generation capacity of 37.34 Million units.

- Further, installation of 1.96 MWp solar PV is under progress which includes 0.19 MWp at Paradip Refinery, 0.57 MWp at Guwahati Refinery, 0.60 MWp at Gujarat Refinery, 0.10 MWp at Barauni Refinery and 0.5 MWp at Panipat Naphtha Cracker.

B) Efforts made towards Technology Absorption, Adaptation and Innovation

As a continuous effort towards improvement of product pattern, product quality, improvement of energy efficiency as well as to meet the dynamic environmental emission norms and to improve profit margin, your Company has adopted most modern technologies in line with the latest worldwide developments in the field of petroleum refining and petrochemicals production.

Major technologies adopted by the Company are as follows:-

a. Indigenous Technology

i) indeDiesel® (Diesel Hydrotreatment) Technology

indeDiesel® technology developed for BS-VI quality diesel production by R&D Centre along with 'EIL' have been successfully implemented in Bongaigaon, Gujarat (DHDS revamp and DHDT revamp) and Haldia refineries. The subject technology is also under implementation at Barauni Refinery.

ii) indeHex® (Hexane Hydrogenation) Technology

R&D Centre and EIL have developed/commercialised hydrogenation based indeHex® process technology for Food grade Hexane/Polymer grade Hexane production. 2 units are currently operational (Gujarat Refinery and HMEL, Bathinda Refinery).

iii) INDAdeptG Technology

INDAdeptG is reactive adsorption-based process technology, developed by R&D Centre and EIL, for production of low sulfur gasoline component meeting BS-IV/BS-VI sulphur specification. INDAdeptG unit with a capacity of 35 kTA was successfully commissioned for BS-IV gasoline production in Guwahati Refinery.

iv) indDSK® Technology

indDSK® is low severity hydrotreating technology jointly licensed by R&D Centre and EIL for production of ultra-low sulfur PCK. The technology is under implementation at Paradip Refinery for grass-root 300 kTA unit under BS-VI projects.

v) indJet® Technology

indJet® technology is jointly licensed by R&D Centre and EIL for ATF production by selective removal of mercaptan sulfur. The technology is under implementation for a grass-root 400 kTA unit at Barauni Refinery.

vi) indDSN® (Naphtha Hydrotreatment) Technology

indDSN® is a process technology, jointly licensed by R&D Centre and EIL, for treating Naphtha range hydrocarbon streams to achieve product stream containing ultra-low sulphur ($\leq$ 0.5 ppmw). A 235 kTA grass-root unit have been licensed at Bongaigaon Refinery for Feed treatment of Isomerisation unit and commissioned in May'21.

vii) indSelectG Technology

indSelectG is another in-house developed selective hydrotreating based technology for cracked gasoline desulfurisation with minimum octane loss. A 80 kTA grass-root unit is under implementation at Guwahati Refinery and scheduled to be commissioned in Q3 of 2021-22.

viii) INDMAX Technology

INDMAX technology developed in-house by R&D Centre and Lummus Technology for converting heavy distillate and residue into LPG/light distillate products has been implemented successfully at Guwahati Refinery, Paradip Refinery and Bongaigaon Refineries and are proposed to be implemented at Barauni, Gujarat, Panipat and CPCL Refinery.

ix) Octamax Technology

Octamax technology, developed by R&D Centre has been successfully implemented at Mathura Refinery for production of High-octane Gasoline blending stream from Refinery LPG streams. A 110 KTPA capacity plant based on this technology is under implementation at Gujarat Refinery under LuPech Project. The technology has also been licensed to CPCL under CBR expansion project.

x) AmyleMax Technology

AmyleMax technology, developed by R&D Centre for improvement of octane number of light cracked naphtha through increase in oxygenates has been successfully demonstrated at Gujarat Refinery in 2019. A grassroot unit is being considered to implement at Gujarat Refinery.

xi) Hexane Hydrogenation Technology

Hexane Hydrogenation process for production of Food grade Hexane (WHO grade quality), developed by R&D Centre with indigenous catalyst has been successfully implemented at Gujarat Refinery.

xii) Delayed Coker Technology

Delayed Coker Technology, developed by R&D Centre and EIL has been successfully demonstrated for Coker-A revamp at Barauni Refinery. The technology is also under implementation for Coker-B unit revamp at Barauni Refinery under BR-9 Project.

xiii) CBG Technology

Bio Gas Technology, developed by R&D Centre for production of CBG from Cow dung/ rice husk is under implementation at Gorakhpur and Jaipur.

xiv) 2G Ethanol Unit

Technology from M/s Praj for production of Ethanol from rice straw (2G Ethanol unit) is being implemented at Panipat.

xv) NEECOMAX Technology

NEECOMAX Technology is developed by R&D Centre for production of Needle grade petroleum coke from Clarified Oil. Calcined Needle Coke is a value-added niche product produced from low value feed stock. Needle Coker unit based on NEECOMAX Technology is proposed to be implemented at Paradip Refinery.

xvi) SR LPG treatment Technology

LPG hydrotreater Technology for treatment of SR LPG, developed by R&D Centre is under implementation under Panipat refinery expansion project (P-25).

b. Imported Technology

i) Alkylation Technology

For production of MS, Alkylation technology from M/s Exxon Mobil, USA has been implemented at Paradip Refinery.

ii) ATF Treatment Technology

ATF Merox Treatment Technology from M/s UOP, USA has been implemented at Gujarat and Panipat Refineries. Technology from M/s Merichem, USA has been implemented at Paradip Refinery.

iii) Biturox Technology

To produce various grades of Bitumen as well as to meet the quality requirements, Biturox technology from M/s Porner, Austria has been employed at Gujarat, Mathura and Barauni Refineries.

iv) Butane Isomerisation Technology

For production of Alkylate, "Butamer" Technology from M/s UOP, USA has been implemented at Paradip Refinery.

v) Butene-1 Technology

For production of Butene-1, Technology from M/s Axens, France has been implemented at Gujarat Refinery and at Panipat complex.

vi) Catalytic Iso-dewaxing Technology

For improving lube oil quality in line with international standards and augmenting production capability of API Gr II LOBS, Iso-dewaxing technology from M/s MOBIL, USA has been implemented at Haldia Refinery.

Catalytic Dewaxing Technology from M/s Chevron Lummus Global (CLG) for production of API Gr II and Gr III LOBS has been considered in expansion project at Panipat Refinery and LuPech project at Gujarat Refinery.

vii) Catalytic Reforming Technology

For improvement in Octane number of Motor Spirit, Continuous Catalytic Reforming technology (CCRU) from M/s Axens, France has been implemented at Mathura & Panipat refineries. Continuous Catalytic Reforming Technology from M/s UOP, USA has been implemented at Gujarat, Paradip and Barauni Refineries. Catalytic Reforming Technology (CRU) with Russian collaboration has been implemented at Gujarat Refinery and from M/s Axens has been implemented at Haldia, Barauni, Digboi and Bongaigaon refineries.

Continuous Catalytic reforming technology (CCRU) from M/s UOP has been considered in expansion project at Panipat Refinery.

viii) Coker Gas Oil Hydrotreatment Technology

Coker Gas Oil Hydrotreatment Technology from M/s Axens, France has been implemented at Haldia Refinery under DYIP project.

ix) Delayed Coker Technology

For bottom of the barrel upgradation, Delayed Coker technology from M/s Lummus Technology, USA has been implemented at Panipat Refinery as part of Panipat Refinery Expansion Project. Delayed Coker Technology from M/s Foster Wheeler, USA has been implemented at Gujarat Refinery under Resid upgradation Project, at Paradip Refinery and also at Haldia Refinery under Distillate Yield Improvement (DYIP) Project.

x) Diesel Hydro Desulphurisation Technology

Diesel Hydro Desulphurisation (DHDS) Units have been installed at Mathura & Panipat refineries with technology from M/s Axens, France and at Gujarat & Haldia refineries with technology from M/s UOP, USA to meet the Diesel quality requirement w.r.t Sulphur. Technology from M/s Haldor Topsoe, Denmark has been implemented for revamp of DHDS at Mathura Refinery.

xi) Diesel Hydrotreatment Technology

Diesel Hydrotreatment (DHDT) Units have been installed at Guwahati, Barauni, Digboi, Panipat & Gujarat refineries with the technology from M/s UOP, USA. Technology from M/s Axens, France is implemented at Mathura, Panipat, Gujarat and Paradip refineries. Technology from M/s Shell Global Solutions, Netherlands is implemented at Paradip Refinery & has been considered in P-25 expansion project at Panipat Refinery.

xii) Divided Wall Column Technology

Divided Wall Column (DWC) technology is a new separation technology which separates a multi-component feed into three or more purified streams within a single tower, thereby eliminating the need for a second column to obtain high purity products. This design saves capital and energy costs by eliminating operation of second separation column. DWC of M/s KBR, USA has been implemented at Mathura Refinery at CCRU-NSU.

xiii) Fluidised Catalytic Cracking Technology

Fluidised Catalytic Cracking (FCC) technology from M/s UOP, USA has been implemented in Gujarat and Mathura refineries for conversion of Vacuum Gas Oil to LPG, MS and Diesel. Technology from M/s Lummus Technology, USA has been implemented for revamp of FCCU at Mathura Refinery.

xiv) Hydrocracker Technology

Full Conversion Hydro cracking Unit (HCU) technologies from M/s Chevron USA and M/s UOP USA have been implemented at Gujarat Refinery and Panipat Refinery respectively for conversion of Vacuum Gas Oil to Jet fuel, Kerosene and Diesel. Revamp of HCU unit based on technology from Chevron Lummus Global is under implementation at Gujarat Refinery under LuPech project to produce feedstock for LOBS / CDW unit

xv) Hydro-finishing Technology for treatment of Paraffin

Wax / Microcrystalline Wax Process technology from M/s Axens, France for hydro finishing of paraffin wax has been implemented at Digboi Refinery.

xvi) Hydrogen Generation Technology

Hydrogen generation technology from M/s Linde, Germany was adopted for Hydrogen production and supply to Hydrocraker unit at Gujarat Refinery and has been implemented at Barauni Refinery under MS Quality Improvement Project. Hydrogen generation technology obtained from M/s Haldor Topsoe, Denmark is in operation at Gujarat, Mathura, Haldia, Panipat and Barauni refineries and has been implemented at Gujarat Refinery under Resid Upgradation Project. Similar technology from M/s Technip Energies, the Netherlands has been implemented for Hydrogen generation at Guwahati, Digboi, Mathura and Haldia Refinery. Hydrogen generation technology from M/s Technip Energies, Netherlands has been implemented at Bongaigaon Refinery under Diesel Quality improvement project.

xvii) ISOSIV Technology at Guwahati Refinery

For production of Isomerate for blending in MS at Guwahati Refinery, ISOSIV technology from M/s UOP, USA has been implemented.

xviii) Kerosene Hydro Desulphurisation Technology

Kerosene Hydro Desulphurisation Unit has been installed at Haldia Refinery with technology from M/s Axens, France.

xix) LPG Treatment Technology

Coker LPG Merox Treatment technology from M/s UOP, USA has been implemented at Panipat Refinery and at Haldia Refinery under DYIP project. FCC LPG Treatment technology from M/s Merichem, USA has been implemented at Haldia and Paradip Refineries. Straight Run LPG Treatment technology from M/s UOP, USA has been implemented at Paradip Refinery.

LPG Treatment technology from M/s UOP is under implementation in B-9 expansion project at Barauni Refinery.

xx) MS quality Up gradation Technology

For MS quality up gradation, Isomerisation technology of M/s UOP, USA have been implemented at Mathura, Panipat and Gujarat Refineries. Isomerisation Technology from M/s Axens, France has been implemented at Haldia, Guwahati, Digboi and Barauni refineries. FCC Gasoline desulphurisation technology (Prime-G) from M/s Axens, France has been implemented at Haldia, Mathura, Panipat Barauni and Bongaigaon Refinery.

Isomerisation technology of M/s UOP, USA is under implementation in expansion projects at Barauni, Panipat and Gujarat Refinery.

xxi) MTBE Technology

Technology from M/s CD Tech, USA has been implemented for production of MTBE at Gujarat Refinery.

xxii) Naphtha Cracker and downstream petrochemical Technology

Naphtha Cracker Technology from M/s ABB Lummus, USA has been implemented at Panipat Refinery. Technologies from M/s Basell, Italy, M/s Basell, Germany, M/s Nova Chemicals, Canada & M/s Scientific Design, USA have been implemented for downstream polymer plants viz. Poly-Propylene Unit (PP), HDPE unit, Swing Unit (HDPE/LLDPE) and MEG Unit respectively. Technology from M/s ABB Lummus has been implemented for production of Butadiene. Technology from M/s Basell, Italy is under implementation at Paradip Refinery for production of Poly-Propylene. Technology from M/s Scientific Design, USA is under implementation at Paradip Refinery for production of MEG.

Poly-Propylene unit (PP) with technology developed by M/s McDermott has been considered in expansion projects at Barauni and Gujarat Refinery. PP with technology from M/s Basell is under implementation in expansion project at Panipat Refinery.

xxiii) Naphtha Treatment Technology

FCC Naphtha Treatment Technology from M/s Merichem, USA for removal of Mercaptans and H2S is implemented at Paradip Refinery. Technology for Naphtha Hydrotreating & Fractionating from M/s UOP, USA is implemented at Paradip Refinery & has been considered in expansion project at Barauni, Panipat and Gujarat Refinery. Naphtha hydro treating from M/s UOP, USA has been implemented at Barauni Refinery under BS-IV project.

xxiv) Once Through Hydrocracking Technology

Once Through Hydrocracking Units (OHCU) have been installed at Panipat, Mathura and Haldia refineries with the technologies from M/s UOP, USA, M/s Chevron, USA and M/s Axens, France respectively for improvement of distillate yield. OHCU technology by M/s Chevron Lummus Global (CLG) has been considered in B-9 expansion project at Barauni Refinery.

xxv) Regenerative type Flue Gas De-Sulphurisation Technology

In order to recover Sulphur Di-Oxide from Boiler flue gases a Regenerative type Flue gas De-Sulphurisation technology from M/s Cansolv Technology Incorporate (CTI), Canada, has been implemented at Paradip Refinery.

xxvi) Resid Fluidised Catalytic Cracking Technology

The Resid Fluidised Catalytic Cracking (RFCC) technology from M/s Stone & Webster, USA (now part of Technip) has been implemented at Panipat, Haldia and Barauni Refineries.

xxvii) Solvent Dewaxing / De-oiling Technology at Digboi

In order to upgrade the process for production of Paraffin Wax at Digboi Refinery, Solvent dewaxing/ de-oiling technology from M/s UOP, USA has been implemented.

xxviii) Spent Acid Regeneration Technology

In order to regenerate fresh sulphuric acid from spent sulphuric acid recovered from Alkylation Unit a Spent Acid Regeneration Technology from M/s MECS (Monsanto Enviro-Chem Systems), USA has been implemented at Paradip Refinery.

xxix) Sulphur Pelletisation Technology

For production of Sulphur in Pellet form, Technology from M/s Sandvik, Germany has been implemented at Gujarat, Mathura and Panipat Refineries.

xxx) Sulphur Recovery Technologies for reduction of SO2 emissions

Refineries at Gujarat, Haldia, Mathura and Barauni are provided with Sulphur Recovery Technology from M/s Worley, Netherlands. The Sulphur recovery technology from M/s. Delta Hudson, Canada has been employed at Panipat Refinery. Further, Sulphur recovery technologies from M/s Black & Veatch Pritchard, USA have been implemented at Panipat, Gujarat and Paradip Refineries. Technology from M/s Technip Energies, Spain has been implemented at Haldia Refinery under Once through Hydrocracker Project. Technology from M/s Worley, Netherlands has been implemented under additional Sulphur Recovery Unit at Mathura Refinery. Technology from M/s Lurgi, Germany has been implemented under DYIP project at Haldia Refinery. Technology from M/s Axens, France is under implementation at Panipat Refinery and Bongaigaon Refinery.

Sulphur Recovery Technology from M/s Kinetic Technology is under implementation in expansion project at Barauni Refinery and technology from M/s Worley is under implementation in expansion at Panipat Refinery.

xxxi) Technology for Linear Alkyl Benzene (LAB)

Technology from M/s UOP, USA has been implemented for production of Linear Alkyl Benzene at Gujarat Refinery.

xxxii) Technology for Para-Xylene

For production of Para-Xylene at Panipat, technologies from M/s UOP, USA has been implemented.

Technology from M/s UOP, USA has been considered at Paradip Refinery.

xxxiii) Technology for Purified Terephthalic Acid (PTA)

For production of PTA at Panipat Refinery, technology from M/s Invista, USA has been implemented.

Technology from BP Amoco has been considered at Paradip Refinery.

xxxiv) VGO Hydrotreatment Technology

Technology from M/s UOP has been implemented at Gujarat Refinery under Resid Upgradation Project. Technology from M/s Axens, France has been implemented at the VGO-Treater installed at Paradip Refinery.

xxxv) Sulphuric acid Plant Technology

Technology from M/s HaldorTopsoe for Production of Sulfuric Acid by oxidation of H2S is under implementation at Haldia Refinery under BS-VI project.

xxxvi) TAME Technology

Tertiary Amyl Methyl Ether (TAME) Technology from M/s Axens is under implementation at Panipat Refinery.

c. **The benefits derived like product improvement, cost reduction, product development or import substitution:**

Benefits derived include:

- Upgradation of heavy oil to higher value products of improved quality such as LPG, gas oil, motor spirit, kerosene, ATF, etc.
- Reduction of Sulphur content impurity in petroleum products (like LPG, Naphtha, MS, Kerosene, ATF, HSD etc.,)
- Feed Quality Improvement for subsequent processing resulting in improved product pattern.
- Production of higher-grade lubricant base stocks which help in reducing import dependence.
- Production of better grades of Bitumen
- Reduction of Sulphur dioxide emissions
- Value addition to surplus Naphtha by
  - Naphtha Cracking & and subsequent high value products like Glycols, Polymers, Butadiene, Benzene etc.,
  - Naphtha conversion to high value Paraxylene (PX) and benzene and subsequent PX conversion to higher value PTA product
- Production of high value speciality products like MTBE, LAB, Food Grade Hexane etc
- Production of products (like Styrene Butadiene Rubber and Butene-1) which are import substitution products.
- Production of sulphur in pellets form which is more environment friendly and easier to handle
- Auto Fuel Quality improvement for HSD and MS so that these fuels can conform to BS-IV/BS-VI fuel standards and latest pollution control norms.
- Use of a number of indigenous technologies resulting in import substitution

d. **Details of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

i. BS-VI Projects at Panipat refinery:

The details of technology imported:

- Technology for desulphurisation of gas oils, from M/s UOP, USA
- Technology for production of sulphur from M/s Axens, France
- Technology for Hydrogen Generation from M/s Technip France
- Technology for High Ron Gasoline stream, Axens France
- Technology for TAME for FCC gasoline, from M/s Axens, France

The year of import: 2017-18/2018-19

Whether the technology been fully absorbed: The project has been implemented in 2020-21. TAME unit is expected to be commissioned by Dec'21.

ii. BS-VI Projects at Gujarat refinery:

The details of technology imported:

- Technology for desulphurisation of FCC Gasoline at Gujarat Refinery, from M/s Axens, France
- Technology for desulphurisation of gas oils, from M/s UOP, USA
- Technology for Hydrogen Generation from HTAS, Denmark

The year of import: 2016-17/2017-18

Whether the technology been fully absorbed: The project has been implemented in 2020-21. FCC Gasoline unit is expected to be commissioned shortly.

iii. BS-VI Projects at Haldia Refinery:

The details of technology imported:

- Technology for Sulphuric Acid plant at Haldia refinery from M/s HTAS, Denmark

The year of import: 2017-18

Whether the technology was fully absorbed: The project is in implementation stage. Expected commissioning of Sulphuric Acid Plant by September 2021.

iv. BS-VI Projects at Bongaigaon refinery:

The details of technology imported:

- Technology for production of sulphur from M/s Axens, France

The year of import: 2017-18

Whether the technology been fully absorbed: Expected commissioning of SRU by Oct'21.

v. Mathura Refinery Expansion Residue Up gradation project

The details of technology imported:

- Technology for Residue upgradation through Ebullated bed Hydrocracker unit, from M/s Chevron, USA

- Technology for production of sulphur from M/s Axens, France
- Technology for production of reformate through Catalytic reforming unit from M/s Axens, france.

The year of import: 2017-18

Whether the technology been fully absorbed: Environmental Clearance for the project is awaited

vi. Fuel Quality Upgradation Project at Paradip Refinery:

The details of technology imported:

- Technology for Hydrogen Generation & ROG PSA from M/s Linde, Germany

The year of import: 2018-19.

Whether the technology been fully absorbed: The project is in implementation stage. Expected commissioning of HGU plant by December 2022.

vii. Off-gas to Ethanol at Panipat Refinery from PSA Off gas of HGU

- Technology for Ethanol production, from M/s Lanzatech, USA

The year of import: 2018-19

Whether the technology been fully absorbed: The project is in implementation stage. Expected commissioning by February 2022.

viii. Barauni Refinery Expansion project

The details of technology imported:

- Technology for processing Vacuum gasoil in Hydrocracking unit from M/s Chevron, USA
- Technology for production of Isomerate through Isomerisation unit from M/s UOP, USA.
- Technology for production of sulphur from M/s KT, Italy.
- Technology for Poly Propylene production M/s CB&I Novolen Technology
- Technology for LPG Treatment from M/s UOP, USA

The year of import: 2017-18/2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by April-2023

ix. Catalytic Reforming Unit project in Guwahati Refinery

The details of technology imported:

- Technology for production of Reformate from M/s UOP, USA.

The year of import: 2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by Oct-2023

x. Ethylene Glycol (MEG) Project at Paradip

The details of technology imported:

- Technology for Ethylene Recovery Unit, from M/s CB&I Lummus, USA
- Technology for Ethylene Glycol from M/s Scientific Design, USA

The year of import: 2016-17/2017-18

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by Oct-2021

xi. Gujarat Refinery Expansion Project

The details of technology imported:

- Technology for production of Reformate & Isomerate from M/s UOP, USA.
- Technology for Poly Propylene production from M/s Lummus Novolen, Germany.
- Technology for production of Lube oil base stock through HCU revamp and catalytic Dewaxing unit from M/s. Chevron Lummus Global, USA

The year of import: 2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by 2024-25

xii. Panipat Refinery Expansion Project

The details of technology imported:

- Technology for desulphurisation of gas oils, from M/s Shell,
- Technology for desulphurisation of Vacuum Gas oils from M/s UOP, USA
- Technology for production of Reformate and Isomerate from M/s UOP, USA
- Technology for upgradation of bottom of barrel to distillates by Resid hydrocracking from M/s Axens, France

- Technology for production of API Gr II & Gr III LOBS from M/s CLG, USA
- Technology for production of Polypropylene Unit from M/s Basell Polyolifine, Italy
- Technology for Sulphur recovery unit from M/s Worley

The year of import: 2018-19 & 2019-20

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by September-2024

xiii. PX-PTA Project at Paradip

The details of technology imported:

- Technology for PX Unit, from M/s UOP, USA
- Technology for PTA from M/s BP Amoco, USA

The year of import: 2017-18/2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by January-2024.

xiv. Catalytic Dewaxing Unit at Haldia

The details of technology imported:

- Technology for CDW Unit, from M/s CLG, USA

The year of import: 2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by December -2022

xv. Acrylics/Oxo Alcohol Project at Dumad, Gujarat

The details of technology imported:

- Technology for Butyl Acrylate Unit, from M/s Mitsubishi Chemical Corporation, Japan
- Technology for Acrylic Acid Unit, from M/s Mitsubishi Chemical Corporation, Japan
- Technology for Normal Butanol Unit, from M/s JM Davy, U.K

The year of import: 2018-19

Whether the technology been fully absorbed: The project is in implementation stage - Expected commissioning by May 2023.

C) Foreign Exchange Earning and Outgo

The total Foreign Exchange earned and outgo during the year is as under :-

- Foreign Exchange earned : ₹ 10,877.55 Crore
- Foreign Exchange outgo : ₹ 1,88,281.80 Crore

D) The areas in which R&D activities were carried out during the year are as under:-

- Development & demonstration of Refinery process technologies
- Licensing & commercialisation of R&D developed technologies
- Modeling and simulation – Refinery Processes
- Technical services to refineries, petrochemicals and pipeline division
- Lubricant, Greases and Specialties - Fuel Efficient Products, Combo offers
- Metal Working Tribology and Boundary Lubrication
- Fuel additives development and commercialisation
- Fuel Quality and Emission related Studies
- Development of Carbon Dioxide to Valuable Products
- Carbon Capture & utilisation
- Alternative fuels - HCNG, 2nd & 3rd Generation bio-fuels
- Analytical support for BS-IV/VI Gasoline and Diesel
- Process and catalyst development for Petrochemicals & Polymers application
- Development of Intelligent and Caliper pigs for monitoring health of pipelines
- Nanotechnological interventions for enhanced performance of fuels and lubricants
- Alternate Energy – Gasification, Hydrogen, Fuel Cell and Solar
- Troubleshooting, revamp and optimisation for refinery processes
- Catalysts development for refining and petrochemical processes
- Bituminous products – PMB & CRMB+
- Corrosion, Remaining life assessment and Material failure Analyses,
- Biotechnology interventions for refinery ETP

Expenditure on R&D

(a) Capital - ₹ 226.16 Crore
(b) Recurring- ₹ 282.79 Crore
(c) Total - ₹ 508.95 Crore

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IndianOil strongly believes that good Corporate Governance practices ensure ethical and efficient conduct of the affairs of the Company in a transparent manner and also help in maximising value for all the stakeholders like shareholders, customers, employees, contractors, vendors and the society at large. Good Corporate Governance practices help in building an environment of trust and confidence among all the constituents. The Company endeavours to uphold the principles and practices of Corporate Governance to ensure transparency, integrity and accountability in its functioning, which are vital to achieve its Vision of being the 'Energy of India' and a globally admired Company.

The Company has set high standards of ethical and responsible conduct of business to create value for all its stakeholders. For effective implementation of the Corporate Governance practices, the Company has a well-defined policy framework inter-alia, consisting of the following:

- Code of Conduct for Board Members and Senior Management Personnel
- Code for Prevention of Insider Trading in the Securities of IndianOil and Practices and Procedure for Fair Disclosure
- Enterprise Risk Management Policy
- Integrity Pact to enhance transparency in business
- Whistle Blower Policy
- Conduct, Discipline and Appeal Rules for officers
- Sustainability & Corporate Social Responsibility Policy
- Policy on Related Party Transactions
- Policy for determining Material Subsidiaries
- Policy for determination of Material / Price Sensitive Information and Disclosure Obligations
- Policy for Preservation of Documents
- Dividend Distribution Policy
- Human Resources Initiatives

2. BOARD OF DIRECTORS

(a) Composition of Board of Directors

The Board of the Company comprises Executive (Whole-time) Directors, Non-Executive (Part-Time) Government Nominee Directors and Non-Executive (Part-Time) Independent Directors. The Independent Directors are eminent people with proven record in diverse areas like business, law, finance, economics, administration, etc.

The tenure of the Directors appointed on the Board is as under:

- Whole-time Directors are appointed for a period of five years or their date of superannuation, whichever is earlier;
- Government Nominee Directors are appointed on an ex-officio basis during their tenure in the Ministry of Petroleum & Natural Gas (MoP&NG);
- Independent Directors are appointed for a period of three years

As on March 31, 2021, the Board of the Company comprised 10 Directors, including six Executive Directors (Whole-time Directors including the Chairman), two Government Nominee Directors and two Independent Directors. The composition of the Board as on March 31, 2021 is given below:

Name of the Director	Category	Designation	Date of appointment	Tenure as on March 31, 2021 (in years)
Shri Shrikant Madhav Vaidya	Whole-time Director	Chairman	14.10.2019 (Note 1)	1.46
Shri G. K. Satish	Whole-time Director	Director (Planning & Business Development)	01.09.2016	4.58
Dr S. S. V. Ramakumar	Whole-time Director	Director (Research & Development)	01.02.2017	4.16
Shri Ranjan Kumar Mohapatra	Whole-time Director	Director (Human Resources)	19.02.2018	3.11
Shri Gurmeet Singh	Whole-time Director	Director (Marketing)	26.07.2018	2.68
Shri Sandeep Kumar Gupta	Whole-time Director	Director (Finance)	03.08.2019	1.66
Dr Navneet Mohan Kothari	Non-Executive Director	Government Nominee Director	25.03.2020	1.02
Ms Indrani Kaushal	Non-Executive Director	Government Nominee Director	28.05.2019	1.84
Shri Rajendra Arlekar	Non-Executive Director	Independent Director	24.07.2019	1.69
Ms Lata Usendi	Non-Executive Director	Independent Director	06.11.2019	1.40

Note 1: Shri Shrikant Madhav Vaidya was appointed as Director (Refineries) on 14.10.2019 and became Chairman w.e.f. 01.07.2020

The Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (SEBI (LODR)). In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in the said Act and SEBI (LODR), and are independent of the management.

The terms and conditions of appointment of Independent Directors are hosted on the website of the Company www.iocl.com.

As required under the SEBI (LODR), M/s Ragini Chokshi & Co., Practicing Company Secretary, has certified that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by the Ministry of Corporate Affairs or any such statutory authority.

(b) Skills/Expertise/Competencies of Board of Directors

Being a Government Company, all the Directors on the Board viz. Functional Directors, Government Nominee Directors and Independent Directors are selected and appointed by the Government as per a well laid down process for each category of Directors. The core skills, expertise and competence required for the Board to function effectively, in the context of the Company's business, forms an integral part of the Government's process for selection of the Directors. In view thereof, the Board of the Company has not identified any such core skills or expertise or competence required by a Director as required under SEBI (LODR).

(c) Board Meetings

The Board of Directors oversees the overall functioning of the Company and has set strategic objectives to achieve its Vision. The Board lays down the Company's policy and oversees its implementation in attaining its objectives. It has constituted various committees to facilitate the smooth and efficient flow of the decision-making process.

During the year 2020-21, 11 Board Meetings were held. The dates of the Board Meetings are fixed well in advance and intimated to the Board members to enable the Directors to plan their schedule accordingly. The Directors are also provided the option to participate in the meeting through video conferencing and the facility is provided as and when requested. The agenda papers are circulated to the Directors in advance before the meeting. However, certain exigent proposals are tabled at the Board Meeting with the approval of the Chairman and consent of the Directors. For paperless Board meetings, the agenda items are uploaded on a digital platform (Board Portal) which can be accessed by the Directors electronically on their electronic device in a secured manner. The agenda items are comprehensive and informative in nature to facilitate deliberations and appropriate decision making at the Board meeting.

Presentations are made to the Board on various functional and operational areas of the Company like Refineries, Pipelines, Marketing, Petrochemicals, Gas and other Business Development activities as well as major projects, financial highlights etc.

The agenda placed before the Board inter-alia includes all statutory, other significant & material information, including the information mentioned in Regulation 17(7), read with Part A of Schedule II of SEBI (LODR) and Annexure IV of the Guidelines on Corporate Governance issued by the Department of Public Enterprises for Government Companies.

The Board Minutes are prepared promptly after the Board meeting and circulated to all Directors for their comments, if any, and thereafter approval of the Chairman is obtained. The approved minutes are then circulated to the concerned department / group for implementation. The Action Taken Report on the decision of the Board is obtained and submitted to the Board periodically.

Details of the Board Meetings held during the year 2020-2021 are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	24.06.2020	18	18
2.	31.07.2020	17	17
3.	31.08.2020	17	17
4.	21.09.2020	17	16
5.	30.10.2020	11	11
6.	27.11.2020	11	11
7.	31.12.2020	11	11
8.	29.01.2021	11	11
9.	26.02.2021	10	9
10.	16.03.2021	10	9
11.	27.03.2021	10	10

(d) Attendance of each Director at Board Meetings held during 2020-21, last Annual General Meeting (AGM) and number of other Directorships and Chairmanship / Membership of Committees of each Director in various companies are as under:

Name of the Director	No. of Board Meetings attended out of meetings held during the tenure of Director	Attendance at the AGM held on 21.09.2020 (Yes/No/NA)	No. of Directorship in other Companies as on March 31, 2021	Directorship in other listed entities as on March 31, 2021 & category of Directorship	Membership of Committees in other Companies as on March 31, 2021	Chairmanship of Committees in other Companies as on March 31, 2021
Whole-time Directors						
Shri Shrikant Madhav Vaidya (DIN - 06995642) Director (Refineries) upto 30.06.2020 & Chairman w.e.f. 01.07.2020	11(11)	Yes	5	1) Chennai Petroleum Corporation Ltd. (Non-Executive Chairman) 2) Petronet LNG Ltd. (Non-Executive Director)	-	-
Shri G. K. Satish (DIN - 06932170) Director (Planning & Business Development)	10(11)	Yes	6		-	-
Dr S. S. V. Ramakumar (DIN - 07626484) Director (Research & Development)	11(11)	Yes	1		-	-
Shri Ranjan Kumar Mohapatra (DIN – 08006199) Director (Human Resources)	11(11)	Yes	1		-	-
Shri Gurmeet Singh (DIN- 08093170) Director (Marketing) upto 31.03.2021	11(11)	Yes	2		-	-
Shri Sandeep Kumar Gupta (DIN - 07570165) Director (Finance)	11(11)	Yes	3		-	-
Shri Sanjiv Singh (DIN - 05280701) Chairman upto 30.06.2020	1 (1)	NA	5	1) Chennai Petroleum Corporation Limited (Non-Executive Chairman) 2) Petronet LNG Limited (Non-Executive Director)	-	-
Shri Akshay Kumar Singh (DIN - 03579974) Director (Pipelines) upto 31.01.2021	8(8)	Yes	1	-	-	-

Name of the Director	No. of Board Meetings attended out of meetings held during the tenure of Director	Attendance at the AGM held on 21.09.2020 (Yes/No/ NA)	No. of Directorship in other Companies as on March 31, 2021	Directorship in other listed entities as on March 31, 2021 & category of Directorship	Membership of Committees in other Companies as on March 31, 2021	Chairmanship of Committees in other Companies as on March 31, 2021
Non-Executive Directors (Government Nominee)						
Dr Navneet Mohan Kothari (DIN - 02651712)	11(11)	No	-	-	-	-
Ms Indrani Kaushal (DIN- 02091078)	9 (11)	No	1	-	-	-
Non-Executive Directors (Independent Director)						
Shri Rajendra Arlekar (DIN - 08518169)	11(11)	Yes	-	-	-	-
Ms Lata Usendi (DIN - 07384547)	11(11)	Yes	-	-	-	-
Shri Vinoo Mathur (DIN - 01508809) upto 21.09.2020	4(4)	Yes	-	-	-	-
Shri Samirendra Chatterjee (DIN - 06567818) upto 21.09.2020	4(4)	Yes	-	-	-	-
Shri C. R. Biswal (DIN - 02172414) upto 21.09.2020	4(4)	Yes	1	-	1	-
Dr Jagdish Kishwan (DIN - 07941042) upto 21.09.2020	4(4)	Yes	-	-	-	-
Shri Sankar Chakraborti (DIN - 06905980) upto 21.09.2020	4(4)	Yes	2	-	-	-
Shri D. S. Shekhawat (DIN - 07404367) upto 21.09.2020	4(4)	Yes	-	-	-	-

Note:

1) The Directorships held by Directors as mentioned above include public limited, private limited and foreign companies but do not include the companies registered under Section 8 of the Companies Act, 2013.

2) The Membership / Chairmanship of Committee is considered only for the Audit Committee and the Stakeholders' Relationship Committee.

3) In case of cessation of Directorship, the details of directorship on Board of other companies and committee position are as on the date of cessation from the Board of the Company.

All the Directors have intimated about their Directorship and Membership in the various Boards / Committees of other companies, as and when required. None of the Directors on the Board is a Member of more than 10 Committees or a Chairman of more than five Committees across all the Companies in which they hold Directorships. Further, none of the Non-Executive Directors serve as Independent Director in more than seven listed companies and none of the Executive (Whole-time) Directors serve as Independent Directors on any listed Company.

A brief resume of the Directors, who are being re-appointed at the forthcoming AGM, is provided in the notice of the AGM.

(e) Code of Conduct

The Code of Conduct for Board Members and Senior Management Personnel of the Company has been laid down by the Board, which is circulated to all concerned and is also hosted on the website of the Company. The Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the Code of Conduct for the year ended March 31, 2021 under Regulation 26(3) of SEBI (LODR) and no material financial or commercial transactions, which may have a potential conflict with the interest of the Company, were reported by them.

(f) Succession Planning

The Company has put in place a structured succession planning framework to ensure a systematic development plan to fill key positions, other than Board Members, in line with the vision and business strategies of the Company. Being a Government Company under the administrative control of the MoP&NG, the power to appoint Directors (including Independent Directors) vests with the Government of India.

3. COMMITTEES OF THE BOARD

(a) Audit Committee

The Audit Committee has been constituted in line with the provisions of Regulation 18 of the SEBI (LODR) and the provisions of the Companies Act, 2013 and the rules notified thereunder. The members of the Audit Committee have requisite financial management expertise.

The Audit Committee comprised the following members as on March 31, 2021:

Name of the Director	Designation	Committee Position
Shri Rajendra Arlekar	Independent Director	Chairman
Ms Lata Usendi	Independent Director	Member
Ms Indrani Kaushal	Government Nominee Director	Member

Chairman Member

The Terms of Reference of the Audit Committee covers the matters specified under the provisions of the Companies Act, 2013 as well as Regulation 18 (3) read with Part C of Schedule II of the SEBI (LODR), which inter-alia include the following:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing with management the quarterly and annual financial statements, auditors' report along with related party transactions, if any, before submission to the Board.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Approval of or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertaking or assets of the listed entity, wherever it is necessary.
- Reviewing the matters to be included in Directors Responsibility Statement that forms part of the Board Report.
- Reviewing with the management and statutory and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussions with internal auditors on the Annual Internal Audit Program, Significant Audit Findings and follow up on such issues.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with statutory auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern.
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
- Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower

including existing loans / advances / investments existing as on the date of coming into force of this provision.

- Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- Reviewing the Company's financial and risk management policies.
- Evaluating the internal financial controls and risk management systems.
- Reviewing with the management, the observations / comments of the Comptroller & Auditor General of India (CAG) and management's assurance thereon.
- Reviewing with the management, the follow-up action taken on the recommendations of the Parliamentary Committee on Public Undertaking (CoPU), if any.
- Noting the appointment of Statutory Auditors of the Company and recommending audit fee for the statutory audit as well as to approve fee for other services by the auditors.
- Recommending the appointment of Cost Auditors of the Company and review of Cost Audit Report.
- Examining, deciding and dealing with all issues relating to Ethics in the Company.
- Reviewing the functioning of the Whistle-Blower Policy.
- Reviewing the compliance with SEBI (LODR) & SEBI (PIT) Regulations.

The attendance at the eight meetings of the Audit Committee held during the year 2020-21 is given below:

Name of the Director	Meeting held on							
	21.05.2020	23.06.2020	30.07.2020	18.09.2020	29.10.2020	30.12.2020	28.01.2021	23.03.2021
Shri D. S. Shekhawat (upto 21.09.2020)	√	√	√	√	Not Applicable			
Shri Samirendra Chatterjee (upto 21.09.2020)	√	√	√	√				
Shri Sankar Chakraborti (upto 21.09.2020)	√	√	√	√				
Shri Rajendra Arlekar (w.e.f. 22.09.2020)	Not Applicable				√	√	√	√
Ms Lata Usendi (w.e.f. 22.09.2020)					√	√	√	√
Ms Indrani Kaushal (w.e.f. 22.09.2020)					√	X	√	X

The Audit Committee meetings are attended by the Director (Finance) and the Head of Internal Audit as invitees. The representatives of the Statutory Auditors are also invited to attend the Audit Committee meetings while considering the quarterly results / annual financial statements and to discuss the nature and scope of the Annual Audit. The Cost Auditors are also invited, when the Cost Audit Report is considered by the Audit Committee.

The Minutes of the meetings of the Audit Committee are circulated to the members of the Audit Committee. The approved minutes are then circulated to all concerned departments of the Company for necessary action and are also submitted to the Board for information.

The Company Secretary acts as the Secretary of the Audit Committee.

(b) Nomination and Remuneration Committee

The Company being a Government Company, the appointment and the terms and conditions of appointment (including remuneration), of the Whole-time Directors are decided by the Government of India. However, the Board has constituted a Nomination and Remuneration Committee to:

- Approve certain perquisites for Whole-time Directors and below Board level executives as well as to approve performance-related pay to the executives of the Company as per the DPE guidelines;
- Create and sanction posts as well as to consider and approve promotions to Grade 'I' (Executive Director) i.e. Senior Management Personnel.

The Nomination and Remuneration Committee comprised the following members as on March 31, 2021:

Name of the Director	Designation	Committee Position
Shri Rajendra Arlekar	Independent Director	Chairman
Ms Lata Usendi	Independent Director	Member
Dr Navneet Mohan Kothari	Government Nominee Director	Member
Shri Shrikant Madhav Vaidya	Chairman, IndianOil	Member

Chairman Member

The attendance at one meeting of Nomination & Remuneration Committee held during 2020-21 is given below:

Name of the Director	Meeting held on 25.01.2021
Shri Rajendra Arlekar (w.e.f. 22.09.2020)	√
Ms Lata Usendi (w.e.f. 22.09.2020)	√
Dr Navneet Mohan Kothari (w.e.f. 24.06.2020)	√
Shri Shrikant Madhav Vaidya	√

The performance evaluation of the Directors (including Independent Directors) has not been carried out by the Nomination & Remuneration Committee, as the Company being a Government Company, the powers relating to appointment, evaluation and the terms of Directors vests with the Government of India. Such evaluation is exempted for Government Companies under the provisions of the Companies Act, 2013.

The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

DIRECTORS' REMUNERATION:

The remuneration paid to Whole-time Directors during the year 2020-21 is as under:

(₹)

Name of the Director	Designation	Salaries & Allowances	Performance Linked Incentive	Other Benefits & Perquisites	Total Remuneration
Shri Shrikant Madhav Vaidya	Director (Refineries) (upto 30.06.2020) Chairman (w.e.f. 01.07.2020)	43,52,890	2,53,616	16,31,494	62,38,000
Shri G. K. Satish	Director (Planning & Business Development)	43,40,488	1,78,437	26,84,452	72,03,377
Dr S. S. V. Ramakumar	Director (Research & Development)	52,49,763	1,76,660	17,38,369	71,64,792
Shri Ranjan Kumar Mohapatra	Director (Human Resources)	43,54,361	1,70,847	16,96,513	62,21,721
Shri Sandeep Kumar Gupta	Director (Finance)	51,40,392	2,46,625	8,70,266	62,57,283

(₹)

Name of the Director	Designation	Salaries & Allowances	Performance Linked Incentive	Other Benefits & Perquisites	Total Remuneration
Shri Sanjiv Singh	Chairman (upto 30.06.2020)	77,96,909	-	46,56,484	1,24,53,393*
Shri Akshay Kumar Singh	Director (Pipelines) (upto 31.01.2021)	58,00,391	1,14,377	22,18,417	81,33,185
Shri Gurmeet Singh	Director (Marketing) (upto 31.03.2021)	1,09,84,434	3,21,786	29,74,633	1,42,80,853*
	TOTAL	**4,80,19,628**	**14,62,348**	**1,84,70,628**	**6,79,52,604**

* Includes retirement benefits on superannuation.

Note:

1. Performance Linked Incentives are payable to the Whole-time Directors as employees of the Company as per the policy applicable to all executives of the Company.
2. During the year no Stock Options were issued by the Company to Whole-time Directors.
3. The terms of appointment of the Whole-time Directors, as issued by the Government of India, provides for three months' notice period or salary in lieu thereof for severance of service.
4. The remuneration does not include the impact of provision made on actuarial valuation for retirement benefits / long-term schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual Directors.

The Government Nominee Directors are not paid any remuneration, sitting fees, etc.

The Independent Directors are not paid any remuneration except sitting fees of ₹ 40,000/- per meeting for attending meetings of the Board or Committees thereof. The sitting fees paid during the year 2020-21 is as under:

Name of the Director	Sitting Fees (₹)
Shri Rajendra Arlekar	10,00,000
Ms Lata Usendi	6,80,000
Shri Vinoo Mathur (upto 21.09.2020)	3,20,000
Shri Samirendra Chatterjee (upto 21.09.2020)	3,60,000
Shri C. R. Biswal (upto 21.09.2020)	1,60,000
Dr Jagdish Kishwan (upto 21.09.2020)	3,20,000
Shri Sankar Chakraborti (upto 21.09.2020)	3,60,000
Shri D. S. Shekhawat (upto 21.09.2020)	3,20,000
TOTAL	**35,20,000**

Note: There were no other materially significant pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

Shareholding of Directors

The details of shares of the Company held by the Directors as on March 31, 2021 are given below:

Name of the Director	Designation	No. of equity shares
Shri Shrikant Madhav Vaidya	Chairman	16,572
Shri G. K. Satish	Director (Planning & Business Development)	2,172
Dr S. S. V. Ramakumar	Director (Research & Development)	9,300
Shri Ranjan Kumar Mohapatra	Director (Human Resources)	9,600
Shri Gurmeet Singh	Director (Marketing)	2,172
Shri Sandeep Kumar Gupta	Director (Finance)	10,872
Dr Navneet Mohan Kothari	Government Nominee Director	-
Ms Indrani Kaushal	Government Nominee Director	-
Shri Rajendra Arlekar	Independent Director	-
Ms Lata Usendi	Independent Director	-

(c) Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee examines the grievances of stakeholders / investors and the system of redressal of the same. It also approves issuance of share certificates. The Company endeavours to resolve complaints / grievances / queries of stakeholders / investors within a reasonable period of time.

The Committee comprised the following members as on March 31, 2021:

Name of the Director	Designation	Committee Position
Shri Rajendra Arlekar	Independent Director	Chairman
Shri Ranjan Kumar Mohapatra	Director (Human Resources)	Member
Shri Sandeep Kumar Gupta	Director (Finance)	Member

Chairman Member

The attendance at the meeting of the Stakeholders' Relationship Committee held during 2020-21 is given below:

Name of the Director	Meeting Held on 27.03.2021
Shri Rajendra Arlekar (w.e.f. 22.09.2020)	√
Shri Ranjan Kumar Mohapatra	√
Shri Sandeep Kumar Gupta	√

The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee and is also the Compliance Officer.

Details of Complaints Received and Redressed During the year 2020-21:

During the year, 6853 complaints were received and all have been resolved. As on March 31, 2021, no complaints were pending. Further, during the year, 1286 requests for court/ consumer forum cases, change of address, recording of nomination, issue of duplicate share certificates / dividend warrant, etc. were received, out of which 22 requests were pending as on March 31, 2021 and the same were subsequently addressed.

The Company has created a designated email-id investors@indianoil.in exclusively for investors and for responding to their queries.

(d) Corporate Social Responsibility & Sustainable Development Committee

The Company's Corporate Social Responsibility (CSR) is guided by its corporate vision of caring for the environment and the community. The Company believes that CSR is its continuing commitment to conduct business in an ethical and sustainable manner and to contribute to the economic well-being of the country, while improving the quality of life of the local community residing in the vicinity of its establishments and the society at large.

In line with the above vision, the Board has constituted the Corporate Social Responsibility & Sustainable Development (CSR & SD) Committee to recommend, monitor and administer activities under the Sustainability and CSR Policy and to also oversee its performance / implementation.

The Committee comprised the following members as on March 31, 2021

Name of the Director	Designation	Committee Position
Shri Rajendra Arlekar	Independent Director	Chairman
Shri G. K. Satish	Director (Planning & Business Development)	Member
Shri Ranjan Kumar Mohapatra	Director (Human Resources)	Member
Shri Gurmeet Singh	Director (Marketing)	Member
Shri Sandeep Kumar Gupta	Director (Finance)	Member

Chairman Member

The attendance at the seven meetings of the CSR & SD Committee held during the year 2020-21 is given below:

Name of the Director	Meeting held on						
	18.06.2020	29.07.2020	21.09.2020	29.12.2020	22.01.2021	26.02.2021	27.03.2021
Shri Rajendra Arlekar	√	√	√	√	√	√	√
Shri G. K. Satish	√	√	√	√	√	√	√
Shri Ranjan Kumar Mohapatra	√	√	√	√	√	√	√
Shri Gurmeet Singh	√	√	√	X	X	√	√
Shri Sandeep Kumar Gupta	√	√	√	√	X	√	√

The Company Secretary acts as the Secretary of the CSR & SD Committee.

The CSR Policy is hosted on the website of the Company on the link https://iocl.com/download/Policies/IOC_S&CSR_Policy.pdf. The CSR Report, as required under the Companies Act, 2013 for the year ended March 31, 2021 is annexed to the Director's Report.

(e) Risk Management Committee

The Company has constituted a Risk Management Committee to review the risk management process involving risk assessment and minimisation procedure as well as to approve the derivative transactions above US$ 100 Million on a 'mark to market' basis.

The Committee comprised the following members as on March 31, 2021:

Name of the Director	Designation	Committee Position
Shri Shrikant Madhav Vaidya	Chairman, IndianOil	Chairman
Shri G. K. Satish	Director (Planning & Business Development)	Member
Shri Gurmeet Singh	Director (Marketing)	Member
Shri Sandeep Kumar Gupta	Director (Finance)	Member

Chairman Member

The attendance at the one meeting of the Risk Management Committee held during 2020-21 is given below:

Name of the Director	Meeting held on 21.01.2021
Shri Shrikant Madhav Vaidya	√
Shri G. K. Satish	√
Shri Gurmeet Singh	X
Shri Sandeep Kumar Gupta	√

(f) Other Board Committees:

In addition to the above committees, the Board has delegated certain powers to various committees with distinct roles and responsibilities. The composition of such committees as on March 31, 2021 is as under:

Name of Committee	Role and Responsibilities	Members
Project Evaluation Committee	To appraise projects costing ₹ 250 Crore and above before the projects are submitted to the Board for approval.	- 1 Government Nominee Director - Director(Research & Development) - Director(Human Resources) - Director(Finance) The Committee is headed by a Government Nominee Director.
Marketing Strategies & Information Technology Oversight Committee	To evolve the strategies, policies, guidelines and take decisions on all matters relating to marketing activities of the Company, including the revival of dealerships/distributorships and to oversee the implementation of IT strategies of the Company.	- 1 Government Nominee Director - Director (Refineries) - Director (Planning & Business Development) - Director (Finance) - Director (Marketing) The Committee is headed by a Government Nominee Director.
Deleasing of Immovable Properties Committee	To consider deleasing of Company leased flats/ accommodation / immovable properties.	- Chairman - Director (Finance) - Director (Human Resources) - Director (Marketing) - One Government Nominee Director The Committee is headed by the Chairman of the Company.
Contracts Committee	To approve contracts beyond certain limits as provided in the Delegation of Authority of the Company.	All Whole-time Directors. The Committee is headed by the Chairman of the Company.
Planning & Projects Committee	To consider and approve all project proposals above ₹ 100 Crore and up to ₹ 250 Crore.	All Whole-time Directors. The Committee is headed by the Chairman of the Company.
LNG Sourcing Committee	To review the terms and condition of the LNG sales and Purchase Agreement and recommend the same to Board for approval for the purchase of LNG on a long-term basis.	- Chairman - Director (Finance) - Director (Planning & Business Development) - Director (Refineries) The Committee is headed by the Chairman of the Company.
Dispute Settlement Committee	To examine and recommend the settlement proposals having financial implication of more than ₹ 25 Crore for approval of the Board as per Conciliation Policy of the Company.	- Two Independent Directors - Director (Finance) - Concerned Functional Director - Co-opt an additional Director, if any. The Committee is headed by an Independent Director.

The Company Secretary is the Secretary to all the Board Committees.

The composition of various committees of the Board of Directors is also hosted on the website of the Company.

There were no instances wherein recommendations made by any Board Committee were not accepted by the Board of the Company during the year 2020-21.

4. GENERAL MEETINGS

The AGM of the Company is held at Mumbai, where the registered office is situated. The details of the AGM held for the last three years are as under:

	2017-18	2018-19	2019-20
Date and Time	29.08.2018 10:30 AM	28.08.2019 10:00 AM	21.09.2020 02:30 PM
Venue	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai – 400 018.	Nehru Centre Auditorium, Discovery of India Building, Worli, Mumbai – 400 018.	In view of the Covid pandemic, the AGM was held Online through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
Special Resolutions Passed (nos.)	1	2	1

No Extraordinary General Meeting of the shareholders was held during the year 2020-21.

5. POSTAL BALLOT

No approval of shareholders was sought by means of postal ballot during the year 2020-21.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing the resolution through Postal Ballot.

6. DISCLOSURES

a. Independent Directors' Meeting

During the year under review, the Independent Directors met on 26.02.2021 without the presence of Non-Independent Directors and members of the management.

b. Related Party Transactions

The Company has a policy on 'Materiality of Related Party Transactions and dealing with Related Party Transactions' (policy on RPTs) which is hosted on the website of the Company and can be accessed at the following link:

https://iocl.com/download/Policies/RPT_Policy.pdf

As per the policy on RPTs, all related party transactions are approved by the Audit Committee. The Audit Committee had granted omnibus approval for related party transactions during 2020-21 in line with the provisions of the Companies Act, 2013, SEBI (LODR) and the policy on RPTs. A report on such transactions was submitted to the Audit Committee on a quarterly basis.

The Company has not entered into any materially significant related party transactions during the year. As required under the SEBI (LODR), the disclosure of Related Party Transactions on a consolidated basis in the prescribed format was filed with the Stock Exchanges and has also been hosted on the website of the Company.

c. Subsidiary Companies

The Company has a 'Policy for Determining Material Subsidiaries' and the same is hosted on the website of the Company and can be accessed at the following link: https://iocl.com/download/Policies/Material_Subsidiary_Policy.pdf

There were no material unlisted subsidiaries during the year 2020-21. The minutes of the Board Meetings of unlisted subsidiaries are submitted to the Board of the Company on a periodic basis.

d. Non-Compliances/Strictures/Penalties during the last three years

There was neither any case of non-compliance, nor any penalties / strictures were imposed on the Company by the Stock Exchanges / SEBI or any other statutory authority on any matter related to capital markets during the last three years.

However, during the year, the Company received notices from the National Stock Exchange of India Limited (NSE) as well as the BSE Limited (BSE) regarding non-compliance with the provision of Reg. 17(1) of the SEBI (LODR) for the quarter ended June 2020, September 2020, December 2020 & March 2021 and imposition of monetary fine for not having requisite number of Independent Directors on the Board. In response to the notice, the Company wrote to the Exchange(s) clarifying that the shortfall in Independent Directors was not due to any negligence / default by the Company as the appointment of Directors is done by the Government of India. In view thereof, the Company has requested the Exchanges to waive-off the fines. Reckoning the request, the BSE has waived-off the fine for non-compliance for the period September 2018 to December 2020.

e. Proceeds from Public, Right and Preferential issues etc:

During the year under review, the Company did not raise any proceeds from public issues, rights issues or preferential issues. However, the Company had issued Unsecured, Rated, Listed, Taxable, Redeemable, Non-Convertible Debentures of ₹ 10,00,000/- each (NCDs) amounting to ₹ 7,915.20 Crore on a private placement basis. The funds were utilised for the purpose for which these were raised and there has been no deviation or variation in utilisation of funds.

f. Vigil Mechanism and Whistle-Blower Policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has laid down procedures and internal controls like Delegation of Authority, Standard Operating Procedures (SOP's), Conduct, Discipline and Appeal Rules for employees, etc. The Vigilance Department, which forms an important part of the vigil mechanism, undertakes participative, preventive and punitive action for establishing effective internal control systems and procedures for minimising systemic failures, with greater emphasis on participative and preventive aspects. The Government Auditors, Statutory Auditors and Internal Auditors are also important constituents of the vigil mechanism to review the activities of the Company and report observations on any deficiency or irregularities.

The Company has framed a Whistle-Blower Policy wherein the employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees, including leakage / misuse of unpublished price sensitive information in violation of IndianOil's Insider Trading Code, to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any complaint received would be reviewed by the Competent Authority or Chairman of the Audit Committee. The policy provides that the confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee.

The Whistle-Blower policy is hosted on the website of the Company.

g. Code for Prevention of Insider Trading in securities of IndianOil and Practices and Procedure for Fair Disclosure

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, IndianOil has adopted a Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities of the Company ("the Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. The code of practices and procedures for fair disclosure of unpublished price sensitive Information is hosted on the website of the Company.

h. CEO / CFO Certification

The Chairman and Director (Finance) of the Company have given the "CEO / CFO Certification" to the Board.

i. Integrity Pact

The Company has signed a Memorandum of Understanding (MoU) with Transparency International India (TII) in 2008 for implementing the Integrity Pact (IP) Program focused on enhancing transparency, probity, equity and competitiveness in its procurement process.

Presently, three Independent External Monitors (IEMs) have been nominated by the Central Vigilance Commission (CVC) to monitor the implementation of IP in all tenders, of the threshold value of ₹ 10 Crore and above, across all Divisions of the Company.

During the year 10 meetings of IEM's were held. Based on the above threshold value, 471 tenders came under the purview of the IP during the year 2020-21 against which 33 complaints were received which were referred to the IEMs and deliberated. Two pending complaints of 2020-21 were taken up for deliberation with IEMs in the month of May 2021.

j. Relationship Between Directors

None of the Directors is inter-se related to other Directors of the Company.

k. Details of Familiarisation Programmes For Independent Directors

The details of familiarisation programmes imparted to Independent Directors are hosted on the website of the Company and can be accessed at the link https://iocl.com/download/IDFP.pdf

l. Outstanding Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any Convertible instruments:

During the year, the Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

m. Disclosure Regarding Commodity Price Risk and Hedging Activities

(i) Entity's Risk Management Policy w.r.t. Commodities and its Hedging:

IndianOil is exposed to a number of commodity price risks such as variation in refining margins, i.e. the difference between refined product price and crude price, risk of value erosion in inventory due to prices, risk of higher crude prices on crude consumed in IndianOil refining system, risk of variation in prices of LNG on refinery consumption, risk of price variations on imports of petroleum products and LNG for marketing, etc.

The company assesses these risks and based on potential of these risks being realised, appropriate hedging positions are undertaken using hedging tools allowed to be traded under laws in India to monitor & manage significant risks.

The company has a Board-approved policy for the risk management covering the exposure towards commodities, commodity risk and hedged exposure.

(ii) Exposure to Commodity and Commodity Risks Throughout the Year:

(a) Total Estimated Exposure of the Company to Commodities in INR:

The value of the total inventory held by the Company for raw material, stock in process, finished goods and stock in trade as on March 31, 2021 is ₹ 73,749.06 Crore.

(b) Exposure of the Company to Material Commodities:

Commodity Name	Exposure in INR towards the particular commodity#	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International market		
	₹ in Crore	In MMT	OTC	Exchange	OTC	Exchange	
Refinery Margin	1,300	58.465	NIL	NIL	0.49%	NIL	0.49%
Inventory as on 31.03.2021							
- Crude Oil	2,700	7.993	NIL	NIL	NIL	NIL	NIL
- Finished Goods (including Stock in Trade)	4,000	6.641	NIL	NIL	NIL	NIL	NIL

Estimated Impact for each 10% variation in exposure has been given for the particular commodity

(c) Commodity Risks faced by the Company during the year and how they have been managed:

The primary commodity risk faced by IndianOil is the risk around price movement in crude oil, refined products and LNG. Any adverse movement in commodity prices may affect the margin. Similarly, any favourable movement in prices can also allow margins to rise. Hedging activities are targeted at fixing a price for reducing uncertainties/ volatilities in future cash flows.

n. Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Six complaints of sexual harassment were pending as on 01.04.2020. During the year, four complaints were received, and eight complaints were disposed-off. As on March 31, 2021, two complaints were pending.

o. Fees Paid to Statutory Auditors

An amount of ₹ 4.02 Crore is paid / payable to the Statutory Auditors of the Company for the year 2020-21 towards various services rendered by them to the Company.

p. Compliance Report on Corporate Governance

The Company has submitted the quarterly / half yearly / annual compliance report on Corporate Governance in the prescribed format to the stock exchange(s) within the prescribed time period. The same is also hosted on the website of the Company.

q. Compliance with the Mandatory Requirements of SEBI (LODR)

The Company adheres to the provisions of the laws and guidelines of regulatory authorities including SEBI and covenants in the agreements with the Stock Exchanges and Depositories. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to 46(2)(i) of the SEBI (LODR), except as given below:

- Composition of the Board of Directors with regard to not less than 50% of the Board as Non-Executive Directors for the period September 22, 2020 to March 31, 2021;
- Composition of the Board of Directors with regard to at least 50% Independent Directors during the year 2020-21;
- Performance evaluation of Independent Directors by the Board of Directors.

The Company, being a Government Company under the administrative control of the Ministry of Petroleum & Natural Gas (MoP&NG), the power to appoint Directors (including Independent Directors) and their performance evaluation vests with the Government of India.

The Company is following up with the MoP&NG on a regular basis to appoint the requisite number of Directors to ensure compliance with SEBI (LODR).

r. Adoption of the Non-mandatory Requirements of SEBI (LODR)

The Company has not adopted any discretionary requirements provided under Part E of Schedule II of SEBI (LODR).

The Statutory Auditors have expressed un-modified opinion on the Financial Statements for the year 2020-21.

s. Guidelines on Corporate Governance by Department of Public Enterprise (DPE)

The Company is complying with all the requirements of the DPE Guidelines on Corporate Governance except with regard to composition of the Board as stated in para (q) above.

The Company also scrupulously follows the Presidential Directives and guidelines issued by the Government of India regarding reservation in services for SC / ST / OBC / PwBD (Persons with Benchmark Disabilities) / Ex-servicemen / Economically Weaker Sections (EWSs) to promote inclusive growth.

No items of expenditure have been debited in books of account, which are not for the purpose of business. No expenses, which are of personal nature, have been incurred for the Board of Directors and the top management.

The regular administrative and office expenses were 1.31% of total expenses during 2020-21 as against 1.69% during the previous year.

7. MEANS OF COMMUNICATION

a. Financial Results

The quarterly audited/unaudited financial results are announced within the time prescribed under the SEBI (LODR). The results are published in leading newspapers like The Economic Times, Business Standard, The Hindu Business Line, The Financial Express, Mint and Maharashtra Times (Marathi Newspaper). The financial results are also hosted on the Company's website. The Company issues news releases on significant corporate decisions / activities and posts them on its website as well as notifies the stock exchanges as and when deemed necessary.

b. Conference call with Investors

IndianOil participates in conference calls to discuss the quarterly / annual financial performance of the Company and prior intimation thereof is given to the stock exchanges and is also hosted on the website of the Company.

c. News Releases

Official press releases, detailed presentations made to media, analysts, institutional investors, etc. are displayed on the Company's website.

d. Website

The Company's website www.iocl.com provides a separate section for investors where relevant shareholder information is available. The Annual Report of the Company is also hosted on the Company's website.

e. Annual Report

The Annual Report is circulated to shareholders and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Corporate Governance Report form a part of the Annual Report.

f. Chairman's Speech at AGM

The Chairman read out his speech at the AGM which was held through VC / OAVM on 21.09.2020. The same was also placed on the website of the Company for information of the shareholders.

g. Webcast of AGM Proceedings

The AGM for the year 2019-20 was held through VC / OAVM. The Company provided live webcast of the proceedings of the AGM held on 21.09.2020 and the members were also provided options to ask queries and interact with the management of the Company.

h. Investor Service Cell

The Investor Service Cell exists at IndianOil's Registered Office in Mumbai and the Corporate Office in New Delhi as well as at KFin Technologies Private Limited, Registrar & Transfer Agent (RTA) office in Hyderabad to address the grievances / queries of shareholders / debenture holders.

To facilitate the investors to raise queries / grievances through electronic mode, separate e-mail ID viz. investors@indianoil.in & einward.ris@kfintech.com has been provided.

i. SCORES (SEBI Complaints Redressal System)

SEBI has provided a centralised web-based complaints-redressal system named, SCORES, through which an investor can lodge complaint(s) against a Company for his grievance.

j. Green Initiative – Service of Documents in Electronic Form

The provisions of the Companies Act, 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode. Further, the Ministry of Corporate Affairs (MCA) as well as the SEBI, in view of the nationwide lockdown, has permitted that all communication to shareholders may be served electronically. In compliance thereof, the Company has adopted the practice of sending communications, including Annual Report, through email to those shareholders whose email id is available as per registered records.

8. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting:

Date, Time and Mode of the Annual General Meeting	Friday, August 27, 2021 at 10:30 a.m through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

(b) Financial Year:

The Financial Year of the Company is from 1st April to 31st March. The financial calendar to approve quarterly / annual financial results for the year 2021-22 is given below:

Quarter ending June 30, 2021	On or before 14th August 2021
Quarter ending September 30, 2021	On or before 14th November 2021
Quarter ending December 31, 2021	On or before 14th February 2022
Quarter and year ending March 31, 2022	On or before 30th May 2022

The trading window closure period for dealing in securities of IndianOil is notified to the stock exchanges and also hosted on the website of the Company. The Trading Window generally remains closed for 'Insiders' of the Company from the end of each quarter till 48 hours after the financial results for the quarter are filed with stock exchanges and become generally available, unless otherwise notified by Company Secretary.

(c) Dividend:

During the year, the Company has declared Interim Dividend(s) of ₹ 7.50 & ₹ 3.00 per share in the month of January & March 2021 respectively which has been paid to the eligible shareholders within the stipulated period of 30 days, as provided under the Companies Act, 2013.

In addition, a final dividend of ₹ 1.50 per share, as recommended by the Board of Directors, if approved at the AGM, shall be paid to the eligible shareholders within the stipulated period of 30 days, as provided under the Companies Act, 2013, after the AGM.

The Company has fixed Friday, August 6, 2021 as the Record Date to ascertain the eligibility of shareholders to receive the final dividend, if declared at the AGM.

(d) Listing of Securities on Stock Exchanges:

- The equity shares of the Company are listed on the BSE and the NSE. The address of the BSE & NSE is provided in the Annual Report.
- The debt securities issued by the Company are listed on the Debt Segment of the BSE and the NSE. The Company has appointed SBICAP Trustee Company Limited as the Debenture Trustee for the debt securities.
- The Company has paid listing fees in respect of its listed securities to both the stock exchanges for the year 2020-21. In addition, the Commercial Papers issued by the Company are also listed on the BSE & the NSE.

(e) Corporate Identity Number (CIN):

The Company is registered with the Registrar of Companies (RoC) in the State of Maharashtra, India. The CIN allotted to the Company by the MCA is L23201MH1959GOI011388.

(f) ISIN Number of Equity Shares : INE 242A01010

(g) Stock Code at BSE : 530965

(h) Stock Code at NSE : IOC

(i) Details of Debenture outstanding as on March 31, 2021 :

Bond Series	ISIN	Issue Date	Maturity	Tenure	Rate of Interest	Issue Size (₹ Crore)
XIV	INE242A08437	22.10.2019	22.10.2029	10 Years	7.41%	3000
XV	INE242A08445	14.01.2020	14.04.2023	3 Years 3 Month	6.44%	2000
XVI	INE242A08452	06.03.2020	06.03.2025	5 Years	6.39%	2995
XVII	INE242A08460	27.05.2020	25.11.2022	2 Years 6 Month	5.05%	3000
XVIII	INE242A08478	03.08.2020	11.04.2025	4 Years 8 Month 8 Days	5.40%	1625
XIX	INE242A08486	20.10.2020	20.10.2025	5 Years	5.50%	2000
XX	INE242A08494	25.01.2021	23.01.2026	4 Years 11 Month 29 Days	5.60%	1290.2

(j) Stock Market Data:

The market price and volume of the Company's Equity Shares (face value ₹ 10 each) traded on the BSE & NSE during the year 2020-21 are given below:

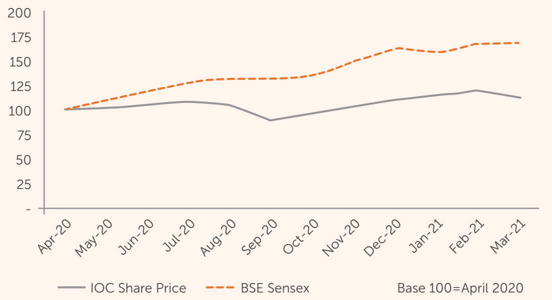
Month	BSE			NSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April 2020	89.60	76.70	1,10,38,338	89.50	76.60	24,65,34,083
May 2020	84.75	71.15	1,39,71,843	84.70	71.15	29,45,09,360
June 2020	96.25	83.75	3,67,54,978	96.40	83.75	53,85,57,342
July 2020	95.65	82.50	3,57,21,821	95.65	82.50	61,54,95,039
August 2020	91.75	84.60	3,16,30,298	91.75	84.55	46,46,65,519
September 2020	86.60	71.35	2,02,59,750	86.60	71.65	40,15,20,941
October 2020	81.90	73.45	3,48,82,125	81.90	73.45	39,68,37,816
November 2020	87.40	76.90	1,86,38,821	87.35	76.85	34,04,75,273
December 2020	97.40	84.10	4,16,83,175	97.50	84.10	57,60,29,208
January 2021	103.90	90.30	4,17,74,516	103.90	90.25	54,33,04,800
February 2021	105.00	87.95	5,67,36,178	104.60	93.40	71,52,62,705
March 2021	105.00	90.15	3,27,74,631	105.00	90.10	56,74,38,844

(k) Stock Price Performance in Comparison to Broad-based Indices:

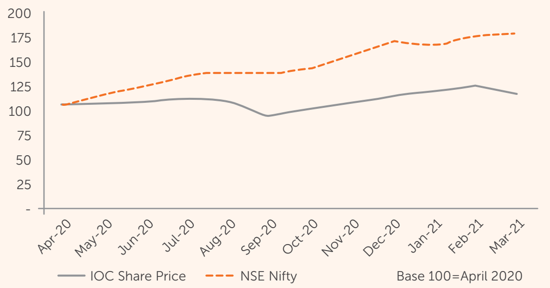
During 2020-21, the equity share price of the Company opened at ₹ 82.00 (on April 1, 2020) and closed at ₹ 91.80 (on March 31, 2021) on the BSE, thereby increasing by 11.95%. During the same period, the BSE SENSEX opened at 29,505 and closed at 49,509, thereby increasing by 67.80%. The NSE NIFTY opened at 8,584 and closed at 14,691, thereby increasing by 71.14%.

The relative comparison (on base of 100) of the monthly closing price of the Company's equity share vis-a-vis BSE SENSEX and NSE NIFTY during 2020-21 are given below:

RELATIVE MOVEMENT OF INDIANOIL SHARE CLOSING PRICE VIS-A-VIS BSE SENSEX DURING 2020-21



RELATIVE MOVEMENT OF INDIANOIL SHARE CLOSING PRICE VIS-A-VIS NSE NIFTY DURING 2020-21



(l) Registrar & Transfer Agents (RTA):

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad – 500 032

Toll Free No.	:	1800 309 4001
E-mail Address	:	einward.ris@kfintech.com
Website	:	www.kfintech.com

(m) Share Transfer System:

The equity shares of the Company are traded in dematerialised form. In compliance with SEBI guidelines, no physical transfer of shares is allowed. To expedite the other processes related to physical shares like transmission, etc, the Company has delegated the power of share transfer to its RTA- KFin Technologies Private Limited

(n) **Distribution of Shareholding as on March 31, 2021:**

Nominal Value of Equity Shares (₹)	No. of Shareholders (Folios)	% of Shareholders	Amount (₹)	% of Amount
1 - 5000	817,136	84.19	90,28,59,580	0.96
5001 - 10000	66,491	6.85	52,39,61,430	0.56
10001 - 20000	36,592	3.77	54,98,48,720	0.58
20001 - 30000	15,401	1.59	38,41,10,450	0.41
30001 - 40000	7,362	0.76	26,39,49,560	0.28
40001 - 50000	5,289	0.54	24,72,69,540	0.26
50001 - 100000	10,866	1.12	79,23,98,830	0.84
100001 & Above	11,484	1.18	9047,71,91,110	96.11
Total	**970,621**	**100.00**	**9414,15,89,220**	**100.00**

(o) **Shareholding Pattern as on March 31, 2021:**

Category	Shareholders (Folios)		Equity Shares	
	No.	%	No.	%
Promoter Shareholding				
President of India	1	0.00	484,81,33,178	51.50
Public Shareholding				
Governor of Gujarat	1	0.00	1,08,00,000	0.11
Government Company (Oil & Natural Gas Corp. Ltd.)	1	0.00	133,72,15,256	14.20
Government Company (Oil India Ltd.)	1	0.00	48,55,90,496	5.16
Corporate Bodies	2198	0.23	3,94,63,392	0.42
FIIs/NRIs / FPIs	10691	1.10	56,24,05,286	5.97
Banks / Indian Financial Institutions	29	0.00	17,67,456	0.02
Mutual Funds	106	0.01	43,89,09,744	4.66
Insurance Companies	8	0.00	78,14,74,043	8.30
Public	956949	98.59	56,60,29,575	6.01
Trusts	91	0.01	23,41,90,354	2.49
Investor Education & Protection Fund	1	0.00	34,74,480	0.04
Others	544	0.06	104705662	1.12
Total	**970621**	**100.00**	**941,41,58,922**	**100.00**

(p) **Top 10 Shareholders as on March 31, 2021:**

Name	No. of Equity Shares	% to Equity Shares
President of India	484,81,33,178	51.50
Oil & Natural Gas Corporation Limited	133,72,15,256	14.20
Life Insurance Corporation of India	7,22,68,0547	7.68
Oil India Limited	48,55,90,496	5.16
IOC Shares Trust	23,31,18,456	2.48
SBI Equity Hybrid Fund	7,00,00,000	0.74
Life Insurance Corporation of India P&GS Fund	4,08,79,000	0.43
SBI-ETF NIFTY50	3,65,09,145	0.39
Vanguard EM Stock Index Fund	3,26,59,501	0.35
Franklin India Focussed Equity Fund	3,10,00,000	0.33

(q) Dematerialisation of Equity Shares and Liquidity:

The equity shares of the Company are traded in dematerialised form. To facilitate the shareholders to dematerialise the equity shares, the Company has entered into an agreement with NSDL and CDSL. The summarised position of shareholders in Physical and Demat segment as on March 31, 2021 is as under:

Type of Shareholding	Shareholders (Folios)		Shareholding	
	No.	%	No.	%
Physical	3,772	0.39	1,44,07,477	0.15
Demat	9,66,849	99.61	939,97,51,445	99.85
TOTAL	**9,70,621**	**100.00**	**941,41,58,922**	**100.00**

(r) Corporate Action:

i) Dividend History :

The Company has been consistently declaring dividends. The dividend paid during the last ten years is given below:

Year	Rate	Remarks
2010-11	95 %	-
2011-12	50 %	-
2012-13	62 %	-
2013-14	87 %	-
2014-15	66 %	-
2015-16	140 %	Includes Interim Dividend of 55%
2016-17	190 %	Includes interim dividend of 180%
2017-18	210 %	Includes Interim Dividend of 190%
2018-19	92.50 %	Includes Interim Dividend of 82.50%
2019-20	42.50 %	Interim Dividend of 42.50%. No final dividend was declared.

ii) Bonus Issue since listing of the Equity Shares:

Year	Ratio
1999-00	1:1
2003-04	1:2
2009-10	1:1
2016-17	1:1
2017-18	1:1

(s) Unclaimed Dividend and Shares Transferred to Investor Education and Protection Fund (IEPF) Authority:

Section 124 of the Companies Act, 2013 provides that any dividend that has remained unpaid / unclaimed for a period of seven years from the date of transfer to an unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government.

The Company annually sends reminder letters to the shareholders, advising them to lodge their claim for such unpaid dividend. Thereafter the unclaimed / unpaid dividend is transferred to the IEPF authority on the due date. Accordingly, the unclaimed dividend of ₹ 1,18,61,821/- for the year 2012-13 was transferred to the IEPF authority on November 2, 2020.

The details of the dividend which remains unpaid/ unclaimed as on March 31, 2021 are given below:

Year	Amount (₹)
2013-14 (Final)	1,41,89,647.80
2014-15 (Final)	1,45,86,613.80
2015-16 (Interim)	1,39,65,160.00
2015-16 (Final)	2,18,04,685.00
2016-17 (1st Interim)	6,03,51,224.86
2016-17 (2nd Interim)	2,15,29,535.00
2016-17 (Final)	55,78,578.00
2017-18 (Interim)	7,45,97,059.00
2017-18 (Final)	1,93,26,764.00
2018-19 (1st Interim)	4,97,98,111.50
2018-19 (2nd Interim)	1,25,58,045.50
2018-19 (Final)	82,70,684.00
2019-20 (Interim)	3,82,92,551.00
2020-21 (1st Interim)	5,60,24,443.00
Total	**41,08,73,102.46**

The IEPF rules notified by the MCA further provides that details of all unclaimed / unpaid dividend as on the date of closure of year, shall be filed with the MCA and also hosted on the website of the Company within 60 days from the date of the AGM. Accordingly, the Company has filed the information as on March 30, 2020 with the MCA and also hosted it on the Company's website within the prescribed period.

Section 124(6) of the Companies Act, 2013, read with rules made thereunder, provides that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of the IEPF. Section 125 further provides that a shareholder whose dividend amount / shares have been transferred to the IEPF shall be entitled to claim a refund therefrom.

In line with the IEPF Rules, the Company sends reminder letters to all such shareholders, whose dividend has remained unpaid / unclaimed for a consecutive period of seven years with a request to claim the dividends, failing which the equity shares would be transferred to the IEPF Authority on the due date.

Accordingly, all such equity shares in respect of which dividend had remained unpaid/unclaimed for a consecutive period of seven years i.e. from 2012-13 to 2019-20, were transferred to the demat account of the IEPF authority on November 19, 2020. The details of such equity shares are hosted on the website of the Company.

The summary of equity shares lying in the Demat account of IEPF authority is given below:

Particulars	No. of Shares
Equity Shares in the demat account of IEPF Authority as on April 1, 2020	32,55,935
Add: Equity Shares transferred to demat account of IEPF authority on November 19, 2020	2,42,705
Less: Equity Shares refunded by the IEPF authority to the investor	24,160
Equity Shares in the demat account of IEPF Authority as on March 31, 2021	34,74,480

The procedure for claiming the unpaid dividend amount and equity shares transferred to the IEPF Authority is provided on the link: http://www.iepf.gov.in/IEPF/refund.html

(t) Credit Rating

Credit rating assigned to the Company for various debt instruments by rating agencies is as under:

Instrument	Rating Agency	Rating	Outlook
Senior unsecured Debt - Foreign Currency	Moody's	Baa3	Negative*
Senior unsecured Debt - Foreign Currency	Fitch	BBB-	Negative#
Non-Convertible Debenture	CRISIL	CRISIL AAA	Stable
Non-Convertible Debenture	India Ratings	IND AAA	Stable
Non-Convertible Debenture	ICRA	[ICRA] AAA	Stable
Bank Facilities - Long Term	CRISIL	CRISIL AAA	Stable
Bank Facilities - Short Term	CRISIL	CRISIL A1+	-
Commercial Paper	ICRA	[ICRA] A1+	-
Commercial Paper	India Ratings	IND A1+	-

* Moody's Investors Service has downgraded the long-term issuer rating of IOCL from "Baa2 Negative" to "Baa3 Negative" in June 2020.

Fitch has downgraded the long-term issuer rating of IOCL from "BBB- Stable" to "BBB- Negative" in June 2020.

(u) Plant Locations:

The addresses of the plant locations are given elsewhere in the Annual Report.

(v) Address for Correspondence:

Company Secretary
Indian Oil Corporation Limited
IndianOil Bhavan
G-9, Ali Yavar Jung Marg
Bandra (East)
Mumbai - 400051
Tel. No. : (022) 26447327 / 26447150
Email ID : investors@indianoil.in

G. S. MATHUR & CO.
Chartered Accountants
A-160, Ground Floor
Defence Colony,
New Delhi – 110024

K. C.MEHTA & CO.
Chartered Accountants
Meghdhanush,
Race Course Circle,
Vadodara – 390007

SINGHI & CO.
Chartered Accountants
161, Sarat Bose Road,
West Bengal,
Kolkata - 700026

V. SINGHI & ASSOCIATES
Chartered Accountants
Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Kolkata - 700001

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Indian Oil Corporation Limited

1. We have examined the compliance of conditions of Corporate Governance by Indian Oil Corporation Limited ("the Company") for the year ended March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and part C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended ("SEBI LODR") and the guidelines on Corporate Governance for Central Public Sector Enterprises, as enunciated by the Department of Public Enterprises ("DPE").

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the SEBI LODR, issued by the Securities and Exchange Board of India as well as guidelines issued by the DPE.

Auditor's Responsibility

4. We have conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on 'Reports or Certificates for Special Purposes' and the Guidance Note on 'Certification of Corporate Governance', both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on 'Reports or Certificates for Special Purposes' requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

6. The procedure selected depends on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria.

7. The procedures include but is not limited to verification of secretarial records and financial information of the Company. We have obtained necessary representations and declarations from directors including independent directors of the Company.

8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has, in all material respects, complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46 (2) and part C and D of Schedule V to the SEBI LODR for the year ended March 31, 2021 as well as guidelines issued by the DPE except for the following:

    a. Regulation 17(1)(a) of SEBI LODR, with regard to the requirement of having not less than 50% of the Board of Directors as Non-Executive Directors during the period September 22, 2020 to March 31, 2021.

    b. Regulation 17(1)(b) of the SEBI LODR, with regard to the composition of the Board of Directors comprising of at least 50% Independent Directors during the year 2020-21.

    c. In view of exemption provided to Government Companies, vide notification dated June 5, 2015 issued by Ministry of Corporate Affairs, from complying with the provision of section 134(3)(p) of the Companies Act 2013, the Company has not complied with Regulation 17(10) of the SEBI LODR, which requires performance evaluation of Independent Directors by the entire Board of Directors and Regulation 25(4) of the SEBI LODR, which requires review of performance of Non-Independent Directors, the Board of Directors as a whole and the Chairperson of the Company by the Independent Directors.

Other Matters and Restrictions on use

10. We further state that such compliance 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.

11. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of the SEBI LODR, 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 G. S. MATHUR & CO. Chartered Accountants Firm Regn. No. 008744N	**For K. C.MEHTA & CO.** Chartered Accountants Firm Regn. No. 106237W	**For SINGHI & CO.** Chartered Accountants Firm Regn. No. 302049E	**For V. SINGHI & ASSOCIATES** Chartered Accountants Firm Regn. No. 311017E
Sd/- **(Rajiv Kumar Wadhawan)** Partner M. No. 091007 UDIN: 21091007AAAAEB6306	Sd/- **(Vishal P. Doshi)** Partner M. No. 101533 UDIN: 21101533AAAACB9538	Sd/- **(Pradeep Kumar Singhi)** Partner M. No. 050773 UDIN: 21050773AAAAAO1980	Sd/- **(Sunil Singhi)** Partner M. No. 060854 UDIN: 21060854AAAACA5262
New Delhi	Vadodara	Kolkata	Kolkata

Date: July 14, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

1. HOPE AMIDST UNCERTAINTY

The year 2020-2021 will be remembered for the agony, grief and loss of lives caused by Covid-19. The world is going through extraordinary times. The pandemic has not only cost precious lives but also created economic disruption, job loss, social burden and mental trauma. It also brought about immense hardships to migrant workers and daily wage earners due to the frequent lockdowns. At the same time, we witnessed a remarkable triumph of the human spirit. Be it the tireless dedication of the frontline workers to save human lives, the assiduous efforts of the essential service providers to keep serving, even at the cost of their own lives, or the development of vaccines in record time, human resilience come to the force.

2. ECONOMIC REVIEW

The global and Indian economies were beset with a "crisis like no other." Lockdowns, as a crucial measure to break the chain of transmission, entailed tremendous economic impact. The global economy contracted by 3.3% in 2020, with almost all economies witnessing a dip, with only a few Asian economies like China, Vietnam and Bangladesh being the only exceptions. Governments, especially in the advanced economies, went all out in tackling the economic impact caused by the lockdown and the restrictions in the form of large monetary and fiscal stimuli. After the spring lockdowns, as economies opened up gradually, economic activity started gathering pace. However, many parts of the world were hit by the second and the third waves of the pandemic. But, the economic loss in the subsequent waves, was lower as the response to the pandemic became more nuanced and pragmatic. Inoculations had begun in advanced economies by the end of 2020 and the pace has been accelerating since then across the globe. Sizeable fiscal stimulus in advanced economies is set to drive growth in 2021, with an impressive growth of 6% projected for the year, that would more than undo the losses of 2020 at the overall global level. Yet, the recovery is expected to be fragmented and asymmetric, reflecting the uneven pace of vaccination across geographies and the risks of future outbreaks.

The Indian economy exhibited remarkable resilience with the sequential opening of the key sectors. After contracting in the first two quarters of 2020-21, the Indian economy posted a growth of 0.5% in the October-December quarter and 1.6% growth in the January-March quarter. Overall, during the year, the Indian economy contracted by 7.3%. While the contraction was seen across most economic sectors, Indian agriculture grew and prospered, providing much-needed support to a pandemic-struck economy. Towards the end of 2020-21, the country was hit by a massive second wave, and many states imposed either complete lockdown or lockdown-like restrictions to curb the spread of the infection. As a result, the outlook for 2021-22 for the Indian economy has sombered from the earlier double-digit growth projections. Notwithstanding the tragedy, the overall impact of Covid-19 on the economy in 2021-22 is expected to be less severe than its effect in 2020-21.

2.1 Energy Landscape – New Vistas

The emergence of multiple waves of the pandemic have prolonged the lockdowns in different parts of the world, resulting in restrictions in movement and delay in economic recovery. The energy sector, which is linked to human and economic activity, was also severely affected. However, stimulus packages, coupled with the vaccination drive in 2021, brought back hope for the economy, society and the energy sector as a whole.

2.1.1 Global Energy

In 2020, the global energy sector saw the largest fall in absolute demand since World War II, falling by 4%. Energy use in Q1 2021 continued to be impacted by the pandemic. In 2021 energy demand is expected to rebound by 4.6%, pushing global energy use to 0.5% above pre-Covid-19 levels. However, the recovery in demand will depend upon the success of the vaccine rollout and managing the spread of the pandemic. The recent waves of Covid-19 and the emergence and spread of new variants have remained a major concern for the recovery in energy demand.

2.1.2 Oil

The pandemic caused global demand for petroleum products to fall significantly in 2020. With restrictions on mobility due to the lockdown, global oil consumption fell by 8.7 mb/d to 91.0 mb/d in 2020, a fall of 8.7% compared to the previous year. Demand for transport fuel fell by 14% from 2019 levels. In April 2020, at the peak of the pandemic related restrictions, global oil demand fell by more than 20% compared to the pre-crisis levels.

> “**Oil consumption** fell by 8.7mb/d to 91.0 mb/d in 2020”

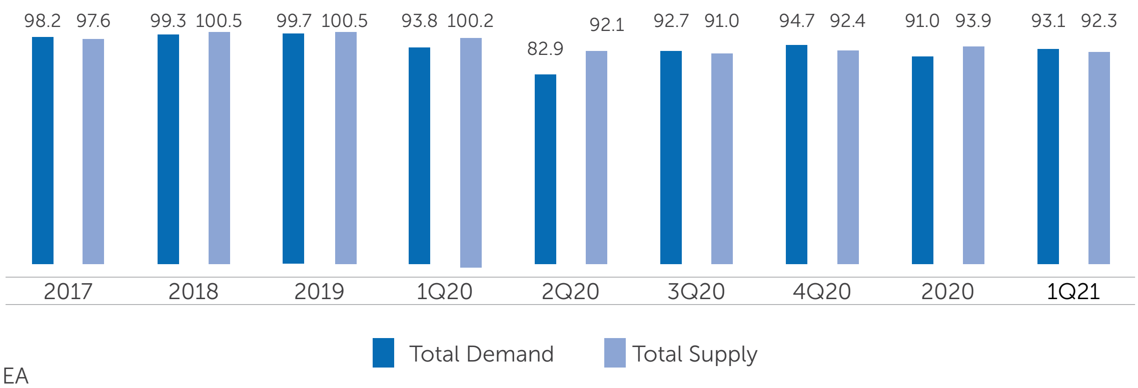
The global oil demand is expected to rebound by 6%, faster than all other fuels in 2021 relative to 2020. However, despite the strong rebound, oil demand remains 3.1 mb/d, below 2019 levels. While road transport activity is expected to recover by the end of 2021, air transport demand may stay below the 2019 levels for the entire 2021.

In the medium term, global oil demand is now projected to rise by 4.4 mb/d between 2019 and 2026. Moreover, the demand growth relative to 2019 is expected to come primarily from the emerging and developing economies. Overall, however, the dominant view remains that global oil demand is unlikely to catch up with its pre-Covid trajectory.

On the supply side, global oil production fell by 6.6 mb/d to 93.9 mb/d on account of the production cuts by OPEC+, coupled with lower output from the non-OPEC countries. Yet, the supply exceeded demand by 2.7 mb/d.

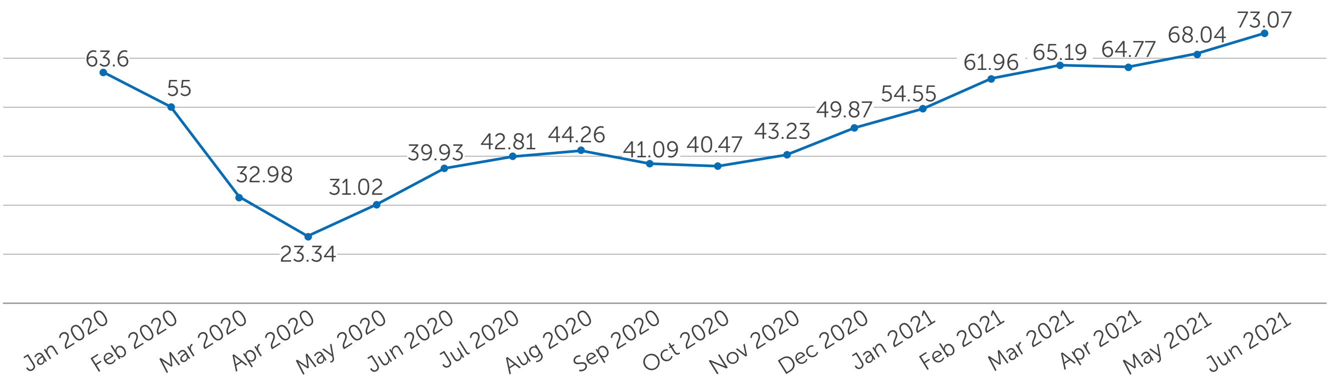
Brent prices averaged at $42.3/bbl in 2020, a sharp decline of almost 34% from 2019 levels. Oil prices fluctuated during the year, reaching a peak of nearly $70/bbl in January 2020 on OPEC+ supply restraints and the decline in Libyan output. The market remained oversupplied since February 2020. Oversupply and lack of storage capacity led to the crash of oil prices in April 2020. The US crude futures turned negative on 20.04.20 for the first time in history. In the second half of the year, prices hovered in the range of $40-45/bbl before hitting $50/bbl in December. Oil prices continued to gain momentum during 2021, averaging at around $60.6/bbl in Q1 2021 and $64.8/bbl in April 2021. Prices rose with the advent of cold weather in the Northern Hemisphere and were supported by the growing confidence in vaccine rollouts and the subsequent economic recovery.

World Oil Supply and Demand (mb/d)



Source : IEA

Crude Oil Price: Brent (US$/BBL)



Source: World Bank

Further, from May 2021 onwards, crude oil prices have been buoyant, with Brent oil prices crossing $70/bbl at the beginning of June. Bullish demand sentiments are now driving the prices as the massive stimulus in the US is set to propel global growth in 2021, though some downside risks continue to exist. While a resurgence of the Covid-19 infections in Asian economies such as India and Japan has already affected the April-June 2021 demand, with the spread of the Delta variant in Europe, the demand outlook for the second half of 2021 could be impacted. On the supply side, the sluggish return of non-OPEC production has provided legroom for OPEC+ to reduce output cuts to serve the rebound in demand. Further, in the near term, a nuclear deal with Iran is expected to be sealed, affecting the buoyancy of oil prices. In the medium term, the pace of global demand recovery, supply response from producers to this demand recovery and the development of alternate energy sources will chart the path for oil prices.

2.1.3 Natural Gas

The global gas demand in 2020 dropped by an estimated 75 billion cubic metres (bcm) or by 1.9%, the largest ever recorded drop in gas consumption. The decline in consumption was concentrated in the first half of the year, and progressive recovery was observed third quarter onwards as lockdown measures eased.

The global gas demand is expected to recover 3.2% in 2021, erasing the losses in 2020 and pushing demand 1.3% above 2019 levels - the strongest anticipated rebound amongst fossil fuels. The recovery will be driven mainly by continued lower prices and rapid growth in economies across Asia and the Middle East.

In 2020, natural gas spot prices at Henry Hub averaged at $2.03 per Million British thermal units (MMBtu), the lowest annual average price in decades, falling from $2.56/MMBtu in 2019. The Henry Hub price averaged at $1.63/MMBtu in June 2020, the lowest monthly price in decades. Prices increased in the second half of the year because of lower natural gas production and an increase in liquefied natural gas (LNG) exports. The average price for LNG Japan in 2020 also fell to $8.31/ MMBtu from $10.56/ MMBtu in 2019 driven in a majorly by low spot prices.

2.1.4 Impact of Covid-19 – A Paradigm Shift

Apart from the supply-demand shock in oil and gas sector, the pandemic had other impacts, which would chart the path of the oil and gas industry in the future.

- **CO_2 Emission:** Global carbon-di-oxide (CO_2) emissions declined by 5.8% in 2020, or almost 2 Gt CO_2 – the largest ever decline to 84.2 Gt.

- **Peak Oil:** Even a year ago, it was projected that oil will end its upward march with demand peaking by the mid-2030s. However, the effect of the pandemic on the oil sector has changed the perception. BP, in its 2020 edition of the Energy Outlook, revealed that global oil demand may not regain the levels seen in 2019, which means that global oil demand might have already peaked. It added that demand could soon fall rapidly in the face of stronger climate action. Further International Energy Agency (IEA) in its Oil 2021 report suggested that global gasoline (petrol) demand is unlikely to return to 2019 levels.

- **A World Towards Net Zero:** In 2020, global climate action was given a big impetus by the Net Zero and Carbon Neutral commitments by major economies, corporations and financial institutions. At present, countries accounting for around 70% of the global CO_2 emissions and the GDP have made Net Zero commitments. Further, in 2020, many international oil and gas companies upped the ante and made commitments towards Net Zero targets, and they were also joined by national oil companies (NOCs) like PetroChina and Petronas. Growing pressure on international oil and gas companies by courts, climate groups, shareholders and investors for deeper emission cuts is fast changing the energy landscape.

- **Investment in Green Energy:** The remarkable decline in the cost of solar and wind power over the past decade has set the stage for these technologies to take wings. Today, China, the Gulf nations, even India are investing in green energy on a scale that would have been considered improbable even a decade ago. European countries, including the United Kingdom, are transitioning away from coal and are innovating in a wide array of green technologies, such as batteries, carbon-capture methods and electric vehicles. Moreover, the sector exhibited remarkable resilience in the face of the pandemic with investment in renewable power rising in 2020, despite a fall in aggregate global energy investment in 2020.

  The Global renewable generation capacity increased by 261 GW (+10.3%) in 2020. Solar energy continued to lead the capacity expansion, with an increase of 127 GW (+22%), followed

  closely by wind energy with 111 GW (+18%), on account of the falling capital cost for both solar and wind. The surge in renewable capacity expansion in 2020 increased the share of renewables in total capacity expansion, which reached 82% in 2020 compared to a figure of 73% in 2019.

- **Post-pandemic Behavioural Changes:** The pandemic has changed the world, and some of its effects are expected to last long. The new, pandemic-induced trends such as work from home, virtual business conferences, lesser business travel, less preference for public transport may have a long-term impact on the work environment, socialisation and commuting. Many corporates have shifted to work-from-home models permanently. Social interactions are becoming virtual. The lockdowns and social distancing rules during the pandemic have created a surge in online shopping and the mass adoption of digital-based consumer shopping behaviours. Healthcare, too, has changed substantially, with telehealth and biopharma coming into their own.

- **Upstream Investment:** Investment in upstream oil and gas companies was hit hard by the demand shock of 2020. As per the International Energy Agency (IEA), the global oil majors slashed their upstream CAPEX by 30% in 2020, and their combined production fell by 6%. In 2021, total upstream investment is expected to rise only marginally. Many NOCs were also forced to put brakes on spending in 2020, with the CAPEX down by 20%.

  The falling and lacklustre upstream investment pose a risk to oil supply availability in the future. As per the IEA, the spare capacity cushion will slowly erode in the absence of fresh upstream investments. By 2026, global effective spare production capacity (excluding Iran) could fall to 2.4 mb/d, its lowest level since 2016.

2.2 Domestic Markets

2.2.1 Energy

The pandemic caused India's energy demand to fall for the first time in 20 years. The estimated fall was 2.5% year-on-year decline for 2020; however, the impact was not uniform across sectors.

India's power demand was down by 1.2% in 2020-21, whereas oil consumption contracted by 19.5 MMT or 9.1%, compared to the previous year – making it the worst year for demand growth in nearly 50 years. Gas demand also fell by 5.5% during the year. For renewables, the total installed capacity increased by 7.4 GW in 2020 - 21 and renewable power generation grew by 6.4%. The share of renewable power increased to 11% in 2020-21 from 10% in 2019-20. Renewables remain a high priority despite headwinds and multi-technology auctions are expected to be the new trend in 2021. The competitiveness of renewables continues to improve. A record solar tariff of ₹ 2/kWh (US$27/MWh) was set in 2020 despite the uncertainty and risks from Coronavirus. In addition, during the year Honorable Prime Minister of India laid the foundation stone for the world's largest hybrid (solar and wind) renewable energy park of 30 GW capacity in Gujarat.

The long term fundamentals of India's energy sector remain strong. India will be the leading driver of global energy over the long term. It is projected to account for 1/4th of the incremental global energy demand during the period 2019-2040.

Despite challenges, India continued to pursue energy sector reforms and promote renewables and storage technologies. India now aims to double its refining capacity by 2025, reduce carbon emissions by 30-35% (relative to 2005) before 2030, and increase the share of gas in the energy mix to 15% from the current 6% by 2030.

Oil producers and injectors at Vankor Field, Russia

2.2.2 Oil

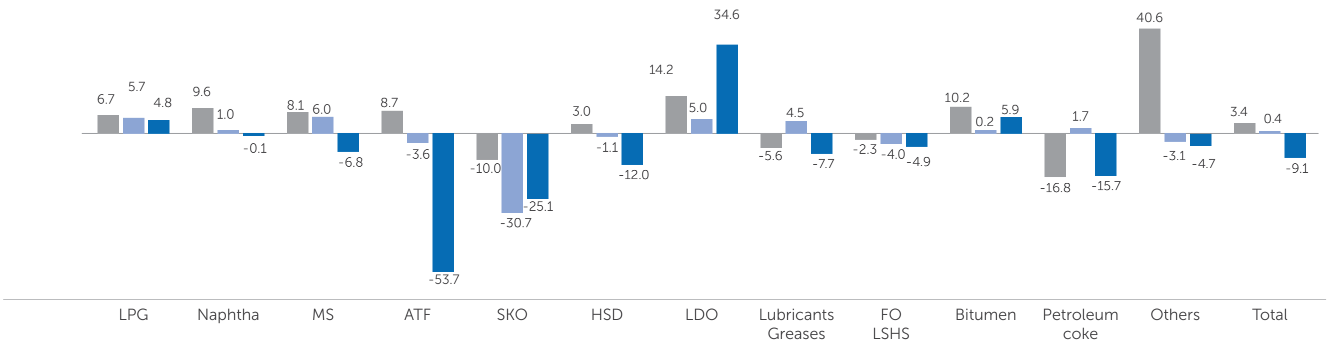
During the year, **India's petroleum products demand** fell by 9.1% with consumption of 194.6 MMT compared to 214.1 MMT in 2019-20. Motor Spirit (MS, or Petrol) consumption fell by 6.8% in 2020-21 compared to 6.0% growth in 2019-20. High Speed Diesel (HSD) consumption declined by 12% in 2020-21 compared to the 1.1% decline in the previous year.

The civil aviation sector was the worst hit due to the pandemic, resulting in a fall in ATF demand by 53.7% during the year.

In contrast, LPG demand surged 4.8% year on year, driven by strong demand for cooking gas from the residential sector, despite a deep contraction from the commercial and the industrial sector.

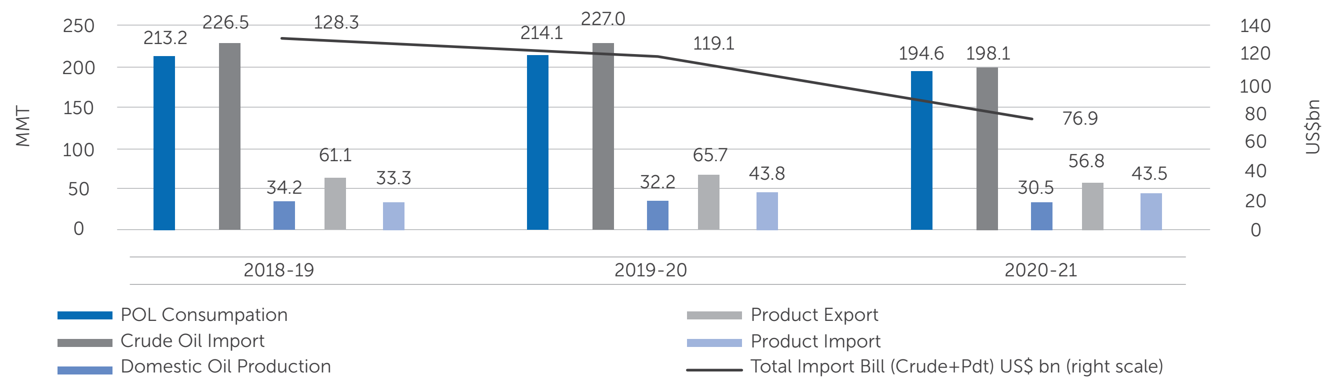
Other products that contributed to the overall decrease in demand of POL during the year were - naphtha (-0.1%), petcoke (-15.7%), furnace oil & low-sulphur heavy stock (-4.9%), lubes & greases (-7.7%), whereas light diesel oil (34.6%), bitumen (5.9%) showed positive growth compared to the previous year.

Consumption of POL (% Y-o-Y Growth)



Source: PPAC   2018-19   2019-20   2020-21

Oil Supply-Demand Trend in India



Source: PPAC, MoP&NG

The demand for petroleum products, barring ATF, was nearly at pre-Covid levels by March 2021. However, from mid-April 2021, the second wave of infections assumed unforeseen proportions throughout the country, and it hit demand hard as most states imposed lockdowns or lockdown-like restrictions. However, as the second wave abates along with the vaccine rollout, the gradual easing of restrictions, and pent-up demand the sheer dynamism of the Indian economy, should drive petroleum demand going forward.

Oil and gas production saw major dips as the lockdown worsened the diminishing phase of many fields in 2020-21. Domestic crude oil production during 2020-21 was lower by 5.2% at 30.5 MMT.

Licensing awards during the year were dominated by the NOCs as foreign participation dried up. The oil price crash further dampened the already sombre outlook for international investments in the upstream sector.

Indian refiners processed 221.8 MMT of crude oil in 2020-21 compared to 254.4 MMT in 2019-20, a decline of 12.8%. Cheaper, high-sulphur crudes to the extent of 72.7% were processed during the year, compared to 75.6% during the previous year.

Crude oil imports in 2020-21 fell by 12.7% from the last year to 198.1 MMT from 227 MMT in 2019-20. Petroleum product imports decreased marginally by 0.7% to 43.5 MMT. Exports of petroleum products decreased by 13.6% to 56.7 MMT from 65.7 MMT in the previous year.

2.2.3 Natural Gas

India's natural gas sector is transforming rapidly, propelled by a highly ambitious policy to double its share in this decade. Critical policy support in the form of reforms such as rationalisation of tariffs, taxes, gas trading, transport system operator and viability gap funding for gas pipeline infrastructure development, and a priority focus on city gas distribution (CGD) under gas allocation policy is working to ensure that the sector remains integral to India's decarbonisation strategy.

During the year, India's natural gas consumption was 60.6 billion cubic metres (bcm), a fall from the previous year's 64.1 bcm. On the supply side, net natural gas production was 28.7 bcm, 8.2% lower than last year. LNG imports also fell by 3% to 32.9 bcm during the year, from 33.9 bcm in 2019-20.

During the year, ONGC (KG-DWN-98/2) and Reliance (KG-D6) managed to start gas production from deep-water blocks, a significant milestone in India's energy landscape for a cleaner and greener gas-based economy. Gas pricing and marketing reforms also continued during the year. An e-bidding platform was set up to allow price discovery for contracts with pricing freedom, while affiliates for gas sellers were allowed to bid for gas available for sale. Gas volumes are expected to rebound, owing to the large-scale rollout of CGD networks, setting up of fertiliser plants, expanding pan-India trunk pipelines network, the proposed launch of a gas trading hub, and the Government's thrust on a gas-based economy.

3. INDIANOIL & COVID-19 – BANKING ON CORE VALUES

IndianOil has always risen to the occasion during national emergencies or natural calamities. The strategy and vision of the Company are also aligned with the national priorities. Driven by the core values – Care, Innovation, Passion, Trust – the Company built on it resilience and commitment to maintain the supply chains that keep kitchens lighted and the engines ignited all over the country. The challenges posed by the Covid-19 pandemic have made this ethos even more relevant.

3.1 Challenging Times

Operationally, these were trying times as the Company, with its 31,000 plus employees and Lakhs of contract workers and channel partners, continued working without any break even during the raging pandemic. Therefore, the health and safety of the workforce remained a key priority, along with the commitment to ensure critical fuel supplies.

The Company realises that being the leading National Oil Company in the oil and gas sector, it has to keep its supply chains resilient and robust at a pan-India level to ensure last-mile delivery and keep the nation energised even during a crisis. It also realises the need to leverage its expertise in different areas to support community well-being even beyond the business commitments.

3.2 Employees First

Protecting the employees is one of the top-most priorities of the Company. Therefore, the Company took initiatives to educate the employees on safe practices to avoid virus transmission, covering various aspects like social distancing, introducing work-from-home, meetings over digital platforms, telemedicine, and special Covid leaves etc.

The Company has launched a nationwide network of Inter-Divisional Covid Coordination Centres for employees to help them during Covid-related emergencies by arranging for medical consultation, assisting in hospital admissions, arranging for ambulances, and coordinating access to critical Covid resources, including oxygen and medicines.

The Company took special initiatives to vaccinate all its employees and dependent family members across all age categories. In addition, the Company is also sponsoring vaccination of its extended workforce, in what could be the country's largest drive undertaken by a corporate, covering more than 31,000 employees and ~4.2 Lakhs frontline associates, including LPG delivery personnel, petrol pump attendants, tanker crew, loaders, contract personnel and security guards.

3.3 Smooth Supply Chain

The business processes were revisited in view of the changed circumstances and to ensure uninterrupted fuel supply across the country despite the disruptions caused by Covid-19. Immersed in the spirit of national service, the workforce demonstrated exemplary resilience in the new normal and continues to do so. Against all odds, the Company delivered a record 33.11 Lakhs cylinders in a single day on 30.4.2020. All 121 Aviation Fuel Stations of the Company across the country operated with optimum strength and safety protocols to refuel defence aircraft, cargo flights, air ambulances and Vande Bharat Mission flights.

During the second wave of the pandemic in the country, the Company ensured adequate stock at all the supply locations to maintain uninterrupted POL supplies by operating all supply locations, retail outlets, LPG distributorships by following the Covid protocol.

3.4 Operational Flexibility

The refineries of the Company showed tremendous resilience to keep operating without any disruptions during the difficult times by operational optimisation to meet the skewed product demand. While the demand for major petroleum products decreased drastically, the demand for LPG increased marginally. Refinery operations were accordingly tuned, and operations of Indmax/FCCU units were optimised for LPG maximisation despite the reduction of crude throughput. However, due to the grounding of the aviation industry, ATF production had to be reduced substantially, and ATF streams were diverted to the HSD pool. Also, due to lower petroleum demand in the country, exports were planned. They were executed based on the supply-demand situation, which was reviewed continuously.

3.5 Beyond Business: Protecting Lives

The Company took up in-house production of hand-sanitisers wherever possible. It supplied these hand sanitisers to the district administration and law enforcement personnel. The Company augmented the existing medical infrastructure and ensured the availability of medical-grade oxygen under the CSR programme by providing 400 MTs of medical-grade liquid oxygen to various hospitals in Delhi, Haryana and Punjab from its Panipat Refinery and Petrochemical Complex. It also provided 70 ventilators, 50 monitors, and 200 syringe pumps for establishing a 100 bed ICU for treatment of Covid-19 patients in the Bargarh District of Odisha. The Company is also supporting the setting up of 12 Medical grade 960 LPM oxygen generation systems at 11 Hospitals of three states viz. Madhya Pradesh, Odisha and Uttar Pradesh under its CSR programme. The Company continuous nearly 15 MT per day of piped gaseous oxygen from its Panipat Refinery to a Covid care centre in the vicinity.

Under the Covid-19 vaccination programme, the Company is supplementing the available cold chain equipment (CCE) infrastructure of Jammu & Kashmir, Tamil Nadu, Bihar and Manipur for the storage & transportation of vaccine.

4. STRATEGIC ADVANTAGES – CAREFULLY BUILT

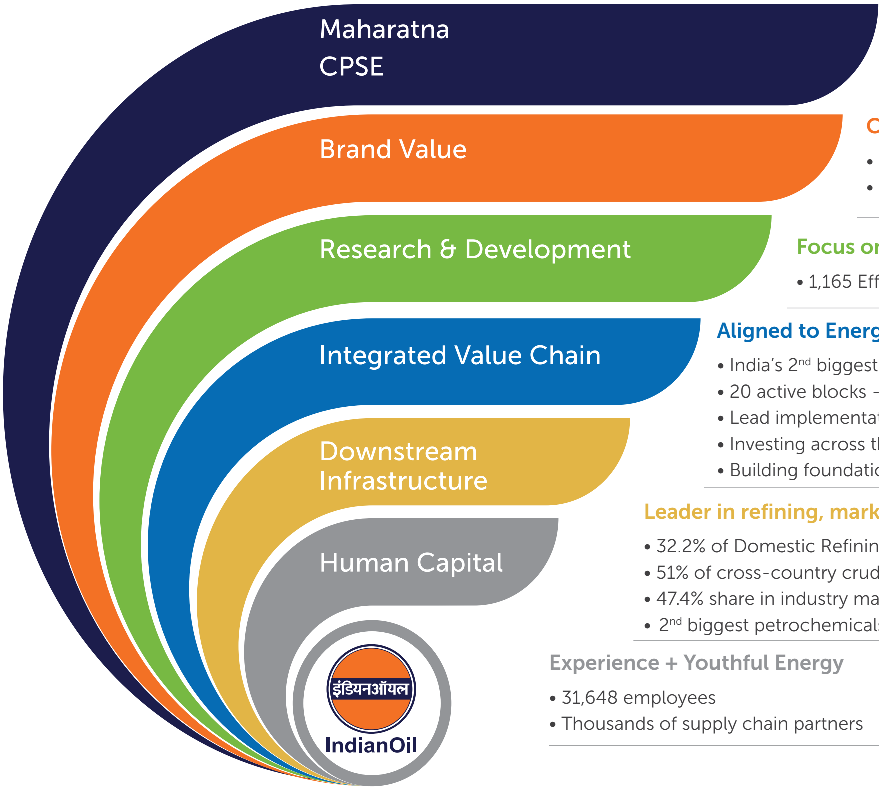
The Company's nationwide presence as the leading player in petroleum product markets across the downstream value chain is its key advantage. It positions itself for a future where India will be leading the global oil demand growth. The Company draws its strength from its carefully planned infrastructure build-up over the past 60 years, its thrust on operational excellence, its motivated workforce of more than 31,000 employees, along with lakhs of channel partners and contract workers working on its projects and ensuring the last mile delivery with a smile. Another source of constant strength and competitive advantage for the Company has been its Research & Development centre, which works hand-in-hand with its business verticals for creating research-backed products. The brand IndianOil embodies these meticulously built strengths and the trust reposed in it by the customers and partners. The brand equity of the Company is a reflection of the symbiotic relation the Company shares with all its stakeholders.

These strategic advantages form the basis of the Company's competitive strength as it forges ahead, aligning its growth path with the imperatives of the energy transition. The Company is already a significant player in the country's growing petrochemicals and natural gas markets. In addition, the Company has an increasing portfolio of on-grid and off-grid renewable energy assets.

Its R&D centre is working on scores of new technologies in the promising areas of hydrogen, electric batteries, advanced biofuels and carbon capture, utilisation and storage (CCUS). The Company has been on its digitalisation journey for a while now. Its quest for efficient operations is getting further strengthened by the ongoing digital revolution – led by frontier technologies like big data, internet of things, analytics, artificial intelligence, AR/VR etc.

> “The Company draws it strength from its carefully planned infrastructure built-up over the past 60 years”

IndianOil: The Energy of India



Flagship Company
- Fortune 500 rank 151 in 2020

Customer Connect
- 'Company of choice'
- Superbrand: SERVO and Indane are over 50 years old

Focus on Innovation
- 1,165 Effective patents
- Commercialised technologies

Aligned to Energy transition Imperatives
- India's 2^{nd} biggest R-LNG player
- 20 active blocks - 9 domestic & 11 overseas
- Lead implementation agency for SATAT
- Investing across the EV value chain
- Building foundations for a Hydrogen economy

Leader in refining, marketing & pipeline infrastructure in the country
- 32.2% of Domestic Refining capacity (including CPCL)
- 51% of cross-country crude & product pipeline network
- 47.4% share in industry marketing infrastructure
- 2^{nd} biggest petrochemicals player in the country

Experience + Youthful Energy
- 31,648 employees
- Thousands of supply chain partners

5. NEW FRONTIERS

5.1 Meeting the Growing Energy Needs of a Growing Economy

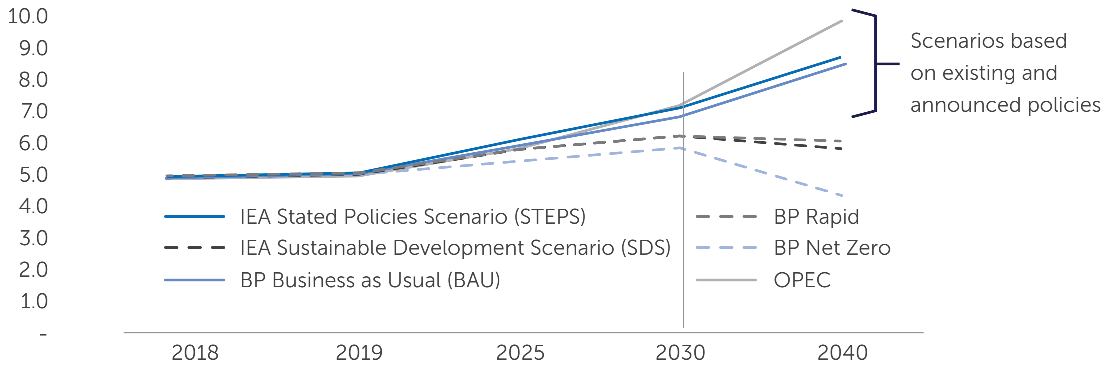
A vibrant economy, a growing population and a dream of an 'Aatmanirbhar Bharat' form the crux of the Company's opportunities matrix.

There is a consensus that oil demand in India will keep growing in this decade, across scenarios and beyond that too in most other scenarios. So over the long term, India is seen as the main propellor of global oil demand.

As India urbanises, its per capita income rises, the living standards of its citizens go up, and its villages thrive, its energy requirements are bound to grow.

> "A vibrant economy, a growing population and a dream of an 'Aatmanirbhar Bharat' form the crux of the Company's opportunities matrix"

Long Term Oil Demand Outlook for India (mb/d)



Source: IEA 2020, BP 2020, OPEC 2020

Per capita polymer consumption-
India: 11kg
World: 35.7kg

Per capita vehicle ownership (per 1000 people)
India: 22
US: 800

133rd
India's rank in terms of airport density
108th
India's rank in terms of departures per 1000 population

The Company is currently implementing three major brownfield expansion projects at its Barauni, Gujarat and Panipat refineries, which will enhance its crude-processing capacity by over 17 MMTPA. In addition to these, a 9 MMPTA new refinery is planned in a joint venture with the Company's subsidiary Chennai Petroleum Corporation Ltd. (CPCL) in Tamil Nadu, taking the total capacity augmentation to over 25 MMTPA.

> **Over 25 MMTPA of capacity expansion in IndianOil group refineries**

Mega pipeline projects are underway to increase the network capacity and connectivity and raise the share of pipelines, which are the most efficient and economical means, in the Company's modal mix.

An area of particular focus is the cross-country LPG pipelines. Currently, the Company is operating the Paradip-Haldia-Durgapur LPG Pipeline and the Panipat-Jalandhar LPG Pipeline. Further, the Company is executing the augmentation of the Paradip-Haldia-Durgapur LPG Pipeline and its extension up to Patna and Muzaffarpur, the Muzaffarpur-Motihari LPG Pipeline and the Ennore-Trichy-Madurai LPG Pipeline. Along with BPCL and HPCL, the Company is executing the Kandla-Gorakhpur LPG Pipeline in JV mode with 50% stake. By 2026, with ongoing augmentations, the share of pipelines in LPG transportation modal mix of the Company is set to rise from 36% at present to 57%.

A view of IndianOil Mathura Refinery

5.2 Customer Centric Offerings - New Age Marketing

Expansion of marketing infrastructure, concomitant with the growth opportunities, is underway. The Company is excited about the future of downstream oil in India. With India being a leading global demand centre, many private and international players will enter the Indian market. This has set the stage for building a world-class downstream sector in India and particularly in the retail space. The Company welcomes the new era of fuel retailing in India. It works towards being the leading face of futuristic retail in India.

Futuristic Retail

IndianOil's Digital Interventions in the Retail Space

Fuel@Call, a cloud-based technology platform for on-demand fuel delivery service

5.2.1 Customer-centric initiatives for Indane

The Company's Indane brand, which connects to millions of Indian kitchens, is the epitome of our bond with the people of this country. The Company has been tirelessly working in this pursuit. It has brought about a slew of schemes such as **Missed-Call Facility, Cashless Transactions, Tatkal Seva, 'asking Alexa' to book refill and booking new connections through IVRS**, among others.

5.2.2 Retail Visual Identity (RVI)

The Company has started re-branding its retail outlets with the new and improved RVI design, which is now being rolled out in a phased manner at all new outlets and select strategic retail outlets.

5.2.3 Integrated Transaction Processing System – (ITPS)

The Company has already deployed ITPS at select fuel stations and plans are in place for further deployment at all urban outlets. These several features are a comprehensive first in the industry in India and possibly a global pioneer too. ITPS deployment will facilitate customer-centric initiatives at ROs with the objective of automation-payment linkage, integration with third party/ partner solution, customer acquisition and payment solutions.

The Company is continuously leveraging upon the power of digitalisation for enhancing customer experience through better services and better products.

5.2.4 Door-to-door delivery

With the amendment in Government regulations, the market for the Door-to-door delivery of petroleum products has opened up in India. After the successful pilot launched in March 2018, the Company has been aggressively taking forward the initiative of Door-to-door delivery of HSD through mobile dispensers.

5.3 Brands of the Future

There are a host of new offerings and value additions in the wings, awaiting implementation. In addition, the Company is taking the product experience to a new level by offering more technology-advanced products to the customers, which is expected to drive business growth in the future.

5.3.1 XP100

Super-premium petrol with an octane rating of 100 in the country was launched for the first time during the year. The Mathura Refinery became the first Indian refinery to dispatch XP100. At present, it has been launched in 24 cities.

5.3.2 XP95

Premium Petrol with 95 octane was launched on May 1, 2021. This high-octane fuel has been launched for modern vehicles designed to meet stringent BS-VI emission and efficiency norms through the latest engine technologies. Besides offering more power with lesser emissions, XP95 is very competitively priced and is expected to help gain market share.

5.3.3 Indane XtraTej

The Company has commenced the marketing of additised LPG under the brand name Indane XtraTej for non-domestic and industrial customers in 19 kg, 47.5 kg and 425 kg cylinder capacity from September 2020, which provides customers savings in LPG consumption of upto 7.5% and saves cooking time too.

5.3.4 Chhotu

Post branding of 5 kg FTL (Free trade LPG) as Indane Chhotu in December 2020, it has become increasingly popular. The cylinder is being marketed to cater to the needs of customers such as migrant labourers, students, food hawkers who were dependent on the grey market due to lack of address proof.

5.4 Downstream Integration into Petrochemicals

Petrochemicals present a high-value proposition for the Company's future growth. Merits of investing in this space include immense growth potential, high margins, synergy with the core business, and a hedge to the long-term slowdown in oil demand as forces of energy transition gather pace.

India trails the global per capita polymer consumption. At 11 kg, Indian per capita polymer consumption is one-third of the world average of 35.7 kg. Further, India is currently highly dependent on imports of petrochemicals and at the current rate of planned investment. It is expected to remain so in the long term. The fundamental attractiveness of petrochemicals arises from the fact that margins in the petrochemicals business have traditionally exceeded those of refining activities. Therefore, integration into petrochemicals is a logical extension for the refinery business that is perennially mired with low margins. Also, the importance of this extension for long-term business growth becomes even more relevant in the context of the ongoing energy transition. While a slowdown is expected in the demand growth for transportation fuels, petrochemicals are set to drive long term oil demand in India and globally, thereby making them a natural ally to the refinery business. The Company is clear in its future expansion strategy - petrochemicals integration being the way forward for all refinery expansions.

The Company, the second biggest player in the domestic market, is committed to investing further in this sector by increasing its petrochemical intensity - the percentage of crude oil converted into chemicals. As a long-term strategy, the Company has plans to further enhance its petrochemical integration ratio to 14-15% by the year 2030. It is targeting a revenue share from the petrochemicals business of 12% by the end of this decade by raising its capacity from 3.2 MMTPA at present to 13 MMTPA. Projects of 3.1 MMTPA capacity with a capital outlay of around ₹ 35,000 Crore are already under implementation. Other projects have been identified and studied, with strategic focus on integrating petrochemicals with refinery expansions and inorganic growth through mergers and acquisitions and entry into niche and speciality segments. Further to enhance the value proposition, value addition in our existing products and maximisation of petrochemicals intensity from the existing refining operations will be our continuous pursuit.

> “Petrochemicals capacity to be increased from the present 3.2 MMTPA to 13 MMTPA by the end of this decade”

5.5 Gas – Building a Gas based Economy

India is in the midst of a silent revolution as networks of gas pipelines originating from ports and gas fields get laid across thousands of kilometres, as sprawling city gas distribution grids feed gas into a growing network of CNG stations and homes, industries and commercial kitchens. India is assiduously building its natural gas infrastructure as natural gas is expected to be the bridge to the decarbonisation of the Indian economy.

Bolstered by a conducive policy environment that is committed to taking up game-changing reforms, in pursuit of an ambitious yet highly motivated target of doubling the share of gas in India's energy mix, the Company is undertaking big ticket investments in the natural gas value chain. The unleashing of CGD GA allocations after years of gridlock through the massive 9th and 10th CGD rounds and, more recently, the proposal of setting up of transport system operators are prime examples of the bold policy changes taking place in this space.

The Company targets raising its share in the RLNG market from 19% at present to 40% by the end of this decade. To meet this target, the Company envisages doubling its capacity booking of Regasification Terminals from over 9 MMTPA at present to over 18 MMTPA by the year

2030. By booking capacities in upcoming LNG terminals likely to be operational by 2022, viz. Dhamra (3 MMTPA) and Jafrabad (1 MMTPA), the Company's regasification capacity, will increase to over 13 MMTPA.

> "The Company targets raising its share in the RLNG market from 19% at present to 40% by the end of this decade"

The Company is investing heavily in building the national gas pipeline grid and sees its share rising from 6% at present to 21% by the end of this decade in the natural gas pipeline length. With the future CGD rounds, the Company plans to raise its presence from 40 GAs to 50 GAs by 2025 & 60 GAs by 2030 by bidding aggressively.

Beyond these established businesses, the Company is steadily scaling up small scale LNG in the country through its pioneering 'LNG at Doorstep' offering. It is partnering in laying the foundations of LNG as a fuel in the country by building LNG stations across the golden quadrilateral and the North-South National Highways of India, increasing the outreach of LNG as automotive fuel in heavy-duty vehicles, mining sector, bunkering and railways.

The Company also is in collaboration with automobile manufacturers for the development of LNG fueled vehicles since 2015. With the support of the Company, TATA Motors has developed three LNG Vehicles (BS-IV model) and initiated the development of BS-VI model LNG Trucks. The Company has also provided support to Volvo-Eicher Commercial Vehicles, Pithampur, to introduce the LNG LCV model.

Additionally, the Company is collaborating with regulatory bodies such as Ministry of Road Transport & Highways, Automotive Research Association of India and Petroleum Explosives Safety Organisation to create an enabling framework to promote LNG in transport vehicles.

5.6 Upstream Integration – Value Creation

Oil has not lost its lustre, especially for India. The upstream integration continues to make strategic sense for the Company, which has a downstream heavy portfolio. It is estimated that to replace global oil consumption and offset natural field declines, the global oil and gas industry needs to invest over $500 billion annually. On the other hand, the investment cuts of 2020 reflect the phase of chronic underinvestment that the upstream sector may be entering into. The rising oil prices and indications of the upcoming commodity supercycle, wherein prices are expected to rise steadily, make upstream investment a value creating opportunity proposition for the Company.

> "Upstream integration continues to make strategic sense for the Company, which has a downstream heavy portfolio"

The Company envisages enhancing its footprints globally in the upstream business. It plans to achieve the production of 6.26 MMTPA by 2023-24 and 9.68 MMTPA by 2029-30. The Company's strategy focuses on the acquisition of producing or near-term producing assets worldwide with sizeable liquid hydrocarbon reserves, low production costs and the possibility to bring equity oil to India.

5.7 The Energy Transition - Going Green

New vistas of exciting opportunities have been opened up by the global quest for green energy. Although still sharing a small share in the overall energy basket, the high growth, surging investment flows, falling costs, the ever-growing market and policy support along with greater global climate resolve make these a compelling choice for the Company.

The Company's approach for a climate compliant future is thus two-pronged. One, it is strengthen its core business by offering value-added petroleum products and meeting the national developmental agenda; two, it is exploring business opportunities in the low carbon domain. The Company is diversifying its product portfolio to offer a basket of clean and green energy solutions that contribute towards a more robust and energy secure India. Focus is also towards improving operational efficiencies through technology up-gradation and digitalisation.

> "The Company is working on the vision of being *The Energy of India* with focus on Renewables, Advanced biofuels, Hydrogen, CCUS, and battery technology"

The Company has been an early investor in the solar and wind energy space in the country and has renewable energy installations at many locations. The Company's R&D has set up a Solar Cooker Laboratory to develop a low-cost indoor solar cooking solution. R&D is also developing Concentrated Solar Power (CSP) Technologies to use solar energy to make electricity and use it to produce hydrogen.

5.7.1 Biofuels – The Green Fuel

Biofuels have low carbon footprint, are an indigenous resource, and can be integrated with refinery production. Hence, in view of the climate change challange, biofuels present themselves as a natural ally to liquid transportation fuels. Many oil and gas majors are investing in the biofuels business - biodiesel, ethanol, biogas, bio LNG, and integrating biofuels into refineries. The Company, in collaboration with the US-based LanzaTech, is setting up the world's first refinery off gas-to-bioethanol production facility at Panipat.

Ethanol-blending in gasoline has been rising steadily. At industry level, it stands at over 7% at present and as per recent government directives it is to be scaled up to 20% in the near future. In addition to this, under the Sustainable Alternative Towards Affordable Transportation (SATAT) initiative, the country is targeting a production of 15 MMT (Million Tonnes) of compressed biogas (CBG) by 2023 from 5000 plants. As the lead implementation agency of SATAT, the Company is committed to meeting this target. It has started retailing CBG under the brand name 'IndiGreen'. Other boons of CBG include impetus to rural prosperity besides setting up a robust biomass supply chain that will prevent surplus agricultural residue from being burnt in the fields. The overall lifecycle greenhouse gas savings of biomethane compared to natural gas are typically 80 to 85%. This underscores the importance of CBG production and marketing as a vital step towards carbon neutrality.

The National Biofuel Policy, 2018 provides a thrust to the development of 2G ethanol, used cooking oil (UCO) for biodiesel production and the development of new feedstocks for biofuels. The Company is setting up three 2-G ethanol plants, of which one is under implementation. The Company's R&D has developed an in-house 2-G ethanol technology, a demo plant for the same is under construction and has plans of scaling it up commercially. The technology has a novel 2G Enzyme to replace the imported options to enable the production of 2G-Ethanol from lignocellulosic biomass.

The Company has initiated sourcing UCO-based biodiesel along with non-UCO based biodiesel. The Company plans to set up 1G-Ethanol bio-refineries in Chhattisgarh and Odisha to convert surplus rice stocks available with the Food Corporation of India (FCI) to 1G Ethanol for blending with petrol.

5.7.2 Hydrogen – The fuel of the future

IndianOil is one of the first companies to recognise the potential of hydrogen as the ultimate green fuel and started its research in this area a decade-and-a-half-ago. Hydrogen has its advantages because it is a molecule and not an electron, thus becoming a more appropriate choice than other e-mobility options. India can be the driving force in green hydrogen production because of the variety of available resources, be it solar energy, wind energy or biomass.

At present, most of the hydrogen production globally is for feedstock for chemical and petrochemical industries. The Company's refineries already have Hydrogen Generation Units, which underscores the inherent synergies with a hydrogen economy. The Company's R&D Centre is pursuing research in this area with a vision to indigenously develop and commercialise the fuel cell stack/system and hydrogen production solutions targeting heavy-duty mobility applications. The Company has undertaken extensive research in fuel cells and plans operating 15 fuel cell-based buses in the Delhi-NCR region. It is also assessing multiple hydrogen production pathways. Besides fuel cells, another focus area is HCNG, or hydrogen-purged CNG, which reduces tailpipe emissions and has fuel economy benefits. The Company recently launched the trial of 50 HCNG-fuelled buses in Delhi. Further, in collaboration with IIT Kharagpur, the Company is also developing and indigenising the Type-3 High-pressure hydrogen cylinder technology, which will increase the energy storage density over existing cylinders.

5.7.3 Electric Vehicles & Batteries – Focus on e-mobility value chain

Falling battery costs, rising energy densities, fast-paced development of charging infrastructure coupled with a new EV model launches by automobile majors in the backdrop of supportive measures across the globe have unleashed high growth prospects in the EV space. In its quest to embrace emerging energy alternatives and firm up viable, customer-convenient EV technology options, the Company is exploring business opportunities across the e-mobility value chain.

The Company is working on new battery technologies such as metal-air pathway that can address many challenges for EVs typical in the Indian context and is trying to forge alliances wherever possible. The Company is working aggressively on aluminium air batteries along with an Israeli startup, Phinergy. These batteries can be charged mechanically, for which demonstration projects are in the pipeline.

The Company has tied up with power suppliers, cab aggregators and auto companies to install EV charging stations & battery-swapping stations at retail outlets and have set up charging facilities at 286 fuel stations (EVCS- 257 & Battery Swapping-29) as of 01.04.2021. The Company plans to have 3000 EV-charging stations by the end of this decade.

5.7.4 Carbon capture, utilisation and storage – A crucial milestone in the road to decarbonisation

The Company sees carbon capture, utilisation, and storage (CCUS) as crucial in its transition strategy. The landmark special report by the United Nations' Intergovernmental Panel on Climate Changes (IPCC) which talked of global warming of 1.5 Degrees Celsius, and geared the world towards Net Zero by 2050, singled out carbon capture and storage (CCS) for its ability to "play a major role in decarbonising the industry sector in the context of 1.5C & 2.0C pathways." Carbon capture, utilisation and storage (CCUS) is an area that can bring in sizeable emission reduction from heavy energy-intensive industries like refineries. The Company is already into R&D in CCUS. It seeks collaboration on a global scale in pursuit of the commitment of the global community to the Paris goals.

5.7.5 Plastic neutrality – Eco-friendly initiative

As a leading petrochemical player in the country, the Company recognises its responsibility towards addressing plastic pollution. As a long-term strategy, it aspires to work towards plastic neutrality and is taking various steps to achieve it. The Digboi Refinery successfully demonstrated IndianOil's vision of becoming a 'Plastic Neutral Company' by processing waste plastic in the DCU using the novel INDEcoP2F (IndianOil Eco-friendly plastic to fuel conversion) technology developed by the R&D Centre of the Company. The pilot project was commissioned in August 2020, and two trials have since been conducted. The Company signed an MoU on in November 2020 with NextChem, a subsidiary of Maire Tecnimont of Italy, dedicated to green chemistry and technologies for energy transition, to develop industrial projects using NextChem technologies for fostering the institutionalisation of a circular economy in India.

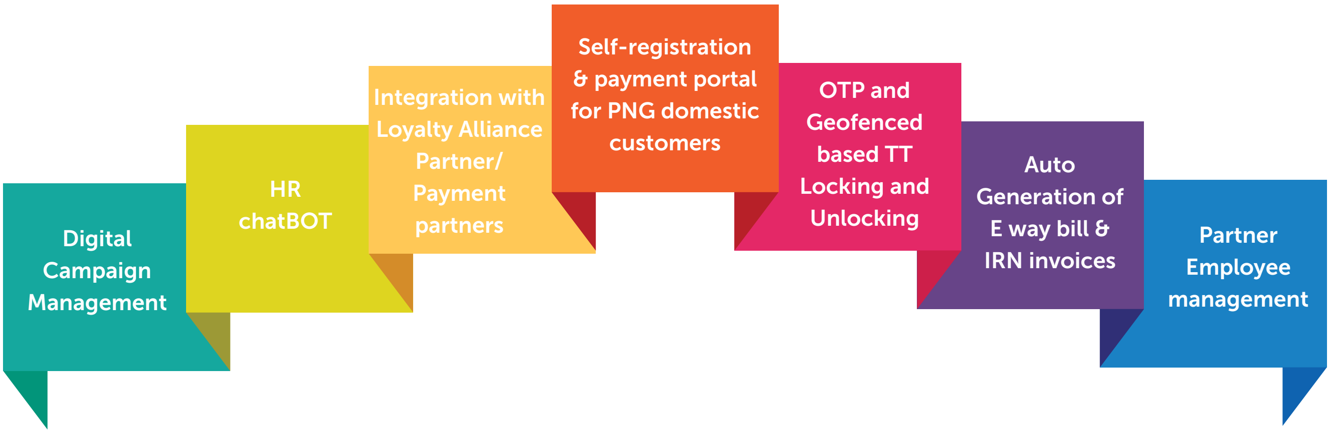
5.8 New Frontier - Cryogenics

Cryogenics go hand in hand with applications of LNG as a transport fuel and in the small scale LNG model. India's ambition to double the share of natural gas in its energy mix, therefore offers huge potential for growth of cryogenics demand. Cryogenics are also expected to play a crucial role in supporting varied applications of hydrogen since liquefaction of hydrogen for storage requires sub-zero temperatures. The energy transition is, therefore, expected to spur growth in demand for cryogenic vessels and cylinders. Cryogenics is definitely amongst the sunrise industries of the ongoing energy transition. The Company has a small but significant cryogenics portfolio, which it plans to nurture to seize the growth opportunities in the area. The Cryogenics Business Group of the Company played a crucial role during the recent second wave of the pandemic by manufacturing tankers for liquid oxygen to cater to the nationwide oxygen demand.

5.9 Digitalisation - Driving Efficiency

Strong IT infrastructure is the backbone of any organisation. And going forward, digitalisation is set to be a significant value driver. The pandemic has highlighted the utility and reliability of digital working as a substantial proportion of the workforce switched to the work-from-home mode in the face of the rising infections. Besides, at the technological frontiers, advances in AR/VR, IoT, AI, drones, increasingly present opportunities for high-value applications for the Company. Digitising operations can boost refinery yields and throughputs. In transportation, digitisation can streamline the movement of crude and products to and from refineries by determining the timing and optimising the mode of transport (from pipeline to a truck, rail, or ship). Refineries of the Future will be digitally connected facilities with improved process optimisation, reliable operations, minimised energy consumption and emissions, eliminating waste products and better water management. Further, in the marketing space, digital solutions have the potential to unleash an altogether new form of customer experience. The Company has been actively pursuing new-age digital initiatives of varied kind.

Digitalisation Initiatives



5.10 Research & Development – Supporting 'Aatmanirbhar Bharat'

The Company's world-class R&D Centre, which is celebrating its golden jubilee year, has been working to firm up the foundations of 'Aatmanirbhar Bharat' in the field of energy. Apart from carrying out path-breaking research in core petroleum activities like lubricants, refining, petrochemicals and pipelines, the Company's R&D hub is pursuing pioneering work in alternate energy segments like bioenergy, solar energy, hydrogen, energy storage, battery technologies etc.

The Company today has a bouquet of commercialised refining technologies, a true epitome of 'Make in India' initiative. The R&D Centre's sustained effort in the field of lubricants has helped to achieve self-sufficiency to meet domestic requirements. Company's SERVO lubricant brand is approved by major global OEMs.

The Company is working to develop, deploy, and harness different alternative energy sources like biofuels, hydrogen/ HCNG, solar energy, green diesel, carbon capture, and utilisation, etc. Extensive research in alternate energy has resulted in developing technologies to produce bio-diesel and 2G ethanol to support the Government initiative of reducing crude imports.

5.11 Start-ups - Building synergies

Globally, the startup ecosystem has become a powerhouse of innovation. In the energy sector, startups play a crucial role in advancing climate and consumer-friendly technologies and business models. This is in contrast to a scenario where the energy sector was solely a domain of big Companies. Today, there are synergies to be built between the experience of big players and the vitality of startups.

After two successful rounds, the Company launched the third round of the IndianOil Start-up Scheme in March 2021 to continue supporting promising startups and nurture an ecosystem conducive for innovations in the domestic hydrocarbon sector.

Supporting and collaborating with startups has particular relevance in the context of a Post Covid-19 world. The Company aims to take up several strategic investments with startups to encourage 'Make in India' & 'Aatmanirbhar Bharat'. So far, a total of 24 projects have been on-boarded spanning two rounds (Round 1 – 11 projects & Round 2 – 13 projects), with a committed fund value of ₹ 43.34 Crore. The startups supported by the Company have won several accolades and awards, and many of them are being commercialised. These commercialised projects are not restricted to the oil and gas domain since many of these initiatives are for social and environmental benefits.

5.12 Charting growth - Strategic Partnerships

The Company has invested in several joint venture companies and subsidiaries to expand its energy business and related supply chain businesses. The Company has investments in several overseas E&P assets like downstream subsidiaries in Sri Lanka, the UAE & Mauritius. Now it has its representative offices in Nepal, Bangladesh, Myanmar and Singapore to explore business opportunities.

The Company, through its JVs and subsidiaries, has a presence in city gas distribution, lubricating oils, grease, hydraulic fluid and specialities, additives for fuels, terminal services and EPC activities, import terminal and regasification of LNG facilities, styrene, butadiene rubber production, construction and operation of aviation fuel farm for aircraft fuelling, natural gas and LPG pipelines, manufacturing and marketing of bitumen derivatives, fertiliser business, manufacturing and marketing of FCC catalyst & additives, build and operate power generation plant through its JVs and subsidiaries.

6. RISK MANAGEMENT - EQUIPPED FOR THE FUTURE

The Company recognises that risks are integral to business and is committed to managing risks in a proactive and effective manner. In addition to risks defined by the nature of its business, the risks of the Company are also intersected by broader global, national and societal risks over the short to long-term horizon. The dynamic risk landscape of the current times presents a unique challenge to the Company which, is committed to managing with resilience.

The risks identified for the Company inter-alia include:

- Economic Risks arising from international crude oil and products market fluctuations;

- Competition Risks arising from competitors within the existing businesses and new businesses such as alternative energy sources, electric mobility
- Operational Risks such as pipeline pilferages, labour unrest, unplanned shutdown of refineries;
- Financial Risks such as foreign exchange rate fluctuations, exposure to borrowings, non-recovery/ delays in recovery of outstanding dues;
- Security and Fraud Risks, including cyber-security, data leakage and physical security risks;
- Reputational Risks such as brand value risk;
- Compliance Risks such as tax disputes and litigation; and
- Change in Government policies, etc., impacting profitability and ability to do business.

At the core of effective Risk Management is the ability to understand and manage the tail events. While the Company's resilience in maintaining business continuity in the face of the Covid-19 pandemic has reaffirmed the soundness of its risk management abilities, it continues to be vigilant of the evolving risks in its external and internal business environment and take timely decisions to manage those.

A detailed analysis of risk management is explained in the Integrated Report.

FINANCIAL REVIEW – RESILIENT MARGINS

FINANCIAL REVIEW

The Year 2020-21 saw resumption of economic activities as well as demand for petroleum products in second half after a steep fall in first half due to Covid-19 pandemic. The demand for various transportation and domestic fuels edged to the pre-pandemic levels with the exception of aviation fuel. The crude and product prices in the international market also recovered but the margins remained subdued. The Singapore benchmark GRM got reduced by 83% during the year from $3.21/bbl in previous year to $0.54/bbl in current year. However, there was a healthy demand as well as margins on petrochemical products in the Financial Year

The Standalone financial performance of the Company and the various segments is summarised below:

₹ in Crore

Particulars	2020-21	2019-20	Variation
Revenue from Operations	**5,14,890**	566,354	(51,464)
EBITDA	**42,614**	22,356	20,258
Profit before Exceptional Items & tax	**29,716**	7611	22,105
PBT	**29,716**	(3694)	33,410
Net Profit	**21,836**	1313	20,523
Cash Profit	**31,640**	10,079	21,561
Borrowings	**1,02,327**	1,16,545	(14,218)
Revenue from Operations (Segment Wise)			
Petroleum	**4,84,610**	5,37,443	(52,833)
Petrochemicals	**19,150**	15,703	3,447
Other Businesses*	**11,130**	13,208	(2,078)
EBIT (Segment Wise)			
Petroleum	**23,854**	10,483	13,371
Petrochemicals	**5,218**	2,008	3,210
Other Businesses*	**(123)**	891	(1,014)
Other un-allocable (expenditure)/income-net	**3,861**	208	3,653

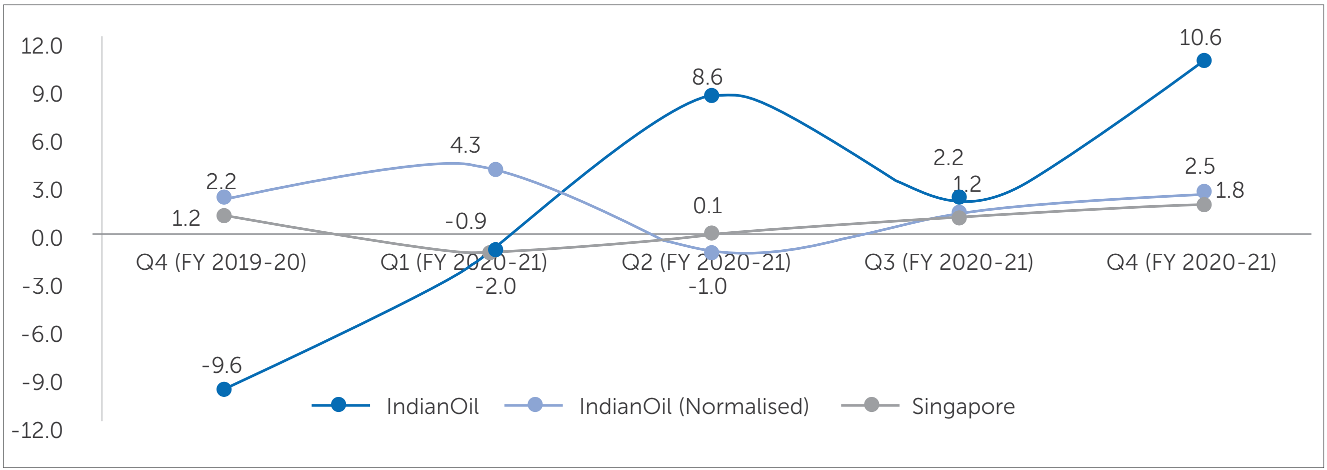
*Other Business comprises Sale of Natural Gas, Explosives, Cryogenics, Wind & Solar Power and Oil & Gas E&P activities.

Standalone Financial Performance

The Revenue from Operations fell by about 9% during the year (from ₹ 5,66,354 Crore during 2019-20 to ₹ 5,14,890 Crore during 2020-21). This was mainly on account of a decrease in sales volume in the first half of the year due to the nationwide lockdown. Average crude prices of the Indian Basket for 2020-21 registered a decline of 26%, from $60.47/bbl in the previous year to $44.84/bbl in the current year. The petroleum segment revenue declined by 10%, mainly due to sales volume lost due to the lockdown. On the other hand, the revenue in the petrochemical segment increased by 22% due to the increase in petrochemical product prices and higher availability of the PX-PTA plant during the current year.

The Company's EBITDA, Operating Profit and Net Profit margin for the current year are at 11.08%, 7.34% and 5.68%, respectively, compared to 4.57%, 2.05% and 0.27% the previous year. The increase in EBITDA, operating profit and net profit is mainly on account of the inventory gains, better petrochemical margins, exchange gains and reduced finance cost in the current year. Riding on these factors, the Company's return on average capital employed and return on net worth improved from 7.72% in the previous year to 18.21% in the current year and from 1.46% during the last year to 23.24% in the current year respectively. The EBITDA margin for the petroleum segment is about 9%, and the petrochemical segment is 32% in financial year 2020-21 compared to 4% and 18% in the previous year, respectively.

At the beginning of the year, crude prices were about $20/bbl, which touched a low of $14/bbl in April 2020 and went up to $68/bbl in March 2021 and closed at $63/bbl. The average HSD crack spread decreased from about $11/bbl in the previous year to $3/bbl during the current year with high volatility. They even went negative during the first half of May 2020. Similarly, MS crack spread, which was about $6/bbl in the previous year, decreased to $3/bbl during the current year and even reported negative figures during the month of April 2020. The quarter-wise movement in refining margins is shown in the chest below:



As can be seen, the benchmark Singapore for Refining Margin fell significantly during the year on account of the lower spread between international prices of petroleum products and crude. IndianOil's Current Price refining margin (i.e. normalised) during the year has moved in tandem with international margins, except for in Q1 of 2020-21. The inventory holding by IndianOil is high on account of inland refineries, due to which inventory gain/loss becomes significant during the fluctuating price scenario, and greater volatility is seen in reported margins. Normalised GRM of IndianOil reduced from $2.64/bbl in 2019-20 to $2.31/bbl in 2020-21 compared to the fall in the Singapore GRM from $3.21/bbl to $0.54/bbl.

The ratio of Current Assets to Current Liabilities continues to be more than 1, and the Debt-Equity ratio was at 0.93 at the end of the year against 1.24 at the beginning. This is mainly on account of higher profits and higher CAPEX met through internal generations. The Company has a better interest coverage ratio of 11 times and debt coverage of 5 times, mainly due to increased profits in the current year. The inventory-holding period is about 53 days, and the Company's average collection period is 10 days. The Company has paid an interim dividend of ₹ 9,640 Crore for the financial year 2020-21. The EPS of the company for 2020-21 is ₹ 23.78, and the interim dividend paid during the year translates to ₹ 10.50 per share. In addition final Dividend of ₹ 1.50 per share has been recommended by the Board. Detailed financial indicators and ratios for the last five years are provided in the section 'Performance at a Glance', forming a part of the Annual Report.

Group Financial Performance

The Group's Revenue from Operations was at ₹ 5,20,237 Crore during the year compared to ₹ 5,75,990 Crore in the previous year, and a Net Profit was ₹ 21,638 Crore compared to the loss amounting to ₹ 893 Crore in the previous year. The detailed profit walkthrough from standalone to the Group is provided in Note 46 to the Consolidated Financial Statements.

The details of major subsidiaries and joint ventures are provided in Note 33A and 33B to Consolidated Financial Statements. During the year subsidiaries, Chennai Petroleum Corporation Limited reported a profit of ₹ 257.26 Crore and Total Comprehensive Income of ₹ 251.93 Crore, and Lanka IOC PLC reported a Profit of Sri Lankan ₹ 88.26 Crore and Total Comprehensive Income of Sri Lankan ₹ 87.68 Crore which translated to Profit ₹ 0.96 Crore and Total Comprehensive Income of ₹ (70.70) Crore after adjustments as per Ind AS. Under Joint Ventures, Indian Oiltanking Limited reported a profit of ₹ 112.88 Crore and Total Comprehensive Income of ₹ 112.13 Crore and Indian Oil Petronas Private Limited reported a profit of ₹ 205.81 Crore and Total Comprehensive Income of ₹ 205.63 Crore.

INTERNAL CONTROL SYSTEMS – PROCESS EXCELLENCE

The Company has put in place Internal Control Systems comprising rules, policies, and procedures that provide direction and increase efficiency and strengthen the adherence to policies while ensuring smooth and efficient business processes. The Company has laid down various policies and detailed manuals, which cover almost all the aspects of the business. The internal processes and policies are reviewed from time to time to align them with the changing business requirements. Organisation-level controls, Operational-level controls, anti-fraud controls and general IT controls have been put in place to ensure that business operations are carried out efficiently and effectively, and chances of errors/frauds are minimised. The internal control systems are commensurate with the size and operations of the Company. The Company has an independent Internal Audit Department headed by an Executive Director, who reports to the Chairman. The department has officers from Finance as well as other various technical functions. The audit assignments are carried out as per the Annual Audit Programme approved by the Chairman and the Audit Committee. The Internal Audit carries out extensive audits throughout the year covering every business process. The Statutory Auditors are also required to issue the Independent Auditor's Report on the Internal Financial Controls over Financial Reporting for the Company under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013. The report issued thereupon is attached to the Standalone and Consolidated Financial Statements, respectively. The Audit Committee carries out a detailed review of the Financial Statements and deliberations with the Internal Auditors and Statutory Auditors before the same is recommended to the Board for approval.

HUMAN RESOURCES – COHESIVE WORKFORCE

IndianOil believes in holistic and meaningful employee engagement and the development of its human resources. The Company engages with the employees to tap their highest potential for the growth of the business. The Company assigns great importance to develop its Human Resources with a focus on its core values of Care, Innovation, Passion and Trust in building a cohesive workforce. The Company believes that the challenges surrounding the business environment can be best mitigated by a workforce that is motivated, adaptive to change, innovative and fast in learning. Integrated HR practices through focused recruitment, career path and learning & development have contributed to the future readiness of the workforce. The Company has a structured and robust succession planning framework for the identification and development of talent for the leadership pipeline. IndianOil has not only groomed several visionary leaders who led and transformed the Company over the years but also groomed leaders for both the public and the private sectors.

During the ongoing Covid-19 pandemic, the Company took several initiatives to ensure the safety & well-being of the employees as well as its frontline workers engaged with its business partners.

IR CLIMATE – COLLABORATIVE VALUE

The industrial relations (IR) climate in the Company has traditionally been harmonious. A collaborative IR climate has been maintained in the Company over the years to always be ready for the challenges. This has been reflected by the tireless efforts of the employees of the Company as well as its business partners during the Covid-19 pandemic to ensure the supply of petroleum products across the country even during the lockdowns. The Company constantly shares the changes in the business environment, the consequent changes required in strategy and business models of the Company, the resultant impact on the current business and people, along with future plans with the collectives and takes their views and suggestions into consideration. Regular structured meetings are held between the management and the collectives to discuss and deliberate on issues like productivity, welfare and the need to build a responsive and responsible organisation. The collectives have always steadfastly supported the management in overcoming challenges faced by the Company. As of March 31, 2021, the employee strength of the Company was 31,648, which comprised 17,762 executives and 13,886 non-executives, including 2,775 women employees.

OTHER INFORMATION

The details regarding the Company's CSR programmes, environment protection & conservation initiatives, technology absorption & adoption efforts, forays into renewable energy and foreign exchange conservation, etc., are provided in the Directors' Report and the annexure.

CAUTIONARY STATEMENT

The information and statements in the Management's Discussion & Analysis regarding the objectives, expectations or anticipations may be forward-looking within the meaning of applicable securities, laws and regulations. The actual results may differ materially from the expectations. The various critical factors that could influence the operations of the Company include global and domestic demand & supply conditions affecting the selling price of products, input availability and prices, changes in Government regulations/tax laws, economic developments within the country and factors such as litigation and industrial relations.

Standalone Financial Statements

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K. C.MEHTA & CO.
Chartered Accountants
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Race Course Circle,
Vadodara – 390007

SINGHI & CO.
Chartered Accountants
161, Sarat Bose Road,
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Kolkata - 700026

V. SINGHI & ASSOCIATES
Chartered Accountants
Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Kolkata - 700001

INDEPENDENT AUDITORS' REPORT

To
The Members of Indian Oil Corporation Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Indian Oil Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 in which are incorporated the financial statements for the year ended on that date audited by the Branch Auditor of the Company's one Branch, namely Research & Development (R&D) division situated at Faridabad, Haryana, India.

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 Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

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 Auditors' 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 ("ICAI"), 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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:

Key Audit Matters	Auditors' response to Key Audit Matters
Property, Plant & Equipment and Intangible Assets	
There are areas where management judgement impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation/amortisation rates. These include the decision to capitalise or expense costs; the annual asset life review; the timeliness of the capitalisation of assets and the use of management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the Balance Sheet of the Company and the level of judgement and estimates required, we consider this to be as area of significance.	We assessed the controls in place over the fixed asset cycle, evaluated the appropriateness of capitalisation process, performed tests of details on costs capitalised, the timeliness of the capitalisation of the assets and the de-recognition criteria for assets retired from active use. In performing these procedures, we reviewed the judgements made by management including the nature of underlying costs capitalised; determination of realisable value of the assets retired from active use; the appropriateness of assets lives applied in the calculation of depreciation; the useful

Key Audit Matters	Auditors' response to Key Audit Matters
	lives of assets prescribed in Schedule II to the Act and the useful lives of certain assets as per the technical assessment of the management. We observed that the management has regularly reviewed the aforesaid judgements and there are no material changes.
Capital Work-in-Progress The Company is in the process of executing various projects like expansion of refineries, installation of new plants, depots, LPG bottling plants, terminals, pipelines, etc. Since these projects take a substantial period of time to get ready for intended use and due to their materiality in the context of the Balance Sheet of the Company, this is considered to be an area which had the significant effect on the overall audit strategy and allocation of resources in planning and completing our audit	We performed an understanding and evaluation of the system of internal control over the capital work in progress, with reference to identification and testing of key controls. We assessed the progress of the project and the intention and ability of the management to carry forward and bring the asset to its state of intended use.
Provision for Direct Taxes The Company has uncertain direct tax positions including matters under dispute which involves significant judgment relating to the possible outcome of these disputes in estimation of the provision for income tax. Because of the judgement required, the area is a key audit matter for our audit.	Our audit procedures involved assessment of the management's underlying assumptions in estimating the tax provision (as confirmed by the Company's tax consultants) and the possible outcome of the disputes taking into account the legal precedence, jurisprudence and other rulings in evaluating management's position on these uncertain direct tax positions. We observed that the provision for tax estimated as above including the deferred tax, has not resulted in material deviation from the applicable rate of tax after considering the exemptions, deductions and disallowances as per the provisions of the Income Tax Act, 1961.
Provisions and Contingent Liabilities The Company is involved in various taxes and other disputes for which final outcome cannot be easily predicted and which could potentially result in significant liabilities. The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgement and such judgement relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the standalone financial statements. Because of the judgement required, the materiality of such litigations and the complexity of the assessment process, the area is a key matter for our audit.	Our audit procedures in response to this Key Audit Matter included, among others, • Assessment of the process and relevant controls implemented to identify legal and tax litigations and pending administrative proceedings. • Assessment of assumptions used in the evaluation of potential legal and tax risks performed by the legal and tax department of the Company considering the legal precedence and other rulings in similar cases. • Inquiry with the legal and tax departments regarding the status of the most significant disputes and inspection of the key relevant documentation. • Analysis of opinion received from the experts wherever available. • Review of the adequacy of the disclosures in the notes to the standalone financial statements.

Key Audit Matters	Auditors' response to Key Audit Matters
Investments in Subsidiaries, Joint Ventures and Associates	
Investments in subsidiaries, joint ventures and associates are valued at cost adjusted for impairment losses. In line with "Ind AS 36 Impairment of assets", in case there is an indication of possible impairment, the Company carries out an impairment test by comparing the recoverable amount of the investments determined according to the value in use method and their carrying amount. The valuation process adopted by management is complex and is based on a series of assumptions, such as the forecast cash flows, the appropriate discounting rate and the growth rate. These assumptions are, by nature, influenced by future expectations regarding the evolution of external market. Since judgement of the management is required to determine whether there is indication of possible impairment and considering the subjectivity of the estimates relating to the determination of the cash flows and the key assumptions of the impairment test, the area is considered a key audit matter for our audit.	With reference to this key audit matter, we considered the following: • Book value of the investments in subsidiaries, joint venture and associates as compared to the carrying amount. • Market capitalisation in case of listed entities in which investments have been made. • Some of the entities are still in the construction stage and have not begun commercial operations. Based on the information and explanations obtained as above, we concluded that the Management's judgement regarding indication of impairment in certain investments during the year is appropriate. Where there is indication of impairment, we examined the approach taken by management to determine the value of the investments, analysed the methods and assumptions applied by management to carry out the impairment test and the reports obtained from the experts in valuation. The following audit procedures were adopted: • Identification and understanding of the significant controls implemented by the Company over the impairment testing process; analysis of the reasonableness of the principal assumptions made to estimate their cash flows, and obtaining other information from management that we deemed to be significant; • Analysis of actual data of the year and previous years in comparison with the original plan, in order to assess the nature of variances and the reliability of the planning process; • Assessment of the reasonableness of the discount rate and growth rate; • Verification of the mathematical accuracy of the model used to determine the value in use of the investments. We also examined the adequacy of the information provided by the Company about the impairment test and its consistency with the requirements of Ind AS 36.

Information Other than the Standalone Financial Statements and Auditors' 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 Financial Performance highlights, Board's Report including Annexure to Board's Report, Management Discussions and Analysis, Business Responsibility Report, Report on Corporate Governance, Shareholders Information and other information in the Integrated Annual Report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will 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 and 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 on the other information that we obtained prior to the date of auditors' report, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, which we will obtain after the date of auditors' report and if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

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, total comprehensive income, changes in equity and cash flows of the Company 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 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the 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 standalone 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 Company 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.

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 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.

Other Matters

We did not audit the financial statements of one Branch included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ **1,083.94** Crore as at March 31, 2021 and total revenues of ₹ **39.81** Crore for the year ended on that date, as considered in the standalone financial statements. The financial statements of this Branch have been audited by the Branch Auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this Branch, is based solely on the report of such Branch Auditor.

The standalone financial statements include the Company's proportionate share (relating to Jointly controlled operations of E&P activities) in assets ₹ **649.97** Crore and liabilities ₹ **122.38** Crore as at March 31, 2021 and total revenue of ₹ **101.08** Crore and total net profit of ₹ **15.93** Crore for the year ended on that date and in items of the statement of cash flow and related disclosures contained in the enclosed standalone financial statements. Our observations thereon are based on unaudited statements from the operators to the extent available with the Company in respect of 21 Blocks (out of which 11 Blocks are relinquished) and have been certified by the management.

Our opinion in respect thereof is solely based on the management certified information.

We have also placed reliance on technical/ commercial evaluations by the management in respect of categorisation of wells as exploratory, development and dry well, allocation of cost incurred on them, liability under New Exploration Licensing Policy (NELP) and nominated blocks for under-performance against agreed Minimum Work Programme.

Our opinion is not modified in respect of these matters.

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 Act, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the "Annexure B" on the directions issued by the Comptroller and Auditor General of India.

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 and proper returns adequate for the purpose of our audit have been received from the Branch not visited by us.

    c. The report on the accounts of the Branch office of the Company audited under section 143(8) of the Act, by Branch Auditor has been furnished to us and has been properly dealt with by us in preparing this report.

    d. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account and with the returns received from the Branch not visited by us.

e. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

f. We have been informed that the provisions of Section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government Company in terms of notification no. G.S.R.463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India.

g. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C".

h. We are informed that the provisions of Section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no. G.S.R. 463 (E) dated 5th June, 2015.

i. 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 36B to the standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts - Refer Note 17 to the standalone financial statements.

   iii. There has been no delay in transferring the amount, required to be transferred to the Investor Education and Protection Fund by the Company.

For G. S. MATHUR & CO. Chartered Accountants Firm Regn. No. 008744N	**For K. C.MEHTA & CO.** Chartered Accountants Firm Regn. No. 106237W	**For SINGHI & CO.** Chartered Accountants Firm Regn. No. 302049E	**For V. SINGHI & ASSOCIATES** Chartered Accountants Firm Regn. No. 311017E
Sd/- **(Rajiv Kumar Wadhawan)** Partner M. No. 091007 UDIN: 21091007AAAADN7730 New Delhi	Sd/- **(Vishal P. Doshi)** Partner M. No. 101533 UDIN: 21101533AAAABK9531 Vadodara	Sd/- **(Pradeep Kumar Singhi)** Partner M. No. 050773 UDIN: 21050773AAAAAE7966 Kolkata	Sd/- **(Sunil Singhi)** Partner M. No. 060854 UDIN: 21060854AAAABC9278 Kolkata

Date: May 19, 2021

Annexure A to the Independent Auditors' Report

Annexure referred to in Independent Auditors' Report to the members of Indian Oil Corporation Limited on the standalone financial statements for the year ended March 31, 2021

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) There is a regular programme of physical verification of all fixed assets, other than LPG cylinders and pressure regulators with customers, over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In our opinion and as per the information given by the Management, the discrepancies observed were not material and have been appropriately accounted for in the books.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title/ lease deeds of the immovable properties are held in the name of the Company except in cases given below:

Particulars	Number of cases	Gross Block/ Value (₹ in Crore)	Net Block/ Value (₹ in Crore)
Freehold			
Freehold Land	16	428.37	428.37
Freehold Building	7	5.58	4.64
ROU assets			
Leasehold Land	104	579.72	403.83
Leasehold Building	3	269.11	265.37

(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 during the year and in our opinion, the frequency of verification is reasonable. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, during the year, to any companies, firms, and limited liability partnerships or other parties covered in register maintained under Section 189 of the Act.

In view of the above, reporting under clause 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company is exempted from the provisions of section 186 of the Act as it is engaged in the business of providing infrastructure facilities as provided under Schedule-VI of the Act. The Company has complied with the provisions of Section 185 of the Act.

(v) In our opinion and according to the information and explanations given to us, during the year, the Company has not accepted deposits from the public in terms of the provisions of sections 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules,2014, as amended and other relevant provisions of the Act or under the directives issued by the Reserve Bank of India and no deposits are outstanding at the year end except old cases under dispute aggregating to ₹ 0.01 Crore, where we are informed that the Company has complied with necessary directions.

(vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act, read with Companies (Cost Records& Audit) Rules, 2014, as amended and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income tax, value added tax, goods and service tax, excise duty, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, value added tax, goods and service tax, cess and any other statutory dues were in arrears, as at March 31, 2021, for a period of more than six months from the date they become payable.

(b) The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are annexed in "Appendix A" with this report.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, Government or debenture holders.

(ix) According to the information and explanations given to us, the Company has applied the term loans for the purpose for which those were obtained. During the year the Company has not raised moneys through initial public offer or further public offer (including debt instruments). However, the Company has issued non-convertible debentures for capital expenditure requirements in the domestic market and as per the information and explanations given to us, the funds were applied for the purpose for which those were raised.

(x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no material case of frauds by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The provisions of Section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of Ministry of Corporate Affairs Notification no. G.S.R. 463 (E) dated 5th June, 2015.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and therefore, the reporting under Clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given by the management, all transactions during the year with the related parties were approved by the Audit Committee and are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable Indian accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore provisions of Section 42 of the Act are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions specified under section 192 of the Act with directors or persons connected with directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. S. MATHUR & CO. Chartered Accountants Firm Regn. No. 008744N	**For K. C.MEHTA & CO.** Chartered Accountants Firm Regn. No. 106237W	**For SINGHI & CO.** Chartered Accountants Firm Regn. No. 302049E	**For V. SINGHI & ASSOCIATES** Chartered Accountants Firm Regn. No. 311017E
Sd/- **(Rajiv Kumar Wadhawan)** Partner M. No. 091007 UDIN: 21091007AAAADN7730 New Delhi	Sd/- **(Vishal P. Doshi)** Partner M. No. 101533 UDIN: 21101533AAAABK9531 Vadodara	Sd/- **(Pradeep Kumar Singhi)** Partner M. No. 050773 UDIN: 21050773AAAAAE7966 Kolkata	Sd/- **(Sunil Singhi)** Partner M. No. 060854 UDIN: 21060854AAAABC9278 Kolkata

Date: May 19, 2021

REPORTING AS PER COMPANIES (AUDITOR'S REPORT) ORDER 2016 (DISPUTED STATUTORY DUES)

APPENDIX - A

Sl. No.	Name of the Statute	Nature of Dues	Forum Where Dispute is pending	Gross Amount (₹ Crore)	Amount Paid under Protest (₹ Crore)	Amount (net of deposits) (₹ Crore)	Period to which the Amount relates
1	CENTRAL EXCISE ACT, 1944	CENTRAL EXCISE					
			Supreme Court	52.91	10.00	42.91	1989 to 2004
			High Court	388.22	0.77	387.45	1996 to 2012
			Tribunal	2,126.06	22.87	2,103.19	1980 to 2014
			Revisionary Authority	14.90	0.04	14.86	2005 to 2017
			Appellate Authority (Below Tribunal)	149.67	4.01	145.66	1996 to 2020
			Total	**2,731.76**	**37.69**	**2,694.07**	
2	CUSTOMS ACT, 1962	CUSTOMS DUTY					
			Supreme Court	17.85	4.05	13.80	1998 to 2001
			High Court	1.84	-	1.84	1997 to 1998
			Tribunal	77.50	0.30	77.20	1994 to 2013
			Revisionary Authority	0.13	0.01	0.12	2011
			Appellate Authority (Below Tribunal)	6.88	-	6.88	1998 to 2012
			Total	**104.20**	**4.36**	**99.84**	
3	SALES TAX/ VAT LEGISLATIONS	SALES TAX/ VAT/ TURNOVER TAX					
			Supreme Court	113.01	18.57	94.44	1986 to 2019
			High Court	698.26	41.84	656.42	1978 to 2016
			Tribunal	3,909.13	991.15	2,917.98	1984 to 2016
			Revisionary Authority	307.44	86.43	221.01	1979 to 2019
			Appellate Authority (Below Tribunal)	1,559.61	106.93	1,452.68	1989 to 2018
			Total	**6,587.45**	**1,244.92**	**5,342.53**	
4	INCOME TAX ACT, 1961	INCOME TAX					
			High Court	0.88	-	0.88	2001 to 2006
			Tribunal	783.52	422.30	361.21	2011 to 2014
			Appellate Authority (Below Tribunal)	5,136.09	429.83	4,706.27	2004 to 2018
			Total	**5,920.49**	**852.13**	**5,068.36**	
5	FINANCE ACT, 1994	SERVICE TAX					
			High Court	2.44	-	2.44	2003 to 2008
			Tribunal	305.48	0.68	304.80	2006 to 2016
			Appellate Authority (Below Tribunal)	9.73	0.05	9.68	2012 to 2018
			Total	**317.65**	**0.73**	**316.92**	

APPENDIX - A

Sl. No.	Name of the Statute	Nature of Dues	Forum Where Dispute is pending	Gross Amount (₹ Crore)	Amount Paid under Protest (₹ Crore)	Amount (net of deposits) (₹ Crore)	Period to which the Amount relates
6	STATE LEGISLATIONS	ENTRY TAX					
			Supreme Court	3.08	-	3.08	1991 to 2002
			High Court	5,664.27	102.94	5,561.33	2000 to 2014
			Tribunal	39.45	28.26	11.19	2002 to 2017
			Revisionary Authority	6.16	4.92	1.24	2012 to 2015
			Appellate Authority (Below Tribunal)	2.88	1.69	1.19	1998 to 2017
			Total	**5,715.84**	**137.81**	**5,578.03**	
7	The IGST Act, 2017	GST	Appellate Authority (Below Tribunal)	0.09	0.09	-	2019 to 2020
			Total	**0.09**	**0.09**	**-**	
8	OTHER CENTRAL / STATE LEGISLATIONS	OTHERS COMMERCIAL TAX etc.					
			Supreme Court	11.32	-	11.32	2004 to 2011
			High Court	49.55	-	49.55	2004
			Appellate Authority (Below Tribunal)	43.04	0.38	42.66	2011 to 2021
			Total	**103.91**	**0.38**	**103.53**	
			GRAND TOTAL	**21,481.39**	**2,278.11**	**19,203.28**	

Note: Dues include penalty and interest, wherever applicable.

Annexure B to the Independent Auditors' Report

(Referred to in Paragraph 2 under "Other legal and regulatory requirements "of our report of even date)

Sl. No	Directions	Action Taken	Impact on standalone financial statements
1.	Whether the company has system in the place to process all the accounting transactions through IT system? If, yes the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has a robust ERP system (SAP) to process all the accounting transactions through IT system.	Nil
2.	Whether there is any restructuring of an existing loan or cases of wavier/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, financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	The Company has been regular in discharging its principal and interest obligations on various loans during 2020-21. Therefore, there are no cases of restructuring of any loan or cases of waiver/ write off of debts/ loans/ interest etc. made by any lender due to the company's inability to repay the loan.	Nil
3.	Whether funds received/receivable (grants / subsidy etc.) for specific schemes from central/ state agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.	The Company has properly accounted for/utilised funds (grants / subsidy etc.) received/receivable for specific schemes from central/state agencies, as the case may be, as per its term and conditions	Nil

For G. S. MATHUR & CO.	**For K. C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 008744N	Firm Regn. No. 106237W	Firm Regn. No. 302049E	Firm Regn. No. 311017E
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M. No. 091007	M. No. 101533	M. No. 050773	M. No. 060854
UDIN: 21091007AAAADN7730	UDIN: 21101533AAAABK9531	UDIN: 21050773AAAAAE7966	UDIN: 21060854AAAABC9278
New Delhi	Vadodara	Kolkata	Kolkata

Date: May 19, 2021

Annexure C to the Independent Auditors' Report

Annexure referred to in Independent Auditors' report of even date to the members of Indian Oil Corporation Limited on the standalone financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Indian Oil Corporation Limited ("the Company") as of March 31, 2021 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 with reference to standalone financial statements 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 (ICAI). 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 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, issued by ICAI and prescribed 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 with reference to standalone Financial Statement 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 were 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 auditors' judgement, 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 controls 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 the generally accepted accounting principles. A company's internal financial controls 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 authorisations 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 standalone 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, 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 March 31, 2021 based on the internal financial control with reference to standalone financial statements 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 ICAI.

Other Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements in so far as it relates to one Branch audited by the Branch Auditor, is based on the corresponding report of the Branch Auditor.

For G. S. MATHUR & CO. Chartered Accountants Firm Regn. No. 008744N	**For K. C.MEHTA & CO.** Chartered Accountants Firm Regn. No. 106237W	**For SINGHI & CO.** Chartered Accountants Firm Regn. No. 302049E	**For V. SINGHI & ASSOCIATES** Chartered Accountants Firm Regn. No. 311017E
Sd/- **(Rajiv Kumar Wadhawan)** Partner M. No. 091007 UDIN: 21091007AAAADN7730 New Delhi	Sd/- **(Vishal P. Doshi)** Partner M. No. 101533 UDIN: 21101533AAAABK9531 Vadodara	Sd/- **(Pradeep Kumar Singhi)** Partner M. No. 050773 UDIN: 21050773AAAAAE7966 Kolkata	Sd/- **(Sunil Singhi)** Partner M. No. 060854 UDIN: 21060854AAAABC9278 Kolkata

Date: May 19, 2021

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	March 31, 2021	March 31, 2020
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	2	**1,40,916.14**	1,31,752.76
b) Capital Work-in-Progress	2.1	**31,600.61**	28,134.10
c) Intangible Assets	3	**2,483.80**	1,929.04
d) Intangible Assets Under Development	3.1	**1,451.52**	1,603.65
e) Financial Assets			
i) Investments	4		
Equity investment in Subsidiaries, Joint Ventures and Associates		**19,191.01**	17,578.24
Other Investments		**20,561.11**	13,473.93
ii) Loans	5	**2,556.12**	3,256.75
iii) Other Financial Assets	6	**52.49**	154.04
f) Income Tax Assets (Net)	7	**2,428.85**	4,186.76
g) Other Non-Current Assets	8	**2,827.54**	2,868.43
		2,24,069.19	**2,04,937.70**
Current Assets			
a) Inventories	9	**78,188.01**	63,677.62
b) Financial Assets			
i) Investments	4	**8,867.29**	8,086.39
ii) Trade Receivables	10	**13,397.68**	12,844.09
iii) Cash and Cash Equivalents	11	**313.64**	535.56
iv) Bank Balances other than above	12	**1,354.63**	53.55
v) Loans	5	**970.66**	1,054.79
vi) Other Financial Assets	6	**3,286.02**	15,799.29
c) Current Tax Assets (Net)	7	**-**	66.28
d) Other Current Assets	8	**3,414.06**	3,800.06
		1,09,791.99	**1,05,917.63**
Assets Held for Sale	13	**192.90**	**235.23**
		1,09,984.89	**1,06,152.86**
TOTAL ASSETS		**3,34,054.08**	**3,11,090.56**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	14	**9,181.04**	9,181.04
b) Other Equity	15	**1,01,319.00**	84,587.83
		1,10,500.04	**93,768.87**

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	March 31, 2021	March 31, 2020
LIABILITIES			
Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	**55,407.95**	49,250.64
ii) Other Financial Liabilities	17	**847.49**	789.58
b) Provisions	18	**943.93**	919.05
c) Deferred Tax Liabilities (Net)	19	**12,964.73**	11,413.14
d) Other Non-Current Liabilities	20	**2,576.10**	2,042.48
		72,740.20	**64,414.89**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	21	**41,172.86**	63,486.08
ii) Trade Payables	22		
A. Total outstanding dues of Micro and Small Enterprises		**314.90**	205.00
B. Total outstanding dues of creditors other than Micro and Small Enterprises		**33,559.69**	25,019.30
iii) Other Financial Liabilities	17	**49,298.07**	42,550.71
b) Other Current Liabilities	20	**16,416.91**	12,050.96
c) Provisions	18	**9,253.56**	9,594.75
d) Current Tax Liabilities (Net)	7	**797.85**	-
		1,50,813.84	**1,52,906.80**
TOTAL EQUITY AND LIABILITIES		**3,34,054.08**	**3,11,090.56**
Significant Accounting Policies, Estimates & Judgements	1A & 1B		
Accompanying Notes to Financial Statements	2 - 48		

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(S. M. Vaidya)	**(S. K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN- 06995642	DIN- 07570165	ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.	**For K.C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 008744N)	(Firm Regn. No. 106237W)	(Firm Regn. No. 302049E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M.No. 091007	M.No. 101533	M.No. 050773	M.No. 060854

Place: New Delhi
Dated: May 19, 2021

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	2020-2021	2019-2020
I. Revenue From Operations	23	**5,14,890.47**	5,66,353.55
II. Other Income	24	**4,550.72**	3,554.72
III. Total Income (I+II)		**5,19,441.19**	**5,69,908.27**
IV. Expenses:			
Cost of Materials Consumed	25	**1,56,647.96**	2,47,077.03
Excise Duty		**1,36,832.86**	80,693.19
[Includes ₹ **1,30,127.91 Crore** (2020: ₹ 77,048.34 Crore) included in Revenue from Operations]			
Purchases of Stock-in-Trade		**1,43,662.08**	1,78,535.49
Changes in Inventories of Finished Goods, Stock-in-trade and Stock-In Process	26	**(5,547.57)**	(6,410.43)
Employee Benefits Expense	27	**10,712.04**	8,792.65
Finance Costs	28	**3,093.92**	5,979.45
Depreciation, Amortisation and Impairment on:			
a) Tangible Assets		**9,615.75**	8,631.73
b) Intangible Assets		**188.55**	134.37
		9,804.30	8,766.10
Impairment Loss on Financial Assets (Net)		**1,195.45**	503.89
Net Loss on de-recognition of Financial Assets at Amortised Cost		**7.69**	5.73
Other Expenses	29	**33,316.81**	38,354.64
Total Expenses (IV)		**4,89,725.54**	**5,62,297.74**
V. Profit / (Loss) before Exceptional Items and Tax (III-IV)		**29,715.65**	**7,610.53**
VI. Exceptional Items (Refer Point No. 14 of Note - 48)		**-**	**(11,304.64)**
VII. Profit / (Loss) before Tax (V+VI)		**29,715.65**	**(3,694.11)**
VIII. Tax Expense (Refer Point No. 12 & 13 of Note - 48):			
Current Tax		**6,761.03**	(165.89)
[includes ₹ **1,816.38 Crore** (2020: ₹ (262.89) Crore) relating to prior years]			
Deferred Tax		**1,118.58**	(4,841.45)
[includes ₹ **(228.15) Crore** (2020: ₹ (770.05) Crore) relating to prior years]			
IX. Profit / (Loss) for the Year (VII-VIII)		**21,836.04**	1,313.23
X. Other Comprehensive Income:	30		
A (i) Items that will not be reclassified to profit or loss		**4,690.93**	(11,056.28)
A (ii) Income Tax relating to items that will not be reclassified to profit or loss		**(204.76)**	165.33
B (i) Items that will be reclassified to profit or loss		**119.71**	647.98
B (ii) Income Tax relating to items that will be reclassified to profit or loss		**(21.99)**	(166.35)
XI. Total Comprehensive Income for the Year (IX+X) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)		**26,419.93**	**(9,096.09)**

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	2020-2021	2019-2020
XII. Earnings per Equity Share (₹):	32		
(1) Basic		**23.78**	1.43
(2) Diluted		**23.78**	1.43
Face Value Per Equity Share (₹)		**10**	10
Significant Accounting Policies, Estimates & Judgements	1A & 1B		
Accompanying Notes to Financial Statements	2 - 48		

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(S. M. Vaidya)	**(S. K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN- 06995642	DIN- 07570165	ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.	**For K.C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 008744N)	(Firm Regn. No. 106237W)	(Firm Regn. No. 302049E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M.No. 091007	M.No. 101533	M.No. 050773	M.No. 060854

Place: New Delhi
Dated: May 19, 2021

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

	Particulars	2020-2021	2019-2020
A	**Cash Flow from Operating Activities**		
1	Profit / (Loss) before Tax	29,715.65	(3,694.11)
2	Adjustments for:		
	Depreciation, Amortisation and Impairment	9,804.30	8,766.10
	Loss/(Profit) on sale of Assets (net)	85.09	93.94
	Loss/(Profit) on sale of Investments (net)	(4.12)	-
	Amortisation of Capital Grants	(170.15)	(134.30)
	Provision for Probable Contingencies (net)	(227.65)	(1,353.49)
	MTM Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	(205.56)	59.11
	Unclaimed / Unspent liabilities written back	(371.70)	(171.94)
	Bad Debts, Advances & Claims written off	10.61	11.98
	Provision for Doubtful Advances, Claims and Obsolescence of Stores (net)	564.98	11.55
	Impairment Loss on Financial Assets (Net)	1,195.45	503.89
	MTM Loss/(Gain) on Derivatives	(140.87)	170.58
	Foreign Currency Monetary Item Translation Difference Account	-	28.92
	Remeasurement of Defined Benefit Plans through OCI	22.42	(154.40)
	Interest Income	(1,760.12)	(1,917.23)
	Dividend Income	(1,241.03)	(1,592.02)
	Finance costs	3,921.00	4,525.45
	Amortisation and Remeasurement of PMUY Assets	1,056.60	291.07
		12,539.25	**9,139.21**
3	Operating Profit before Working Capital Changes (1+2)	42,254.90	5,445.10
4	Change in Working Capital (excluding Cash & Cash Equivalents):		
	Trade Receivables & Other Assets	9,359.44	8,942.91
	Inventories	(14,513.92)	7,777.39
	Trade Payables & Other Liabilities	15,922.44	(13,168.38)
	Change in Working Capital	10,767.96	3,551.92
5	Cash Generated From Operations (3+4)	53,022.86	8,997.02
6	Less: Taxes paid	3,927.07	1,806.72
7	**Net Cash Flow from Operating Activities (5-6)**	**49,095.79**	7,190.30
B	**Cash Flow from Investing Activities:**		
	Proceeds from sale of Property, Plant and Equipment/ Transfer of Assets	998.90	699.77
	Purchase of Property, Plant & Equipment and Intangible Assets	(5,655.54)	(11,678.00)
	Expenditure on Construction Work in Progress	(16,601.87)	(18,716.35)
	Proceeds from sale of financial instruments (other than working capital)	115.28	-
	Investment in subsidiaries	(1.13)	(89.95)
	Purchase of Other Investments	(4,580.49)	(735.67)
	Receipt of government grants (Capital Grant)	580.66	15.02
	Interest Income received	1,749.21	2,030.79
	Dividend Income on Investments	1,241.03	1,592.02
	Net Cash Generated/(Used) in Investing Activities:	**(22,153.95)**	**(26,882.37)**

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

Particulars	2020-2021	2019-2020
C Net Cash Flow From Financing Activities:		
Proceeds from Long-Term Borrowings (Including Lease Obligations)	11,146.69	18,352.92
Repayments of Long-Term Borrowings (Including Lease Obligations)	(3,155.23)	(3,406.11)
Proceeds from/(Repayments of) Short-Term Borrowings	(22,313.22)	14,892.53
Interest paid	(4,458.81)	(3,847.72)
Dividend/Dividend Tax paid	(8,383.19)	(5,802.30)
Net Cash Generated/(Used) from Financing Activities:	**(27,163.76)**	**20,189.32**
D Net Change in Cash & Cash Equivalents (A+B+C)	**(221.92)**	**497.25**
E1 Cash & Cash Equivalents as at end of the year	**313.64**	**535.56**
Less:		
E2 Cash & Cash Equivalents as at the beginning of year	**535.56**	**38.31**
NET CHANGE IN CASH & CASH EQUIVALENTS (E1 - E2)	**(221.92)**	**497.25**

Notes:

1. Net Cash Flow From Financing Activities includes following non-cash changes:

Particulars	2020-2021	2019-2020
(Gain)/ Loss due to changes in exchange rate	**(1,177.78)**	953.87
Increase in Lease liabilities due to new leases	**1,177.99**	4,927.41
Total	**0.21**	**5,881.28**

2. Statement of Cash Flows is prepared using Indirect Method as per Indian Accounting Standard-7: Statement of Cash Flows.
3. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(S. M. Vaidya)	**(S. K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN- 06995642	DIN- 07570165	ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.	**For K.C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 008744N)	(Firm Regn. No. 106237W)	(Firm Regn. No. 302049E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M.No. 091007	M.No. 101533	M.No. 050773	M.No. 060854

Place: New Delhi
Dated: May 19, 2021

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A Equity Share Capital

(₹ in Crore)

	March 31, 2021	March 31, 2020
Balance at the beginning of the year	**9,181.04**	9,181.04
Changes during the year	**-**	-
Balance at the end of the year	**9,181.04**	**9,181.04**

B Other Equity

	Reserves and Surplus			
	Retained Earnings	Bond Redemption Reserve	Capital Redemption Reserve	Capital Reserve
Opening Balance as at April 1, 2019	**79,533.78**	**3,152.64**	**297.65**	**183.08**
Profit / (Loss) for the Year	1,313.23	-	-	-
Other Comprehensive Income	(115.54)*	-	-	-
Total Comprehensive Income	**1,197.69**	**-**	**-**	**-**
Appropriation towards Interim Dividend	(3,902.09)	-	-	-
Appropriation towards Final Dividend	(918.25)	-	-	-
Appropriation towards Dividend Distribution Tax	(985.94)	-	-	-
Appropriation towards Insurance Reserve (Net)	(20.00)	-	-	-
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-
FCMITDA amortised during the year	-	-	-	-
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-
Closing Balance as at March 31, 2020	**74,905.19**	**3,152.64**	**297.65**	**183.08**

(₹ in Crore)

Insurance Reserve	Reserves and Surplus			Items of Other Comrehensive Income			Total
Insurance Reserve	Export Profit Reserve	Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Cash Flow Hedge Reserve	Total
241.09	**53.72**	**-**	**(35.78)**	**16,072.20**	**(43.95)**	**22.04**	**99,476.47**
-	-	-	-	-	-	-	1,313.23
-	-	-	-	(10,775.41)	435.62	46.01	(10,409.32)
-	**-**	**-**	**-**	**(10,775.41)**	**435.62**	**46.01**	**(9,096.09)**
-	-	-	-	-	-	-	(3,902.09)
-	-	-	-	-	-	-	(918.25)
-	-	-	-	-	-	-	(985.94)
20.00	-	-	-	-	-	-	-
-	-	-	6.86	-	-	-	6.86
-	-	-	28.92	-	-	-	28.92
-	-	-	-	-	-	(22.05)	(22.05)
261.09	**53.72**	**-**	**-**	**5,296.79**	**391.67**	**46.00**	**84,587.83**

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

	Reserves and Surplus			
	Retained Earnings	Bond Redemption Reserve	Capital Redemption Reserve	Capital Reserve
Profit / (Loss) for the Year	21,836.04	-	-	-
Other Comprehensive Income	16.78*	-	-	-
Total Comprehensive Income	**21,852.82**	**-**	**-**	**-**
Transfer from Export Profit Reserve	53.72	-	-	-
Appropriation towards Interim Dividend	(9,640.47)	-	-	-
Appropriation towards Insurance Reserve (Net)	(11.05)	-	-	-
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-
Closing Balance as at March 31, 2021	**87,160.21**	**3,152.64**	**297.65**	**183.08**

* Remeasurement of Defined Benefit Plans

(₹ in Crore)

	Reserves and Surplus				Items of Other Comrehensive Income			
	Insurance Reserve	Export Profit Reserve	Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Cash Flow Hedge Reserve	Total
	-	-	-	-	-	-	-	21,836.04
	-	-	-	-	4,469.39	80.91	16.81	4,583.89
	-	**-**	**-**	**-**	**4,469.39**	**80.91**	**16.81**	**26,419.93**
	-	(53.72)		-	-	-	-	-
	-	-	-	-	-	-	-	(9,640.47)
	11.05	-	-	-	-	-	-	-
	-	-	-	-	-	(2.28)	(46.01)	(48.29)
	272.14	**-**	**-**	**-**	**9,766.18**	**470.30**	**16.80**	**1,01,319.00**

For and on Behalf of Board of Directors

Sd/-
(S. M. Vaidya)
Chairman
DIN- 06995642

Sd/-
(S. K. Gupta)
Director (Finance)
DIN- 07570165

Sd/-
(Kamal Kumar Gwalani)
Company Secretary
ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.
Chartered Accountants
(Firm Regn. No. 008744N)

For K.C.MEHTA & CO.
Chartered Accountants
(Firm Regn. No. 106237W)

For SINGHI & CO.
Chartered Accountants
(Firm Regn. No. 302049E)

For V. SINGHI & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 311017E)

Sd/-
(Rajiv Kumar Wadhawan)
Partner
M.No. 091007

Sd/-
(Vishal P. Doshi)
Partner
M.No. 101533

Sd/-
(Pradeep Kumar Singhi)
Partner
M.No. 050773

Sd/-
(Sunil Singhi)
Partner
M.No. 060854

Place: New Delhi
Dated: May 19, 2021

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES

I. Corporate Information

The financial statements of "Indian Oil Corporation Limited" ("the Company" or "IOCL") are for the year ended March 31, 2021.

The Company is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The registered office of the Company is located at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai.

IndianOil is India's flagship Maharatna national oil company with business interests straddling the entire hydrocarbon value chain - from refining, pipeline transportation & marketing, to exploration & production of crude oil & gas, petrochemicals, gas marketing, alternative energy sources and globalisation of downstream operations.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors passed in its meeting held on May 19, 2021

II. Significant Accounting Policies

1. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

1.1 The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

1.2 The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer serial no. 17 of accounting policies regarding financial instruments) and
- Plan assets related to employee benefits (refer serial no. 12 of accounting policies regarding employee benefits)

1.3 The financial statements are presented in Indian Rupees (₹) which is Company's presentation and functional currency and all values are rounded to the nearest Crore (up to two decimals) except when otherwise indicated

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

2.1 Property, Plant and Equipment (PPE)

2.1.1 Property, Plant & Equipment (PPE) comprises of tangible assets and capital work in progress. PPE are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any), except freehold land which are carried at historical cost. The cost of an item of PPE comprises its purchase price/construction cost including applicable taxes (net of credits) after deducting any discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. These costs are capitalised until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

2.1.2 The cost of an item of PPE is recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

In accordance with the above criteria, subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate.

2.1.3 Technical know-how / license fee relating to plants/ facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1.4 Spare Parts are capitalised when they meet the definition of PPE, i.e., when the Company intends to use these for a period exceeding 12 months.

2.1.5 The acquisition of some items of PPE although not directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of PPE are recognised as assets.

2.1.6 Environment responsibility related obligations directly attributable to projects is recognised as project cost on the basis of progress of project or on actual incurrence, whichever is higher.

2.1.7 On transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the PPE.

2.2 Capital Work in Progress (CWIP)

A. Construction Period Expenses

2.2.1. Revenue expenses exclusively attributable to projects incurred during construction period are capitalised.

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

2.2.2 Borrowing cost incurred during construction period on loans specifically borrowed and utilised for projects is capitalised on quarterly basis up to the date of capitalisation.

2.2.3 Borrowing cost, if any, incurred on General Borrowings used for projects is capitalised at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

B. Capital Stores

2.2.4 Capital Stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.3 Intangible Assets & Amortisation

2.3.1 Technical know-how / license fee relating to production process and process design are recognised as Intangible Assets and amortised on a straight-line basis over the life of the underlying plant/ facility.

2.3.2 Expenditure incurred in research phase is charged to revenue and that in development phase, unless it is of capital nature, is also charged to revenue.

2.3.3 Cost incurred on computer software/licenses purchased/developed resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software/ licenses are capitalised. However, where such computer software/ license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development".

2.3.4 Right of ways with indefinite useful lives are not amortised but tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.3.5 Intangible Assets acquired separately are measured on initial recognition at cost. The cost of Intangible Assets acquired in a business combination is based on its fair value at the date of acquisition. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and accumulated impairment losses. In case of Internally generated intangibles, development cost is recognised as an asset when all the recognition criteria are met. However, all other internally generated intangibles including research cost are not capitalised and the related expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

2.3.6 The useful lives of Intangible Assets are assessed as either finite or indefinite. Intangible Assets with finite lives are amortised over the useful life on straight line basis and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

2.3.7 On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

2.3.8 Amortisation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/ sale, disposal/ or earmarked for disposal.

2.4 Depreciation

2.4.1 Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Act except in case of the following assets:

a) Useful life of 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related equipment), LPG cylinders and pressure regulators considered based on technical assessment,

b) Useful life of 25 years for solar power plant considered based on technical assessment,

c) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II to the Act, whichever is lower,

d) In case of certain assets of R&D Centre useful life (15-25 years) is considered based on technical assessment,

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

e) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II to the Act or lease period of land (including renewable/ likely renewable period), whichever is lower and

f) In case of certain assets of CGD business, useful life (Compressor / Booster Compressor and Dispenser - 10 years, Cascade – 20 years) is considered based on technical assessment.

g) In case of Moulds used for the manufacturing of the packaging material for Lubricants, useful life of 5 years is considered based on technical assessment.

h) In other cases, like Spare Parts etc. useful life (2-30 years) is considered based on the technical assessment.

Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/ sale, disposal/ or earmarked for disposal.

Residual value is determined considering past experience and generally the same is between 0 to 5% of cost of assets except

a. In case of Steel LPG cylinder and pressure regulator, residual value is considered maximum at 15% and in case of fibre composite LPG cylinder, residual value is considered at 10% based on estimated realisable value

b. in case of catalyst with noble metal content, residual value is considered based on the cost of metal content and

c. In few cases residual value is considered based on transfer value agreed in respective agreement.

The Company depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately. The Company depreciates spares over the life of the spare from the date it is available for use.

2.4.2 PPE, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/- per item are depreciated fully in the year of capitalisation. Further, spares, components like catalyst excluding noble metal content and major overhaul/ inspection are also depreciated fully over their respective useful life.

2.4.3 The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Derecognition

2.5.1 PPE and Intangible Assets are derecognised 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 or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3. LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.1 Leases as Lessee (Assets taken on lease)

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.1.1 Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract 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 for leases where the company has elected to use practical expedient not

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

3.1.2 **Right-of-use Assets**

The Company recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above.

3.1.3 Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognised in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

3.1.4 **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value and is not intended for sublease. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

3.2 Leases as Lessor (assets given on lease)

3.2.1 When the company acts as lessor, it determines at the commencement of the lease whether it is a finance lease or an operating lease.

3.2.2 Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

3.2.3 All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Company applies principles enunciated in Ind AS 115 "Revenue from Contracts with Customers", to allocate the consideration in the contract.

3.2.4 When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the short-term lease exemption described above, then it classifies the sub-lease as an operating lease.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS (also refer para 14 for impairment of E&P Assets)

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset exceeds recoverable amount.

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. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

Borrowing cost consists of interest and other cost incurred in connection with the borrowing of funds. Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

6. FOREIGN CURRENCY TRANSACTIONS

6.1 The Company's financial statements are presented in Indian Rupee (₹), which is also it's functional currency.

6.2 Transactions in foreign currency are initially recorded at spot exchange rates prevailing on the date of transactions.

6.3 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc.) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

6.4 Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, equity investments, capital/revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Statement of Profit and Loss are also recognised in OCI or the Statement of Profit and Loss, respectively).

6.5 Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost to the extent regarded as an adjustment to borrowing costs as the case may be, except those relating to loans mentioned below.

Exchange differences on long-term foreign currency loans obtained or re-financed on or before March 31, 2016 relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets.

7. INVENTORIES

7.1 Raw Materials & Stock-in-Process

7.1.1 Raw materials including crude oil are valued at cost determined on weighted average basis or net realisable value, whichever is lower.

7.1.2 Stock in Process is valued at raw materials cost plus processing cost as applicable or net realisable value, whichever is lower.

7.1.3 Crude oil in Transit is valued at cost or net realisable value, whichever is lower.

7.1.4 Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

7.2 Finished Products and Stock-in-Trade

7.2.1 Finished Products and Stock in Trade, other than lubricants, are valued at cost determined on 'First in First Out' basis or net realisable value, whichever is lower. Cost of Finished Products produced is determined based on raw materials cost and processing cost.

7.2.2 Lubricants are valued at cost on weighted average basis or net realisable value, whichever is lower. Cost of lubricants internally produced is determined based on cost of inputs and processing cost.

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

7.2.3 Imported products in transit are valued at cost or net realisable value whichever is lower.

7.3 Stores and Spares

7.3.1 Stores and Spares (including Packing Containers i.e. empty barrels, tins etc.)) are valued at weighted average cost. Specific provision is made in respect of identified obsolete stores & spares and chemicals for likely diminution in value. Further, a provision @ 5% is also made on the balance stores and spares (excluding barrels, tins, stores in transit, chemicals/catalysts, crude oil, and own products) towards likely diminution in the value.

7.3.2 Stores and Spares in transit are valued at cost.

8. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

8.1 Provisions

8.1.1 Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8.1.2 When the Company expects some or all of a provision to be recovered from a third party, a receivable is recognised as a separate asset but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursement, if any.

8.1.3 If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

8.1.4 **Decommissioning Liability**

Decommissioning costs are provided at the present value of expected cost to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future cost of decommissioning is reviewed annually and adjusted as appropriate. Changes in the estimated future cost or in the discount rate applied are adjusted in the cost of the asset.

8.2 Contingent Liabilities and Contingent Assets

8.2.1 Show-cause notices issued by various Government Authorities are generally not considered as obligations.

8.2.2 When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

8.2.3 The treatment in respect of disputed obligations are as under:

a) a provision is recognised in respect of present obligations where the outflow of resources is probable as per 8.1.1 above;

b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.2.4 Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts and reviewed at each Balance Sheet date to reflect the current management estimate.

8.2.5 Estimated amount of contracts remaining to be executed towards capital expenditure are considered for disclosure.

8.2.6 A contingent asset is disclosed where an inflow of economic benefits is probable.

9. REVENUE

9.1 Revenue from Contracts with Customers

9.1.1 The Company is in the business of oil and gas operations and it earns revenue primarily from sale of petroleum products and petrochemical products. In addition, the company also earns revenue from other businesses which comprises Gas, Exploration & Production and Others.

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

The Company has generally concluded that it is the principal in its revenue arrangements, except a few agency services, because it typically controls the goods or services before transferring them to the customer.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., customer loyalty points). In determining the transaction price for the sale of products, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

9.1.2 Revenue from the sale of petroleum products, petrochemical products, Crude and gas are recognised at a point in time, generally upon delivery of the products. The Company recognises revenue over time using input method (on the basis of time elapsed) in case of non-refundable deposits from dealers and service contracts. In case of construction contracts, revenue and cost are recognised by measuring the contract progress using input method by comparing the cost incurred and total contract cost. Contract modifications are accounted for as a part of existing contract or separate contract based on conditions prescribed in Ind AS 115.

9.1.3 The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, Sales Tax/ Goods and Services Tax (GST) and Value Added Tax (VAT) is not received by the company on its own account. Rather, it is tax collected on value added to the product by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.1.4 **Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved

The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The volume rebates/ Cash discount give rise to variable consideration. To estimate the variable consideration for the expected future rebates/ cash discount, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract and accordingly, the Company recognises a refund liability for the expected future rebates.

9.1.5 **Loyalty Points**

The Company operates various loyalty point schemes. The transaction price allocated to customer loyalty points is based on their relative estimated standalone selling price and the same is reduced from revenue from sale of goods. While estimating standalone selling price of customer loyalty points, the likelihood of exercising the option is adjusted. Wherever the Company is acting as agent in this arrangement, the Company recognise the revenue on net basis

9.2 Other claims are recognised when there is a reasonable certainty of recovery.

10. EXCISE DUTY

Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock. Value of stock includes excise duty payable / paid on finished goods, wherever applicable.

11. TAXES ON INCOME

11.1 Current Income Tax

Provision for current tax is made as per the provisions of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

11.2 Deferred Tax

11.2.1 Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

11.2.2 The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

11.2.3 Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

11.2.4 Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

12. EMPLOYEE BENEFITS

12.1 Short Term Benefits:

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

12.2 Post-Employment Benefits and Other Long Term Employee Benefits:

a) The Company's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss/CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Company and charged to the Statement of Profit and Loss/CWIP.

b) The Company operates defined benefit plans for Gratuity, Post-Retirement Medical Benefits, Resettlement, Felicitation Scheme, Ex-gratia and AOD pension fund. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity, Post-Retirement Medical Benefits and AOD pension fund are administered through respective Trusts.

c) Obligations on other long term employee benefits viz leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. Out of these obligations, leave encashment obligations are funded through qualifying insurance policies made with insurance companies/ corporation.

d) The Company also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3 Termination Benefits:

Payments made under Voluntary Retirement Scheme are charged to the Statement of Profit and Loss on incurrence.

12.4 Remeasurements:

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long-term benefits are recognised in the Statement of Profit and Loss.

Past service cost is recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service cost comprising current service cost, past-service cost, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1 Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2 Grant relating to Assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred income which are recognised as "Other Operating Revenues" usually in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3 Grant related to Income (Revenue Grants)

Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related cost for which the grants are intended to compensate.

Subsidy and budgetary support towards under recoveries are recognised in “Revenue from Operations” as per schemes notified by Government from time to time, subject to final adjustments, wherever applicable.

The Company has treated waiver of duty under EPCG Scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognised in “Other Operating Revenues” in proportion of export obligations actually fulfilled during the accounting period. In case of post export EPCG Scheme, revenue grant is recognised in “Other Operating Revenues” equivalent to the amount of Custom duty remission in proportion to export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under “Other Operating Revenues” except some grants which mainly includes north east excise duty and entry tax exemption, which are netted off with the related expense.

13.4 When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or Nil interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

14. OIL & GAS EXPLORATION ACTIVITIES

14.1 Pre-acquisition Cost:

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

14.2 Exploration Stage:

Acquisition cost relating to projects under exploration are initially accounted as “Intangible Assets under Development”. The expenses on oil and gas assets that is classified as intangible include:

- acquired rights to explore
- exploratory drilling 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

If the project is not viable based upon technical feasibility and commercial viability study, then all cost relating to Exploratory Wells are expensed in the year when determined to be dry.

If the project is proved to be viable, then all cost relating to drilling of Exploratory Wells shall be continued to be presented as “Intangible Assets under Development”.

14.3 Development Stage:

Acquisition cost relating to projects under development stage are presented as “Capital Work-in-Progress”.

When a well is ready to commence commercial production, the capitalised cost corresponding to proved developed oil and gas reserves is reclassified as ‘Completed wells/ Producing wells’ from “Capital Work-in-Progress/ Intangible Assets under Development” to the gross block of assets. Examples of Oil and Gas assets that might be classified as Tangible Assets include development drilling cost, piping and pumps and producing wells.

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

14.4 Production Phase

Production cost include pre-well head and post-well head expenses including depreciation and applicable operating cost of support equipment and facilities are expensed off.

Depletion is calculated using the Unit of Production method based upon proved and developed reserves.

14.5 Abandonment Phase

In case of development / production phase, abandonment / decommissioning amount is recognised at the present value of the estimated future expenditure. Any change in the present value of the estimated decommissioning expenditure other than the unwinding of discount is adjusted to the decommissioning provision and the carrying value of the corresponding asset. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance costs.

14.6 Impairment of E&P Assets

14.6.1 **Impairment testing in case of Development and producing assets**

In case of E&P related development and producing assets, expected future cash flows are estimated using management's best estimate of future oil and natural gas prices, production volumes, proved & probable reserves volumes and discount rate. The expected future cash flows are estimated on the basis of value in use concept. The value in use is based on the cash flows expected to be generated by the projected oil or gas production profiles up to the expected dates of cessation of production of each producing field, based on current estimates of proved and probable reserves and on reasonable & supportable fiscal assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Management takes a long-term view of the range of economic conditions over the remaining useful life of the asset and, are not based on the relatively short-term changes in the economic conditions. However, impairment of exploration and evaluation assets is to be done in line with para 14.6.2

14.6.2 **Impairment in case of Exploration and Evaluation assets**

Exploration and Evaluation assets are tested for impairment where an indicator for impairment exists. In such cases, while calculating recoverable amount, in addition to the factors mentioned in 14.6.1, management's best estimate of total current reserves and resources are considered (including possible and contingent reserve) after appropriately adjusting the associated inherent risks. Impairment loss is reversed subsequently, to the extent that conditions for impairment are no longer present.

14.6.3 **Cash generating unit**

In case of E&P Assets, the Company generally considers a project as cash generating unit. However, in case where the multiple fields are using common production/transportation facilities and are sufficiently economically interdependent the same are considered to constitute a single cash generating unit (CGU).

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification as below.

15.1 An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

15.2 A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

16. NON-CURRENT ASSETS HELD FOR SALE

16.1 The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

16.2 For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

16.3 Non-Current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

PPE and Intangible Assets once classified as held for sale are not depreciated or amortised.

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

17.1 Financial Assets

Initial recognition and measurement

All Financial Assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

For the purpose of subsequent measurement, Financial Assets are classified in four categories:

- Financial Assets at amortised cost
- Debt Instruments at fair value through Other Comprehensive Income (FVTOCI)
- Equity Instruments at fair value through Other Comprehensive Income (FVTOCI)
- Financial Assets and derivatives at fair value through profit or loss (FVTPL)

17.1.1 **Financial Assets at Amortised Cost**

A Financial Asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. Apart from the same, any income or expense arising from remeasurement of financial assets measured at amortised cost, in accordance with Ind AS 109, is recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

17.1.2 **Debt Instrument at FVTOCI**

A 'Debt Instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair Value movements are recognised in the Other Comprehensive Income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

in OCI is reclassified from the Equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI Debt Instrument is reported as interest income using the EIR method.

17.1.3 **Equity Instrument**

A. **Equity Investments at FVTOCI (Other than Subsidiaries, Joint Ventures and Associates)**

All equity investments in scope of Ind AS 109 are measured at fair value. The Company has made an irrevocable election to present subsequent changes in the fair value in Other Comprehensive Income. The classification is made on initial recognition/ transition and is irrevocable.

There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investments.

B. **Equity Investments in Subsidiaries, Joint Ventures and Associates**

Investments in Subsidiaries, Joint Ventures and Associates are accounted for at cost in the financial statements and the same are tested for impairment in case of any indication of impairment.

C. Dividend income is recognised in the Statement of Profit and Loss when the Company's right to receive dividend is established.

17.1.4 **Debt Instruments and Derivatives at FVTPL**

FVTPL is a residual category for Debt Instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Debt Instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income.

17.1.5 **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

17.1.6 **Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial Assets that are Debt Instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial guarantee contracts which are not subsequently measured as at FVTPL

c) Lease Receivables under Ind AS 116

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense /income/ in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- Financial Assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Financial Guarantee contracts: ECL is presented as a provision in the Balance Sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

17.2 Financial Liabilities

17.2.1 **Initial recognition and measurement.**

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All Financial Liabilities are recognised initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the Statement of Profit and Loss.

The Company's Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

17.2.2 **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

A. Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

B. Financial Liabilities at amortised cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

C. Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction cost that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative income recognised in accordance with principles of Ind AS 115.

17.2.3 **Derecognition**

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

17.3 Embedded Derivatives

If the hybrid contract contains a host that is a Financial Asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

17.4 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

17.5 Derivative Instrument- Initial recognition / subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non- designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

17.5.1 **Derivative that are designated as Hedge Instrument**

The Company undertakes foreign exchange forward contracts, commodity forward contracts and interest rates swap contracts for hedging foreign currency risks, commodity price risks and interest rate risks respectively. The Company generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective potion is recognised immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognised hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

17.5.2 **Derivatives that are not designated as hedge instrument**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

17.6 Commodity Contracts

Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

18. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdraft (negative balance in Account) is shown under short term borrowings under Financial Liabilities & Positive balance in that account is shown in Cash & Cash Equivalents.

19. TREASURY SHARES

Pursuant to the Scheme of Amalgamation, IOC Shares Trust has been set up by IOCL for holding treasury shares in relation to IBP and BRPL mergers. The shares held by IOC Shares Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

20. FAIR VALUE MEASUREMENT

20.1 The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. 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.

20.2 The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

20.3 The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

20.4 A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

20.5 The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

20.6 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities

NOTES TO FINANCIAL STATEMENTS

Note-1A SIGNIFICANT ACCOUNTING POLICIES (Contd...)

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, external valuers are also involved in some cases for valuation of assets and liabilities, such as unquoted financial assets, loans to related parties etc.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

21. EARNINGS PER SHARE

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The Company did not have any potentially dilutive securities in the years presented.

III. New Standards/ amendments and other changes effective April 1,2020

Ministry of Corporate Affairs notified amendments to the existing standards vide notification G.S.R. 463(E) dated 24th July 2020. The effect of those amendments is not material.

IV. Standards issued but not yet effective

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standard or modifications in existing standards has been notified which will be applicable from April 1, 2021 or thereafter.

NOTES TO FINANCIAL STATEMENTS

Note-1B: SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and Intangible Assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognised prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

A. JUDGEMENTS

In the process of applying the company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements:

Materiality

Ind AS requires assessment of materiality by the Company for accounting and disclosure of various transactions in the financial statements. Accordingly, the Company assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Gross Block of assets, Net Block of Assets, Total Assets, Revenue and Profit Before Tax. The materiality limits are reviewed and approved by the Board.

Intangible Asset under Development

Acquisition costs and drilling of exploratory well costs are capitalised as intangible asset under development and are reviewed at each reporting date to confirm that exploration drilling is still under way or work has been determined / under way to determine that the discovery is economically viable based on a range of technical & commercial considerations and for establishing development plans and timing , sufficient / reasonable progress is being made. If no future activity is planned on reasonable grounds / timeframes, Intangible asset under development and property acquisition costs is written off. Upon start of production from field and recognition of proved reserves, cost carried as intangible asset under development is transferred to producing properties. Also refer Note-34 for related disclosures.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

B. ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans/ Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The management considers the interest rates of government secturities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 35.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include

NOTES TO FINANCIAL STATEMENTS

Note-1B: SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS (Contd...)

considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer - for further disclosures of estimates and assumptions.

Impairment of Financial Assets

The impairment provisions for trade receivables are made considering simplified approach based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period. In case of other financial assets, the Company applies general approach for recognition of impairment losses wherein the Company uses judgement in considering the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Also refer Note-40 for impairment analysis and provision.

Income Taxes

The Company uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO FINANCIAL STATEMENTS

Note - 2 : PROPERTY, PLANT AND EQUIPMENT

Current Year

(₹ in Crore)

		Land - Freehold (Refer A&F)	Land - Leasehold (Refer F)	Buildings, Roads etc. (Refer B&F)	Plant and Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets (ROU) (Refer F&J)	Total
GROSS BLOCK	Gross Block as at April 01, 2020	3,517.66	-	15,019.28	1,31,496.40	1,829.71	78.86	703.53	183.65	1,276.57	199.98	10,700.15	1,65,005.79
	Additions during the year	206.82	-	135.60	3,098.26	241.07	10.34	30.61	14.60	(12.64)	-	1,547.33	5,271.99
	Transfers from construction work-in-progress	4.37	-	1,838.71	12,485.31	171.41	2.67	62.51	1.33	-	1.21	-	14,567.52
	Disposals/ Deductions/ Transfers/ Reclassifications	(70.29)	-	(139.38)	(883.73)	(102.67)	(0.04)	(13.09)	(0.56)	(0.12)	-	(478.57)	(1,688.45)
	Gross Block as at March 31, 2021	3,658.56	-	16,854.21	1,46,196.24	2,139.52	91.83	783.56	199.02	1,263.81	201.19	11,768.91	1,83,156.85
DEPRECIATION & AMORTISATION	Depreciation & Amortisation as at April 01, 2020	-	-	3,028.10	27,069.56	938.88	30.81	314.46	48.91	205.90	26.68	1,589.73	33,253.03
	Depreciation & Amortisation during the year (Refer D)	-	-	795.73	7,154.85	327.54	7.71	73.87	14.71	49.45	17.37	1,200.38	9,641.61
	Disposals/ Deductions/ Transfers/ Reclassifications	-	-	(14.40)	(181.55)	(80.58)	(0.09)	(7.08)	(0.02)	-	-	(370.21)	(653.93)
	Depreciation & Amortisation as at March 31, 2021	-	-	3,809.43	34,042.86	1,185.84	38.43	381.25	63.60	255.35	44.05	2,419.90	42,240.71
	Net Block as at March 31, 2021	3,658.56	-	13,044.78	1,12,153.38	953.68	53.40	402.31	135.42	1,008.46	157.14	9,349.01	1,40,916.14

Previous Year

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant and Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets (ROU)	Total
GROSS BLOCK	Gross Block as at April 01, 2019	2,962.33	410.57	13,355.12	1,21,787.62	1,434.71	63.21	616.99	164.17	1,232.02	195.91	-	1,42,222.65
	Additions during the year	657.73	-	193.29	3,829.21	218.29	7.88	46.43	5.96	44.13	-	6,319.95	11,322.87
	Transfers from construction work-in-progress	-	-	1,753.42	10,449.77	278.23	11.69	53.64	13.89	0.46	4.07	-	12,565.17
	Disposals/ Deductions/ Transfers/ Reclassifications	(102.40)	(410.57)	(282.55)	(4,570.20)	(101.52)	(3.92)	(13.53)	(0.37)	(0.04)	-	4,380.20	(1,104.90)
	Gross Block as at March 31, 2020	3,517.66	-	15,019.28	1,31,496.40	1,829.71	78.86	703.53	183.65	1,276.57	199.98	10,700.15	1,65,005.79
DEPRECIATION & AMORTISATION	Depreciation & Amortisation as at April 01, 2019	-	13.89	2,318.02	21,352.04	725.15	24.91	249.39	35.43	157.02	15.58	-	24,891.43
	Depreciation & Amortisation during the year (Refer D)	-	-	718.21	6,592.63	284.37	7.57	71.69	13.50	48.88	11.10	921.42	8,669.37
	Disposals/ Deductions/ Transfers/ Reclassifications	-	(13.89)	(8.13)	(875.11)	(70.64)	(1.67)	(6.62)	(0.02)	-	-	668.31	(307.77)
	Depreciation & Amortisation as at March 31, 2020	-	-	3,028.10	27,069.56	938.88	30.81	314.46	48.91	205.90	26.68	1,589.73	33,253.03
	Net Block as at March 31, 2020	3,517.66	-	11,991.18	1,04,426.84	890.83	48.05	389.07	134.74	1,070.67	173.30	9,110.42	1,31,752.76

NOTES TO FINANCIAL STATEMENTS

Note - 2 : PROPERTY, PLANT AND EQUIPMENT (Contd..)

A. i) Freehold Land includes ₹ **1.61 Crore** (2020: ₹ 22.38 Crore) lying vacant due to title disputes/ litigation.

ii) Out of the Freehold land measuring 1364.01 acres at Mathura and Agra regions, land measuring 50 acres (approx) has been acquired by NHAI as a part of the NH2 widening project for which the determination of value of compensation is pending. Accordingly, the value of land amounting to ₹ **1.18 Crore** is continued to be included in Freehold land.

iii) Freehold Land includes ₹ **41.75 Crore** of compensation paid in respect of land at Panipat Refinery as per District and High court orders of earlier dates, which was later quashed by subsequent High Court order dated 18.12.2019. Since, the process of recovery, for compensation already paid, has been stayed by Honble Supreme Court vide order dated 21.09.2020, necessary adjustment shall be made in the cost of the land upon actual recovery, if any.

B. i) Buildings include ₹ **0.01 Crore** (2020: ₹ 0.01 Crore) towards value of 1605 (2020: 1605) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.

ii) Includes Roads, Bridges etc. (i.e. Assets other than Building) of Gross block amounting to ₹ **4,219.39 Crore** (2020: ₹ 3,547.27 Crore) and net block amounting to ₹ **2,390.91 Crore** (2020: ₹ 2,072.21 Crore).

C. During the year ₹ **1,586.03 Crore** (2020: ₹ 1,296.54 Crore) has been availed as GST ITC out of capital expenditure on CWIP/ assets.

D. Depreciation and amortisation for the year includes ₹ **25.86 Crore** (2020: ₹ 37.64 Crore) relating to construction period expenses shown in Note-2.2

E. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the Company and continue to be part of Property, Plant & Equipment of the Company, WDV of such assets is ₹ **49.28 Crore** (2020: ₹ 51.14 Crore). This includes WDV of assets worth ₹ **17.91 Crore** (2020: ₹ 7.82 Crore) which are being used by other oil companies based on award of tender by Railways. However, considering the right on the assets and future commercial interest of the company, these assets are continued to be reflected as Property, Plant & Equipment.

F. Land and Buildings (Including ROU Asset) include ₹ **1,282.78 Crore** (2020: ₹ 1,020.43 Crore) in respect of which Title/ Lease Deeds are pending for execution or renewal.

G. For details regarding hypothecation/ pledge of assets, refer Note-16.

H. In accordance with the requirements prescribed under Schedule II to Companies Act, 2013, the Company has adopted useful lives as prescribed in that schedule except in some cases as per point no. 2.4.1 of significant accounting policies (Note-1).

I. The estimated residual value of movable assets provided at the residence of employees for official use under various approved schemes has been revised from 1% of original cost to Nil effective from April, 01, 2020. The impact on account of above change is increase in depreciation by ₹ **1.57 Crore** during current year. Overall future impact on the assets existing as on 31.03.2021 will be ₹ **2.58 Crore** by way of increase in depreciation over the remaining useful life of these assets, which will be offset by profit/ loss on sale of assets.

J. Leasehold Land (included in ROU Assets) includes an amount of ₹ **716.47 Crore** (2020: ₹ 716.41 Crore) for Land Development Cost.

NOTES TO FINANCIAL STATEMENTS

Note - 2 : PROPERTY, PLANT AND EQUIPMENT (Contd..)

Details of assets given on operating lease included in the above:

(₹ in Crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at March 31, 2021	W.D.V. as at March 31, 2020
Land - Freehold	10.91	-	-	**10.91**	6.10
ROU Asset (Land - Leasehold)	71.02	6.60	-	**64.42**	12.36
Buildings	158.74	15.07	-	**143.67**	30.89
Plant and Equipment	284.74	16.80	-	**267.94**	59.42
Office Equipment	11.04	2.18	-	**8.86**	1.80
Furniture	1.34	0.22	-	**1.12**	0.43
Drainage,Sewage & Water Supply	1.60	0.05	-	**1.55**	-

Details of Company's share of Jointly Owned Assets included in the above:

(₹ in Crore)

Asset Particulars	Name of Joint Owner*	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at March 31, 2021	W.D.V. as at March 31, 2020
Land - Freehold	HPCL, BPCL	1.59	-	-	**1.59**	1.49
ROU Asset (Land - Leasehold)	BPCL	0.07	0.01	-	**0.06**	0.07
Buildings	HPCL, BPCL, Others	49.89	13.36	-	**36.53**	37.91
Plant and Equipment	HPCL, BPCL, RIL, Others	64.26	19.16	-	**45.10**	45.88
Office Equipments	BPCL	0.51	0.20	-	**0.31**	0.45
Railway Sidings	HPCL, BPCL	15.50	5.99	-	**9.51**	9.83
Drainage,Sewage & Water Supply	HPCL, BPCL, GSFC	0.45	0.08	-	**0.37**	1.69
Total		**132.27**	**38.80**	**-**	**93.47**	**97.32**

***HPCL:** Hindustan Petroleum Corporation Ltd., **BPCL:** Bharat Petroleum Corporation Ltd.,
GSFC: Gujarat State Fertilisers & Chemicals Ltd., **RIL:** Reliance Industries Limited

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Buildings	**(5.30)**	17.65	**3.11**	0.79
Plant and Equipment	**(252.84)**	832.09	**187.90**	15.20
Office Equipments	**(0.04)**	-	**-**	0.06
Drainage, Sewage & Water Supply	**(12.64)**	42.17	**-**	0.01
Total	**(270.82)**	**891.91**	**191.01**	**16.06**

NOTES TO FINANCIAL STATEMENTS

Note - 2.1: CAPITAL WORK IN PROGRESS

Current Year

(₹ in Crore)

	Construction Work in Progress - Tangible Assets	Capital Stores	Capital Goods in Transit	Construction Period Expenses pending allocation	Total
	Refer A	Refer B			
Balance as at beginning of the year	**20,616.59**	**5,617.36**	**611.95**	**1,324.84**	**28,170.74**
Additions during the year	16,389.51	2,905.46	825.66	-	20,120.63
Net expenditure during the year (Note - 2.2)	-	-	-	1,345.89	1,345.89
Transfer to Property, Plant and Equipment (Note 2)	(14,567.52)	-	-	-	(14,567.52)
Transfer to Property, Plant and Equipment - Direct Addition (Note 2)	-	-	(26.73)	-	(26.73)
Transfer to Statement of Profit and Loss	(1.56)	(0.26)	-	-	(1.82)
Other Allocation/ Adjustment during the year	2,215.61	(4,150.85)	(693.32)	(608.03)	(3,236.59)
	24,652.63	**4,371.71**	**717.56**	**2,062.70**	**31,804.60**
Provision for Capital Losses	(183.42)	(20.57)	-	-	(203.99)
Closing Balance	**24,469.21**	**4,351.14**	**717.56**	**2,062.70**	**31,600.61**

Previous Year

(₹ in Crore)

	Construction Work in Progress - Tangible Assets	Capital Stores	Capital Goods in Transit	Construction Period Expenses pending allocation	Total
	Refer A	Refer B			
Balance as at beginning of the year	**15,527.53**	**4,713.35**	**1,049.95**	**908.18**	**22,199.01**
Additions during the year	14,415.84	4,519.69	584.61	-	19,520.14
Net expenditure during the year (Note - 2.2)	-	-	-	918.07	918.07
Transfer to Property, Plant and Equipment (Note 2)	(12,565.17)	-	-	-	(12,565.17)
Transfer to Property, Plant and Equipment - Direct Addition (Note 2)	-	-	(14.45)	-	(14.45)
Transfer to Statement of Profit and Loss	(10.60)	(0.02)	-	(4.04)	(14.66)
Other Allocation/ Adjustment during the year	3,248.99	(3,615.66)	(1,008.16)	(497.37)	(1,872.20)
	20,616.59	**5,617.36**	**611.95**	**1,324.84**	**28,170.74**
Provision for Capital Losses	(23.90)	(12.74)	-	-	(36.64)
Closing Balance	**20,592.69**	**5,604.62**	**611.95**	**1,324.84**	**28,134.10**

A. Includes ₹ **271.88** Crore (2020: ₹ 226.28 Crore) towards Capital Expenditure relating to ongoing Oil & Gas Exploration & Production activities

B. Includes ₹ **689** Crore (2020: ₹ 466.13 Crore) towards Stock lying with Contractors

NOTES TO FINANCIAL STATEMENTS

Note - 2.2: CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(₹ in Crore)

Particulars		March 31, 2021	March 31, 2020
Employee Benefit Expenses		**421.12**	372.08
Repairs and Maintenance		**5.82**	4.12
Consumption of Stores and Spares		**0.20**	-
Power & Fuel		**57.88**	161.70
Rent		**11.47**	8.36
Rates and Taxes		**2.69**	3.19
Travelling Expenses		**49.91**	55.06
Communication Expenses		**1.78**	1.63
Printing and Stationery		**0.81**	0.69
Electricity and Water Charges		**6.76**	25.94
Bank Charges		**0.06**	0.09
Technical Assistance Fees		**2.40**	0.62
Finance Costs	A	**697.88**	204.76
Depreciation, Amortisation and Impairment on:			
Tangible Assets		**25.86**	37.64
Intangible Assets		**0.30**	0.03
Start Up/ Trial Run Expenses (net of revenue)		**5.30**	(10.15)
Others		**70.36**	76.30
Total Expenses		**1,360.60**	942.06
Less: Recoveries		**14.71**	23.99
Net Expenditure during the year		**1,345.89**	**918.07**

A. Rate of specific borrowing eligible for capitalisation is **1.08% to 8.12%** (2020 : 5.66% to 8.12%)

Note - 3 : INTANGIBLE ASSETS

Current Year

(₹ in Crore)

	Particulars	Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at April 01, 2020**	**919.30**	**1,172.18**	**250.40**	**2,341.88**
	Additions during the year	350.71	1.84	31.00	383.55
	Transfers from Intangible Assets under Development	-	276.21	90.99	367.20
	Disposals/ Deductions / Transfers / Reclassifications	0.02	(6.82)	(0.44)	(7.24)
	Gross Block as at March 31, 2021	**1,270.03**	**1,443.41**	**371.95**	**3,085.39**
AMORTISATION	**Amortisation as at April 01, 2020**	**14.37**	**230.47**	**168.00**	**412.84**
	Amortisation during the year	5.01	97.74	86.10	188.85
	Disposals/ Deductions / Transfers / Reclassifications	(0.01)	(0.21)	0.12	(0.10)
	Amortisation as at March 31, 2021	**19.37**	**328.00**	**254.22**	**601.59**
	Net Block as at March 31, 2021	**1,250.66**	**1,115.41**	**117.73**	**2,483.80**

Previous Year

(₹ in Crore)

	Particulars	Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at April 01, 2019**	**612.91**	**847.59**	**195.69**	**1,656.19**
	Additions during the year	306.39	8.36	40.38	355.13
	Transfers from Intangible Assets under Development	-	318.02	18.09	336.11
	Deductions / Transfers / Reclassifications	-	(1.79)	(3.76)	(5.55)
	Gross Block as at March 31, 2020	**919.30**	**1,172.18**	**250.40**	**2,341.88**
AMORTISATION	**Amortisation as at April 01, 2019**	**9.36**	**160.48**	**109.74**	**279.58**
	Amortisation during the year	5.01	70.92	58.47	134.40
	Disposals/ Deductions / Transfers/ Reclassifications	-	(0.93)	(0.21)	(1.14)
	Amortisation as at March 31, 2020	**14.37**	**230.47**	**168.00**	**412.84**
	Net Block as at March 31, 2020	**904.93**	**941.71**	**82.40**	**1,929.04**

NOTES TO FINANCIAL STATEMENTS

Note - 3 : INTANGIBLE ASSETS (Contd..)

A. Amortisation for the year includes ₹ **0.3 Crore** (2020: ₹ 0.03 Crore) relating to construction period expenses shown in Note 2.2

B. Net Block of Intangible Assets with indefinite useful life

(₹ in Crore)

Particulars	At March 31, 2021	At March 31, 2020
Right of Way	1,243.77	893.04

Right of way for laying pipelines are acquired on a perpetual basis.

C. Details of Company's share of Jointly Owned Assets included in the above:

(₹ in Crore)

Particulars	Name of Joint Owner*	Gross Block	Accumulated Depreciation & Amortisation	W.D.V. as at March 31, 2021	W.D.V. as at March 31, 2020
Computer Software	HPCL, BPCL	0.95	0.88	**0.07**	0.15
Total		**0.95**	**0.88**	**0.07**	**0.15**

***HPCL:** Hindustan Petroleum Corporation Ltd., **BPCL:** Bharat Petroleum Corporation Ltd.

Note - 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

Current Year

(₹ in Crore)

Particulars	Total
Balance as at beginning of the year	**1,844.48**
Net expenditure during the year	**199.13**
Transfer to Intangible Assets (Note 3)	**(367.20)**
Transfer to Statement of Profit and Loss	**(46.22)**
Other Allocation/ Adjustment during the year	**167.82**
	1,798.01
Provision for Loss	**(346.49)**
Closing Balance	**1,451.52**

Previous Year

(₹ in Crore)

Particulars	Total
Balance as at beginning of the year	1,678.25
Net expenditure during the year	286.40
Transfer to Intangible Assets (Note 3)	(336.11)
Transfer to Statement of Profit and Loss	(0.01)
Other Allocation/ Adjustment during the year	215.95
	1,844.48
Provision for Loss	(240.83)
Closing Balance	**1,603.65**

Intangible assets under development are mainly in the nature of Exploration & Production Blocks and Licences & Computer Softwares. Amount above includes ₹ **204.91 Crore** (2020:₹ 247.31 Crore) towards Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration & Production activities

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS

Particulars	Investment Currency	Face Value/ Paid up Value	Number	Paid Up Value
NON-CURRENT INVESTMENTS:				
I In Equity Shares				
A In Subsidiaries (At Cost):				
QUOTED:				
Chennai Petroleum Corporation Limited	Indian Rupees	10	**77265200**	**10**
Lanka IOC PLC	Sri Lankan Rupees	10	**400000005**	**10**
(Quoted in Colombo Stock Exchange, Sri Lanka)				
UNQUOTED:				
Indian Oil Mauritius Limited	Mauritian Rupees	100	**4882043**	**100**
IOC Middle East FZE	Arab Emirates Dirham	1000000	**2**	**1000000**
IOC Sweden AB	Swedish Krona	100	**5243808**	**100**
IOCL (USA) Inc.	USD	0.01	**5763538921**	**0.01**
Indian Catalyst Private Limited (in process of closure)	Indian Rupees	10	**9483206**	**10**
(formely known as Indo Cat Private Limited)				
IndOil Global B.V.	Canadian Dollars	1	**1131302435**	**1**
IOCL Singapore PTE Ltd	USD	1	**1079991988**	**1**
Sub-total: (I)(A)				
B In Associates (At Cost):				
QUOTED:				
Petronet LNG Limited	Indian Rupees	10	**187500000**	**10**
UNQUOTED:				
Avi-Oil India Private Limited	Indian Rupees	10	**4500000**	**10**
Petronet India Limited (under liquidation)	Indian Rupees	0.10	**18000000**	**0.10**
Petronet VK Limited	Indian Rupees	10	**50000000**	**10**
Sub-total: (I)(B)				
C In Joint Ventures (At Cost):				
UNQUOTED:				
Indian Oiltanking Limited	Indian Rupees	10	**494828289**	**10**
Indian Oil Panipat Power Consortium Limited	Indian Rupees	-	**-**	**-**
Lubrizol India Private Limited	Indian Rupees	100	**499200**	**100**
Indian Oil Petronas Private Limited	Indian Rupees	10	**134000000**	**10**
Petronet CI Limited (under liquidation)	Indian Rupees	10	**3744000**	**10**
Green Gas Limited	Indian Rupees	10	**23042250**	**10**
IndianOil SkyTanking Private Limited	Indian Rupees	10	**25950000**	**10**
Suntera Nigeria 205 Limited	Naira	1	**2500000**	**1**
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	**60680000**	**10**
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	**222861375**	**10**
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	**260000**	**10**
GSPL India Gasnet Limited	Indian Rupees	10	**413925030**	**10**

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd..)

March 31, 2021				March 31, 2020				
	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying/ Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying/ Fair Value
	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)			(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
	(1)	(2)	(1+2)			(1)	(2)	(1+2)
	509.33	-	509.33	77265200	10	509.33	-	509.33
	194.13	-	194.13	400000005	10	194.13	-	194.13
	75.67	-	75.67	4882043	100	75.67	-	75.67
	2.30	-	2.30	2	1000000	2.30	-	2.30
	387.26	-	387.26	4241558	100	297.23	-	297.23
	336.32	(154.54)	181.78	5763538921	0.01	336.32	(86.41)	249.91
	4.73	(4.73)	-	15932700	10	11.18	(4.72)	6.46
	7,840.35	(1,909.51)	5,930.84	1131302435	1	7,840.35	(1,909.51)	5,930.84
	7,128.82	-	7,128.82	1079991988	1	7,128.82	-	7,128.82
	16,478.91	**(2,068.78)**	**14,410.13**			**16,395.33**	**(2,000.64)**	**14,394.69**
	98.75	-	98.75	187500000	10	98.75	-	98.75
	4.50	-	4.50	4500000	10	4.50	-	4.50
	0.18	-	0.18	18000000	0.10	0.18	-	0.18
	26.02	(26.00)	0.02	50000000	10	26.02	(26.00)	0.02
	129.45	**(26.00)**	**103.45**			**129.45**	**(26.00)**	**103.45**
	723.98	-	723.98	494828289	10	723.98	-	723.98
	-	-	-	840000	10	1.99	(1.99)	-
	61.71	-	61.71	499200	100	61.71	-	61.71
	134.00	-	134.00	134000000	10	134.00	-	134.00
	3.83	(3.83)	-	3744000	10	3.83	(3.83)	-
	23.04	-	23.04	23042250	10	23.04	-	23.04
	73.28	-	73.28	25950000	10	73.28	-	73.28
	0.05	-	0.05	2500000	1	0.05	-	0.05
	60.68	-	60.68	60680000	10	60.68	-	60.68
	222.86	-	222.86	222861375	10	222.86	-	222.86
	0.26	-	0.26	260000	10	0.26	-	0.26
	413.93	-	413.93	**244925030**	**10**	**244.93**	**-**	**244.93**

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd..)

	Particulars	Investment Currency	Face Value/ Paid up Value	Number	Paid Up Value	
	GSPL India Transco Limited	Indian Rupees	10	**151320000**	**10**	
	Indian Oil Adani Gas Private Limited	Indian Rupees	10	**432245000**	**10**	
	Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	**48288750**	**10**	
	Kochi Salem Pipeline Private Limited	Indian Rupees	10	**202500000**	**10**	
	IndianOil LNG Private Limited (Also refer point no. C.2.2 of Note 36)	Indian Rupees	10	**5000**	**10**	
	Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	**1131765000**	**10**	
	Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	**100000000**	**10**	
	Indradhanush Gas Grid Limited	Indian Rupees	10	**61000000**	**10**	
	IHB Private Limited	Indian Rupees	10	**829000000**	**10**	
	IndianOil Total Private Limited	Indian Rupees	10	**7500000**	**10**	
	Sub-total: (I)(C)					
	Total Investments in Subsidiaries, Associates & JVs [(I)(A)+(I)(B)+(I)(C)]					
D	**In Others**					
	Investments designated at fair value through OCI:					
	QUOTED:					
	Oil and Natural Gas Corporation Limited	Indian Rupees	5	**986885142**	**5**	
	GAIL (India) Limited	Indian Rupees	10	**108905460**	**10**	
	Oil India Limited	Indian Rupees	10	**53501100**	**10**	
	UNQUOTED:					
	International Cooperative Petroleum Association, New York	USD	100	**350**	**100**	
	Haldia Petrochemical Limited	Indian Rupees	10	**150000000**	**10**	
	Vadodara Enviro Channel Limited[a] (Formerly Effluent Channel Projects Limited)	Indian Rupees	10	**7151**	**10**	
	Woodlands Multispeciality Hospital Limited	Indian Rupees	10	**101095**	**10**	
	Shama Forge Co. Limited[b] (under liquidation)	Indian Rupees	10	**100000**	**10**	
	In Consumer Cooperative Societies:					
	Barauni[c]	Indian Rupees	10	**250**	**10**	
	Guwahati[d]	Indian Rupees	10	**750**	**10**	
	Mathura[e]	Indian Rupees	10	**200**	**10**	
	Haldia[f]	Indian Rupees	10	**2190**	**10**	
	In Indian Oil Cooperative Consumer Stores Limited, Delhi[g]	Indian Rupees	10	**375**	**10**	
	Sub-total: (I)(D)					
	Sub-total: (I) = [(I)(A)+(I)(B)+(I)(C)+(I)(D)]					

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd..)

March 31, 2021				March 31, 2020				
	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying/ Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying/ Fair Value
	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)			(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
	(1)	(2)	(1+2)			(1)	(2)	(1+2)
	151.32	-	151.32	127920000	10	127.92	-	127.92
	432.25	-	432.25	291000000	10	291.00	-	291.00
	48.29	-	48.29	48288750	10	48.29	-	48.29
	202.50	-	202.50	152500000	10	152.50	-	152.50
	0.01	-	0.01	5000	10	0.01	-	0.01
	1,131.77	-	1,131.77	751085000	10	751.09	-	751.09
	100.00	-	100.00	100000000	10	100.00	-	100.00
	61.00	-	61.00	12000000	10	12.00	-	12.00
	829.00	-	829.00	52500000	10	52.50	-	52.50
	7.50	-	7.50	-	-	-	-	-
	4,681.26	(3.83)	4,677.43			3,085.92	(5.82)	3,080.10
	21,289.62	(2,098.61)	19,191.01			19,610.70	(2,032.46)	17,578.24
	1,780.12	8,300.91	10,081.03	986885142	5	1,780.12	4,960.31	6,740.43
	122.52	1,353.15	1,475.67	108905460	10	122.52	711.15	833.67
	1,123.52	(466.53)	656.99	53501100	10	1,123.52	(681.34)	442.18
	0.02	-	0.02	350	100	0.02	-	0.02
	150.00	705.40	855.40	150000000	10	150.00	234.30	384.30
	-	-	-	7151	10	-	-	-
	0.10	-	0.10	101095	10	0.10	-	0.10
	-	-	-	100000	10	-	-	-
	-	-	-	250	10	-	-	-
	-	-	-	750	10	-	-	-
	-	-	-	200	10	-	-	-
	-	-	-	2190	10	-	-	-
	-	-	-	375	10	-	-	-
	3,176.28	9,892.93	13,069.21			3,176.28	5,224.42	8,400.70
	24,465.90	7,794.32	32,260.22			22,786.98	3,191.96	25,978.94

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd..)

Particulars	Investment Currency	Face Value/ Paid up Value	Number	Paid Up Value
II In Preference Shares				
Investments at fair value through profit and loss				
A In Subsidiary Companies:				
UNQUOTED:				
Chennai Petroleum Corporation Limited	Indian Rupees	10	**500000000**	**10**
6.65% Cum. Redeemable Non Convertible Preference Shares				
Sub-total: (II)(A)				
B In Others				
UNQUOTED:				
Shama Forge Co. Limited (under liquidation)[h]	Indian Rupees	100	**5000**	**100**
9.5% Cumulative Redeemable Preference Shares				
Sub-total: (II)(B)				
III In Government Securities				
Investments at fair value through OCI				
Quoted: (Note B and C)				
Oil Marketing Companies GOI Special Bonds	Indian Rupees		**-**	**-**
9.15% Govt Stock 2024	Indian Rupees	10000	**1960000**	**10000**
7.35% Govt.Stock 2024	Indian Rupees	10000	**695000**	**10000**
Sub-total: (III)				
IV In Debentures or Bonds				
Investments at fair value through profit and loss				
Unquoted:				
IndianOil LNG Pvt Limited	Indian Rupees	1000000	**36650**	**1000000**
7.45% Fully and Compulsorily Convertible Debentures				
(Also refer point no. C.2.2 of Note 36)				
Sub-total: (IV)				
Total Other Investments [(I)(D)+(II)+(III)+(IV)]				
Total Non Current Investments (I+II+III+IV)				
CURRENT INVESTMENTS:				
In Government Securities (at fair value through OCI)				
Quoted:				
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	**8261020**	**10000**
9.15% Govt Stock 2024	Indian Rupees	-	**-**	**-**
Total				

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd..)

	March 31, 2021			March 31, 2020				
	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying/ Fair Value	Number	Paid Up Value	Investment Value	Impairment Loss/Fair Value Adjustment	Carrying/ Fair Value
	(₹ in Crore)	(₹ in Crore)	(₹ in Crore)			(₹ in Crore)	(₹ in Crore)	(₹ in Crore)
	(1)	(2)	(1+2)			(1)	(2)	(1+2)
	500.00	100.00	600.00	500000000	10	500.00	55.63	555.63
	500.00	**100.00**	**600.00**			**500.00**	**55.63**	**555.63**
	-	-	-	5000	100	-	-	-
	-	-	-			-	-	-
	-	-	-	3000000	10000	3,000.00	87.07	3,087.07
	2,242.91	20.84	2,263.75	6000	10000	6.84	0.13	6.97
	704.04	48.45	752.49	695000	10000	704.04	47.34	751.38
	2,946.95	**69.29**	**3,016.24**			**3,710.88**	**134.54**	**3,845.42**
	3,665.00	210.66	3,875.66	6530	1000000	653.00	19.18	672.18
	3665.00	**210.66**	**3875.66**			**653.00**	**19.18**	**672.18**
	10,288.23	**10,272.88**	**20,561.11**			**8,040.16**	**5,433.77**	**13,473.93**
	31,577.85	**8,174.27**	**39,752.12**			**27,650.86**	**3,401.31**	**31,052.17**
	8,261.02	606.27	8,867.29	5366020	10000	5,366.02	452.97	5,818.99
	-	-	-	1954000	10000	2,236.07	31.33	2,267.40
	8,261.02	**606.27**	**8,867.29**			**7,602.09**	**484.30**	**8,086.39**

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd..)

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Aggregate carrying value of quoted investments	**24,899.43**	20,750.30
Aggregate market value of quoted investments	**29,362.46**	24,413.32
Aggregate carrying value of unquoted investments	**23,719.98**	18,388.26
Aggregate amount of impairment in value of investments	**2,098.61**	2,032.46

Followings are not reflected above due to rounding off:-

(Amount in ₹)

	Particulars	March 31, 2021	March 31, 2020
a	Vadodara Enviro Channel Limited	**10**	10
b	Shama Forge Co. Limited	**100**	100
c	Barauni Consumer Cooperative Societies	**2,500**	2,500
d	Guwahati Consumer Cooperative Societies	**2,500**	2,500
e	Mathura Consumer Cooperative Societies	**2,000**	2,000
f	Haldia Consumer Cooperative Societies	**16,630**	16,630
g	Indian Oil Cooperative Consumer Stores Limited, Delhi	**3,750**	3,750
h	Shama Forge Co. Limited	**100**	100

Note: A

During the year New investments as well as additional investments were made, as per details below:

(₹ in Crore)

Name of the entity	Number	Amount
UNQOUTED INVESTMENT:		
1 Investment in Equity Shares:		
IOC Sweden AB	1002250	90.03
GSPL India Gasnet Limited	169000000	169.00
GSPL India Transco Limited	23400000	23.40
Indian Oil Adani Gas Private Limited	141245000	141.25
Kochi Salem Pipeline Private Limited	50000000	50.00
Hindustan Urvarak and Rasayan Limited	380680000	380.68
Indradhanush Gas Grid Limited	49000000	49.00
IHB Private Limited	776500000	776.50
IndianOil Total Private Limied	7500000	7.50
2 Investment in Compulsorily Convertible Debentures:		
IndianOil LNG Private Limited (7.45% Fully and Compulsorily Convertible Debentures)	3012000	3,012.00

Note: B

Investment in Oil Marketing Companies GOI Special Bonds consists of:

(₹ in Crore)

Nature of Bond	No. of Bonds	Face Value Amount	Fair Value Amount
1. Current investment:			
8.13% GOI SPECIAL BONDS 2021	78000	78.00	82.66
7.95% GOI SPECIAL BONDS 2025	457250	457.25	498.71
8.20% GOI SPECIAL BONDS 2023	1453510	1,453.51	1,604.41
6.90% GOI SPECIAL BONDS 2026	2977930	2,977.93	3,109.44
8.00% GOI SPECIAL BONDS 2026	189270	189.27	204.78
8.20% GOI SPECIAL BONDS 2024	3105060	3,105.06	3,367.29
Total Current Investments	**8261020**	**8,261.02**	**8,867.29**

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd..)

Note: C - Other Disclosures

1 During the year, Oil Marketing Companies 6.90% special Bonds of investment value of **₹ 3,000 Crore** is reclassified from Non Current to current investment and 9.15% Govt Stock 2024 of investment value of **₹ 2,236.07 Crore** is reclassified from Current to Non current investment.

2 During the current year, company has received consideration of ₹ 6.45 Crore against reduction of ₹ 0.64 Crore shares held in Indian Catalyst Private limited pursuant to scheme of reduction of share capital approved by NCLT for cancelling and extinguishing its paid up equity share capital of ₹ 6.45 Cr.

3 Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Tri-party Repo Segment (TREPS) of CCIL.

(₹ in Crore)

Nature of Bonds	March 31, 2021		March 31, 2020	
	Face Value	Carrying Value	Face Value	Carrying Value
9.15% GOVT.STOCK 2024	**1,960.00**	**2,263.75**	6.00	6.97
7.35% GOVT.STOCK 2024	**695.00**	**752.49**	695.00	751.38
Oil Marketing Companies GOI Special Bonds	**-**	**-**	3,000.00	3,087.07

Note - 5 : LOANS

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Security Deposits				
To Others				
Secured, Considered Good	**0.09**	0.08	**-**	-
Unsecured, Considered Good	**166.30**	150.59	**296.68**	300.28
Credit Impaired	**-**	0.10	**1.40**	1.40
	166.39	**150.77**	**298.08**	**301.68**
Less: Allowance for Doubtful Deposits	**-**	0.10	**1.40**	1.40
	166.39	**150.67**	**296.68**	**300.28**
Loans A				
To Related Parties				
Secured, Considered Good	**0.02**	96.10	**104.67**	0.02
Unsecured, Considered Good	**15.00**	144.63	**177.48**	0.16
Credit Impaired	**-**	-	**2.25**	2.25
	15.02	**240.73**	**284.40**	**2.43**
Less: Allowance for Doubtful Loans	**-**	-	**2.25**	2.25
	15.02	**240.73**	**282.15**	**0.18**
To Others				
Secured, Considered Good	**894.59**	816.57	**110.60**	108.67
Unsecured, Considered Good	**1,736.62**	1,954.10	**315.60**	609.85
Which have significant increase in Credit Risk	**215.03**	422.58	**17.44**	134.71
Credit Impaired	**348.75**	74.86	**206.31**	52.75
	3,194.99	**3,268.11**	**649.95**	**905.98**
Less: Allowance for Doubtful Loans	**820.28**	402.76	**258.12**	151.65
	2,374.71	**2,865.35**	**391.83**	**754.33**
	2,389.73	**3,106.08**	**673.98**	**754.51**
TOTAL	**2,556.12**	**3,256.75**	**970.66**	**1,054.79**
A. Includes:				
1. Loans valued at Fair Value through Profit or Loss (FVTPL)	**-**	129.63	**121.51**	-
2. Due from Directors	**0.02**	0.11	**0.01**	0.04
3. Due from Other Officers	**3.44**	3.84	**1.84**	1.90

NOTES TO FINANCIAL STATEMENTS

Note - 6: OTHER FINANCIAL ASSETS

(Unsecured, Considered Good at amortised cost unless otherwise stated)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advances for Investments	A				
Subsidiary Companies		-	88.90		
Joint Ventures		22.63	-		
		22.63	88.90		
Amount Recoverable from Central/ State Government		-	-	680.35	13,294.80
Finance Lease Receivables		1.93	32.45	2.13	33.32
Interest Accrued on Investments/ Bank Deposits/ Loans		-	-	0.67	0.71
Derivative Instruments at Fair Value		-	-	45.13	131.11
Advance to Employee Benefits Trusts/Funds		-	-	870.53	141.19
Bank Deposits (with more than 12 months maturity)	B	0.52	1.78	1.78	1.48
Receivables on Agency Sales		-	-	1,071.50	1,075.52
Claims Recoverable:					
From Others					
Unsecured, Considered Good		-	-	63.67	108.75
Unsecured, Considered Doubtful		-	-	112.69	54.82
		-	-	176.36	163.57
Less: Provision for Doubtful Claims		-	-	112.69	54.82
		-	-	63.67	108.75
Others:					
Unsecured, Considered Good		27.41	30.91	219.28	1,012.41
Which have significant increase in Credit Risk		-	-	402.54	-
Credit Impaired		-	-	3.04	6.26
		27.41	30.91	624.86	1,018.67
Less: Allowance for Doubtful Asset		-	-	74.60	6.26
		27.41	30.91	550.26	1,012.41
TOTAL		52.49	154.04	3,286.02	15,799.29

A. Advances for equity pending allotment.

B. Earmarked in favour of Statutory Authorities.

Note - 7 : INCOME TAX/ CURRENT TAX ASSET/ (LIABILITY) - NET

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Income Tax/Current Tax Asset/ (Liability) - Net				
Advance payments for Current Tax	20,635.18	23,159.97	4,703.28	66.28
Less: Provisions	18,206.33	18,973.21	5,501.13	-
	2,428.85	4,186.76	(797.85)	66.28
TOTAL	2,428.85	4,186.76	(797.85)	66.28
Includes amount relating to Fringe Benefit Tax	5.47	5.47	2.04	2.04

NOTES TO FINANCIAL STATEMENTS

Note - 8 : OTHER ASSETS (NON FINANCIAL)

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advances for Capital Expenditure				
To Others				
Secured, Considered Good	21.01	10.42		
Unsecured, Considered Good	1,113.38	1,275.81		
Unsecured, Considered Doubtful	9.36	-		
	1,143.75	1,286.23		
	1,143.75	1,286.23		
Less: Provision for Doubtful Advances	9.36	-		
	1,134.39	1,286.23		
Advances Recoverable				
From Related Parties				
Unsecured, Considered Good	721.90	488.45	22.64	22.64
From Others				
Unsecured, Considered Good	14.90	15.81	2,072.28	2,447.23
Unsecured, Considered Doubtful	-	-	292.62	6.76
	14.90	15.81	2,364.90	2,453.99
Less: Provision for Doubtful Advances	-	-	292.62	6.76
	14.90	15.81	2,072.28	2,447.23
	736.80	504.26	2,094.92	2,469.87
Claims Recoverable: A				
From Related Parties				
Unsecured, Considered Good	-	-	7.12	8.22
Unsecured, Considered Doubtful	-	-	2.61	2.61
	-	-	9.73	10.83
From Others				
Unsecured, Considered Good	-	-	452.95	506.60
Unsecured, Considered Doubtful	-	-	99.01	95.07
	-	-	551.96	601.67
Less: Provision for Doubtful Claims	-	-	101.62	97.68
	-	-	450.34	503.99
	-	-	460.07	514.82
Balance/ Deposits with Government Authorities				
Unsecured, Considered Good	-	-	501.49	452.88
Gold/ Other Precious Metals	-	-	62.21	60.77
Less: Provision for Diminution in value	-	-	-	10.72
	-	-	62.21	50.05
Deferred Expenses	921.01	1,030.09	114.06	296.35
Prepaid Rentals	35.34	47.85	62.94	16.09
Pre-Spent Corporate Social Responsibility Expenses (Refer Note - 45)	-	-	118.37	-
TOTAL	2,827.54	2,868.43	3,414.06	3,800.06

NOTES TO FINANCIAL STATEMENTS

Note - 8 : OTHER ASSETS (NON FINANCIAL) (Contd..)

(Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
A. Includes:				
1. Customs/ Excise Duty/ DEPB/ Duty Drawback Claims which are in the process of being claimed with the Department.	**-**	-	**7.65**	6.11
2. Claims recoverable from Customs Authorities pending for final assessment/ settlement.	**-**	-	**31.31**	35.84

Note - 9 : INVENTORIES

(₹ in Crore)

		March 31, 2021	March 31, 2020
In Hand:			
Raw Materials	A	**17,246.18**	14,578.83
Stock in Process		**5,964.42**	5,432.60
Finished Products	B	**29,540.73**	26,475.37
Stock in Trade	C	**6,345.74**	5,884.91
Stores, Spares etc.	D	**4,330.71**	4,100.53
Less: Provision for Losses		**189.12**	185.59
		4,141.59	**3,914.94**
Barrels and Tins	E	**106.30**	63.18
		63,344.96	**56,349.83**
In Transit:			
Raw Materials		**10,818.14**	4,771.37
Finished Products		**1,112.22**	599.11
Stock in Trade		**2,721.63**	1,745.18
Stores, Spares etc.		**191.06**	212.13
		14,843.05	**7,327.79**
TOTAL		**78,188.01**	**63,677.62**
Includes-			
A. Stock lying with others		**4.07**	4.07
B. Stock lying with others		**1,711.92**	1,726.61
C. Stock lying with others		**1,117.38**	888.50
D. Stock lying with contractors		**9.78**	13.54
E. Stock lying with others		**0.46**	5.48
Amount of write down of inventories carried at NRV and recognised as Expense.		**422.68**	-
Amount of write down of inventories carried at NRV and recognised as Exceptional Item.		**-**	11,304.64

Valuation of inventories are done as per point no. 7 of significant accounting policies (Note-1).

For hypothecation details refer Note-21.

NOTES TO FINANCIAL STATEMENTS

Note - 10 : TRADE RECEIVABLES (At amortised cost)

(₹ in Crore)

		March 31, 2021	March 31, 2020
From Related Parties			
Unsecured, Considered Good		339.63	215.43
Credit Impaired		7.03	-
		346.66	215.43
From Others			
Secured Considered Good		21.40	12.21
Unsecured, Considered Good		11,075.10	12,629.32
Which have significant increase in Credit Risk		2,399.55	-
Credit Impaired		162.02	114.98
		13,658.07	12,756.51
Total		14,004.73	12,971.94
Less: Allowance for Doubtful Debts	A	607.05	127.85
TOTAL		13,397.68	12,844.09
A. Includes provision as per Expected Credit Loss method in line with accounting policy (Refer Note 40)		11.45	12.87

Note - 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

	March 31, 2021	March 31, 2020
Bank Balances with Scheduled Banks:		
In Current Account	299.03	531.96
In Fixed Deposit - Maturity within 3 months	0.78	0.01
	299.81	531.97
Bank Balances with Non-Scheduled Banks	1.93	1.40
Cheques, Drafts in hand	11.54	1.75
Cash in Hand, Including Imprest	0.36	0.44
TOTAL	313.64	535.56

Note - 12 : BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

		March 31, 2021	March 31, 2020
Fixed Deposits	A	12.91	8.17
Earmarked Balances	B	1,340.99	44.63
Blocked Account	C	0.72	0.74
Other Bank Balances	D	0.01	0.01
TOTAL		1,354.63	53.55
A) Earmarked in favour of Statutory Authorities.			
B) Pertains to			
- Unpaid Dividend		41.09	44.60
- Fractional Share Warrants		0.03	0.03
- Interim Dividend Declared but not Disbursed (including TDS)		1,299.87	-
C) There exists restrictions on banking transactions in Libya due to political unrest.			
D) There exists restrictions on repatriation from bank account in Myanmar.			

NOTES TO FINANCIAL STATEMENTS

Note - 13 : ASSETS HELD FOR SALE

(₹ in Crore)

	Note	March 31, 2021	March 31, 2020
Freehold land		**1.56**	1.56
Building	A	**0.17**	0.30
Plant and Equipment	B	**190.90**	232.73
Office Equipment		**0.23**	0.59
Transport Equipment		**0.02**	0.02
Furniture and Fixtures		**0.02**	0.03
Total		**192.90**	**235.23**

A. The Company has surplus land at various locations such as LPG Plant, Depots and RO's etc. which is under the process of disposal. The management intends to sell the land. No impairment was recognised on reclassification of land as held for sale as the Company expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

B. Includes non current assets retired from active use earlier used in various segments and held for disposal through tendering process within a year.

During the year, the company has recognised impairment loss of **₹ 30.00 Crore** (2020: ₹ 42.39 Crore) on write-down of asset to fair value less costs to sell and the same has been shown in Provision/loss on Other Assets sold or written off under 'Other Expenses' in the Statement of Profit and Loss.

Note - 14 : EQUITY SHARE CAPITAL

(₹ in Crore)

	March 31, 2021	March 31, 2020
Authorised:		
15,00,00,00,000 Equity Shares of ₹ 10 each	**15,000.00**	15,000.00
Issued Subscribed and Paid Up:		
9,41,41,58,922 (2020: 9,41,41,58,922)	**9,414.16**	9,414.16
Equity Shares of ₹ 10 each fully paid up		
Less: Equity Shares held under IOC Shares Trust	**233.12**	233.12
23,31,18,456 (2020: 23,31,18,456)		
Equity Shares of ₹ 10 each fully paid up		
TOTAL	**9,181.04**	**9,181.04**
A. Reconciliation of No. of Equity Shares		
Opening Balance	**9,41,41,58,922**	9,41,41,58,922
Closing Balance	**9,41,41,58,922**	9,41,41,58,922

B. Terms/ Rights attached to Equity Shares

The Company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

IOC Shares Trust (Shareholder) has waived its right to receive the dividend w.e.f. 02.03.2020.

NOTES TO FINANCIAL STATEMENTS

Note - 14 : EQUITY SHARE CAPITAL (Contd..)

C. Details of shareholders holdings more than 5% shares

(₹ in Crore)

Name of Shareholder	March 31, 2021		March 31, 2020	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	**4848133178**	**51.50**	4848133178	51.50
OIL AND NATURAL GAS CORPORATION LIMITED	**1337215256**	**14.20**	1337215256	14.20
LIFE INSURANCE CORPORATION OF INDIA	**722680547**	**7.68**	610467282	6.48
OIL INDIA LIMITED	**485590496**	**5.16**	485590496	5.16

D. For the period of preceding five years as on the Balance Sheet date, the:

(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
(b) Aggregate number of shares allotted as fully paid up by way of bonus shares:	
- During FY 2016-17 (October 2016) in ratio of 1:1	2427952482
- During FY 2017-18 (March 2018) in ratio of 1:1	4855904964
(c) Aggregate number and class of shares bought back - During FY 2018-19 (February 2019)	297651006

Note - 15 : OTHER EQUITY

(₹ in Crore)

	March 31, 2021	March 31, 2020
Retained Earnings		
General Reserve:		
Opening Balance	**74,905.19**	79,533.78
Add: Remeasurement of Defined Benefit Plans	**16.78**	(115.54)
Add: Transfer from Export profit Reserve	**53.72**	-
Add: Appropriation from Surplus	**12,184.52**	(4,513.05)
	87,160.21	**74,905.19**
Surplus (Balance in Statement of Profit and Loss)		
Profit for the Year	**21,836.04**	1,313.23
Less: Appropriations		
Interim Dividend	**9,640.47**	3,902.09
Final Dividend	**-**	918.25
Dividend Distribution Tax on:		
Interim Dividend	**-**	799.27
Final Dividend	**-**	186.67
Insurance Reserve (Net)	**11.05**	20.00
General Reserve	**12,184.52**	(4,513.05)
Balance carried forward to next year	**-**	-
	87,160.21	**74,905.19**
Other Reserves		
Bond Redemption Reserve	**3,152.64**	3,152.64
Capital Redemption Reserve Account	**297.65**	297.65
Capital Reserve	**183.08**	183.08

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd..)

(₹ in Crore)

	March 31, 2021	March 31, 2020
Insurance Reserve:		
Opening Balance	**261.09**	241.09
Add: Appropriation from Surplus	**20.00**	20.00
Less: Recoupment of uninsured fire loss	**8.95**	-
	272.14	**261.09**
Export Profit Reserve:		
As per last Account	**53.72**	53.72
Less: Transfer to General Reserve	**53.72**	-
	-	**53.72**
Corporate Social Responsibility Reserve (refer Note - 45)		
Opening Balance	**-**	-
Add: Appropriation from Surplus	**-**	543.38
Less: Utilised during the year	**-**	543.38
	-	**-**
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	**-**	(35.78)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	**-**	6.86
Less: Amortised during the year	**-**	(28.92)
	-	**-**
Fair Value Through Other Comprehensive Income:		
Fair value of Equity Instruments		
Opening Balance	**5,296.79**	16,072.20
Add: Fair value during the year	**4,469.39**	(10,775.41)
	9,766.18	**5,296.79**
Fair value of Debt Instruments		
Opening Balance	**391.67**	(43.95)
Add: Fair value during the year	**80.91**	435.62
Less: Transferred to Statement of Profit and Loss	**2.28**	-
	470.30	**391.67**
Cash Flow Hedge Reserve		
Opening Balance	**46.00**	22.04
Add: Gain/(Loss) during the year	**16.81**	46.01
Less: Transferred during the year	**46.01**	22.05
	16.80	46.00
TOTAL	**1,01,319.00**	**84,587.83**

Nature and Purpose of Reserves

A. Retained Earnings

The retained earnings comprises of general reserve and surplus which is used from time to time to transfer profits by appropriations. Retained earnings is free reserve of the Company and is used for the purposes like issuing bonus shares, buy back of shares and other purposes (like declaring Dividend etc.) as per the approval of Board Of Directors. It includes the re-measurement of defined benefit plan as per actuarial valuations which will not be re-classified to statement of profit and loss in subsequent periods.

B. Bond Redemption Reserve

As per the Companies Act 2013, a Bond Redemption Reserve was required to be created for all bonds/ debentures issued by the company at a specified percentage. This reserve is created out of appropriation of profits over the tenure of bonds and will be transferred back to general reserve on repayment of bonds for which it is created.

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd..)

C. Capital Redemption Reserve

As per the Companies Act 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. Utilisation of this reserve is governed by the provisions of the Companies Act 2013.

D. Capital Reserve

Capital Reserve was created through business combinations and shall be utilised as per the provisions of the Companies Act 2013.

E. Insurance Reserve

Insurance Reserve is created by the company with the approval of Board of Directors to mitigate risk of loss of assets not insured with external insurance agencies. ₹ 20.00 Crore is appropriated by the company every year to this reserve. The reserve is utilised to mitigate actual losses by way of net appropriation in case any uninsured loss is incurred. Amount of ₹ 8.95 Crore (2020 : NIL) has been utilised for recoupment of uninsured losses.

F. Export Profit Reserve

Amount set aside out of profits from exports for availing income tax benefits u/s 80HHC of the Income Tax Act, 1961 for the Assessments Years 1986-87 to 1988-89. Creation of reserve for claiming deduction u/s 80HHC was dispensed from AY 1989-90 onwards. In view of settlement of tax dispute with respect to claim under Section 80HHC, Export profit reserve created in earlier year is no longer required and therefore the balance lying has been transfered to General Reserve.

G. Corporate Social Responsibility Reserve

Corporate Social Responsibility (CSR) Reserve was being created till FY 2019-20 for meeting expenses relating to CSR activities in line with CSR policy of the Company. Pursuant to the recent amendments in Companies Act, 2013 & CSR Rules (January 22, 2021), entire CSR amount required to be spent in a financial year is to be recorded as expenditure in the financial statements. CSR expenditure is being recognised by Company as expense in the statement of profit and loss as and when such expenditure is incurred. However, at the end of the financial year, liability is created for any unspent amount while asset is created for the overspent amount.

H. Foreign Currency Monetary Item Translation Difference Account

This reserve is created to accumulate and amortise exchange fluctuations on Long-Term Monetary Items (other than those related to depreciable PP&E) over the remaining life of these items. This is as per the transition exemption taken by the company at the time of implementation of Ind-AS wherein the company has chosen to continue the old GAAP practice for items upto 31.03.2016.

I. Fair value of Equity Instruments

This reserve represents the cumulative effect of fair value fluctuations of investments made by the company in equity instruments of other entities. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. This will not be re-classified to the statement of profit and loss in subsequent periods.

J. Fair value of Debt Instruments

This reserve represents the cumulative effect of fair value fluctuations in debt investments made by the company which are classified as available for sale investments. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. This amount will be re-classified to the statement of profit and loss in subsequent periods on disposal of respective instruments.

K. Cash Flow Hedge Reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged item occurs/ affects the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS

Note - 16 : LONG TERM BORROWINGS (At Amortised Cost)

(₹ in Crore)

		Non Current		Current Maturities*	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
SECURED LOANS					
Term Loans:					
Oil Industry Development Board (OIDB)	A	**531.59**	144.47	**37.50**	177.81
Total Secured Loans		**531.59**	**144.47**	**37.50**	**177.81**
UNSECURED LOANS					
Bonds/ Debentures:					
Foreign Currency Bonds	B	**12,402.76**	16,478.13	**3,853.59**	209.27
Rupee Bonds/ Debentures	C	**15,908.35**	7,994.02	**378.81**	135.14
		28,311.11	**24,472.15**	**4,232.40**	**344.41**
Term Loans:					
From Banks/ Financial Institutions					
In Foreign Currency Loans	D	**17,331.83**	17,144.21	**2.15**	1,888.39
In Rupees	E	**1,500.00**	-	**2.22**	-
From Government					
In Rupees	F	**1,291.34**	962.66	**-**	-
		20,123.17	**18,106.87**	**4.37**	**1,888.39**
Lease Obligations	G	**6,442.08**	6,527.15	**1,472.41**	1,397.65
Total Unsecured Loans		**54,876.36**	**49,106.17**	**5,709.18**	**3,630.45**
TOTAL LONG-TERM BORROWINGS		**55,407.95**	**49,250.64**	**5,746.68**	**3,808.26**

* Current maturities (including Lease Obligations) are carried to Note - 17: Other Financial Liabilities.

Secured Loans:

A. Secured Term Loans

1. Security Details for OIDB Loans:

a) First charge on the facilities at IndMax Unit, Bongaigaon Refinery, Assam.

2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans

Sl. No.	Repayable During	Repayable Amount (₹ In Crore)	Range of Interest (%)
1	2021-22	37.50	6.51%
2	2022-23	146.75	5.31% - 6.51%
3	2023-24	146.75	5.31% - 6.51%
4	2024-25	146.75	5.31% - 6.51%
5	2025-26	109.25	5.31% - 5.51%
	Total	**587.00**	

NOTES TO FINANCIAL STATEMENTS

Note - 16 : LONG TERM BORROWINGS (At Amortised Cost) (Contd..)

Unsecured Loans:

B. Repayment Schedule of Foreign Currency Bonds

Sl. No.	Particulars	Date of Issue	Date of Repayment
1	USD 900 Million Reg S Bonds	January 16, 2019	Payable after 5 years from the date of issue
2	USD 500 Million Reg S Bonds	August 01, 2013	Payable after 10 years from the date of issue
3	SGD 400 Million Reg S Bonds	October 15, 2012	On the same day, Cross Currency Swap amounting to USD 325.57 Million done. Payable after 10 years from the date of issue
4	USD 500 Million Reg S Bonds	August 02, 2011	Payable after 10 years from the date of issue

C. Repayment Schedule of Rupee Bonds/ Debentures

Sl. No.	Particulars	Date of Allotment	Coupon Rate	Date of Redemption
1	Indian Oil-2029 (Series XIV) 30000 debenture of Face Value ₹ 10,00,000 each	October 22, 2019	7.41% p.a.payable annually on 22 October	10 years from the deemed date of allotment i.e. October 22, 2029
2	Indian Oil-2023 (Series XV) 20000 debenture of Face Value ₹ 10,00,000 each	January 14, 2020	6.44% p.a.payable annually on 14 January	3 years 3 months from the deemed date of allotment i.e. April 14, 2023
3	Indian Oil-2025 (Series XVI) 29950 debenture of Face Value ₹ 10,00,000 each	March 06, 2020	6.39% p.a.payable annually on 6 March	5 years from the deemed date of allotment i.e. March 6, 2025
4	Indian Oil-2022 (Series XVII) 30000 debenture of Face Value ₹ 10,00,000 each	May 27, 2020	5.05% p.a.payable annually on 27 May	2 years 6 months from the deemed date of allotment i.e. November 25, 2022
5	Indian Oil-2025 (Series XVIII) 16250 debenture of Face Value ₹ 10,00,000 each	August 03, 2020	5.40% p.a.payable annually on 03 August	4 years 8 months and 8 days from the deemed date of allotment i.e. April 11, 2025
6	Indian Oil-2025 (Series XIX) 20000 debenture of Face Value ₹ 10,00,000 each	October 20, 2020	5.50% p.a.payable annually on 20 October	5 years from the deemed date of allotment i.e. October 20, 2025
7	Indian Oil-2026 (Series XX) 12902 debenture of Face Value ₹ 10,00,000 each	January 25, 2021	5.60% p.a.payable annually on 25 January	4 years 11 months and 29 days from the deemed date of allotment i.e. January 23, 2026.

NOTES TO FINANCIAL STATEMENTS

Note - 16 : LONG TERM BORROWINGS (At Amortised Cost) (Contd..)

D. Repayment Schedule of loans from Banks and Financial Institutions in Foreign Currency

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 100 Million Term Loan	March 12, 2021	Payable after 3 years & 3 months from the date of drawal
2	USD 300 Million Term loan	June 19, 2019	Payable after 3 years from the date of drawal
3	USD 50 Million Syndication Loan	March 07, 2019	Payable after 5 years from the date of drawal
4	USD 200 Million Syndication Loan	March 05, 2019	
5	USD 150 Million Syndication Loan	February 28, 2019	
6	USD 100 Million Syndication Loan	December 31, 2018	
7	USD 100 Million Syndication Loan	December 28, 2018	
8	USD 200 Million Syndication Loan	December 24, 2018	
9	USD 100 Million Syndication Loan	December 20, 2018	
10	USD 250 Million Syndication Loan	December 18, 2018	
11	USD 100 Million Syndication Loan	December 12, 2018	
12	USD 450 Million Syndication Loan	December 11, 2018	
13	USD 300 Million syndication loan	September 29, 2017	

E. Repayment Schedule of Term loans from Banks and Financial Institutions in Rupees

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	HDFC ₹ 1,500 Crore Term Loan	20 March 2021	Payable after 3 years from the date of drawal

F. Repayment Schedule of Unsecured Interest Free Loans from Govt of Odisha

Interest free loan given by Odisha Government for 15 years is disbursed in quarterly instalment of ₹ 175 Crore starting from April 01, 2016 repayble after 15 years. Total loan disbursed till now is ₹ 3,500 Crore which is repayable after 15 years from the quarter for which the same is given i.e. in quarterly instalments starting from last week of June, 2031 onwards. This loan being interest free loan is accounted at fair value and accordingly accounting for government grant is done.

G. Lease Obligations

The Lease Obligations are against Assets aquired on lease. The carrying value of the same is **₹ 7,914.31 Crore** (2020: ₹ 7,659.84 Crore).

Note - 17 : OTHER FINANCIAL LIABILITIES (At Amortised Cost unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current Maturities of Long-term Debt (refer Note - 16)	-	-	**5,746.68**	3,808.26
Liability for Capital Expenditure	-	-	**5,782.32**	4,728.60
Liability to Trusts and Other Funds	-	-	**117.41**	353.36
Employee Liabilities	-	-	**2,484.00**	977.21
Liability for Purchases on Agency Basis	-	-	**2,277.29**	1,460.23

NOTES TO FINANCIAL STATEMENTS

Note - 17 : OTHER FINANCIAL LIABILITIES (At Amortised Cost unless otherwise stated) (Contd..)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Investor Education & Protection Fund to be credited on the due dates:					
- Unpaid Dividend		-	-	41.09	44.60
- Unpaid Matured Deposits		-	-	0.01	0.01
		-	-	41.10	44.61
Derivative Instruments at Fair Value		-	-	252.65	467.38
Security Deposits	A	847.49	789.58	29,639.11	28,953.94
Liability for Dividend		-	-	1,260.79	-
Others		-	-	1,696.72	1,757.12
TOTAL		847.49	789.58	49,298.07	42,550.71
A. LPG Deposits classified as current in line with industry practice and includes towards:					
1. Deposit received towards LPG connection issued under PRADHAN MANTRI UJJAWALA YOJNA (PMUY), Rajiv Gandhi Gramin LPG Vitrak Yojana (RGGLVY) and various other schemes of State Government/Central Government of India. The deposits against these schemes have been funded from CSR fund and/or by State Government /Central Government of India		-	-	6,259.51	6,261.73
2. Deposit free LPG connections funded by Chennai Petroleum Corporation Limited.		-	-	0.52	0.52

Note - 18 : PROVISIONS

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for Employee Benefits		936.57	913.65	204.81	484.95
Decommissioning Liability	A	7.36	5.40	2.31	2.31
Contingencies for probable obligations	B	-	-	10,796.53	10,703.42
Less: Deposits		-	-	1,750.09	1,595.93
		-	-	9,046.44	9,107.49
TOTAL		943.93	919.05	9,253.56	9,594.75

A. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information are as under:

(₹ in Crore)

	Opening Balance	Addition during the year	Utilisation during the year	Reversals during the year	Unwinding of discount and changes in the discount rate	Closing Balance
Decommissioning Liability - E&P Blocks	7.71	3.20	-	1.40	0.16	9.67
Previous Year Total	4.62	2.74	-	-	0.35	7.71

NOTES TO FINANCIAL STATEMENTS

Note - 18 : PROVISIONS

B. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

(₹ in Crore)

	Opening Balance	Addition during the year	Utilisation during the year	Reversals during the year	Closing Balance*
Excise	15.45	0.05	-	-	15.50
Sales Tax/ GST	1,802.27	165.98	-	-	1,968.25
Entry Tax	5,614.66	-	-	2.90	5,611.76
Others	3,271.04	598.91	434.37	234.56	3,201.02
TOTAL	**10,703.42**	**764.94**	**434.37**	**237.46**	**10,796.53**
Previous Year Total	**11,624.71**	**1,031.87**	**586.25**	**1,366.91**	**10,703.42**

(₹ in Crore)

	Addition includes	Reversal includes
- capitalised	0.79	-
- included in Raw Material	55.80	-
- included in Finance Cost	367.74	-
- included in Employee Benefit Expenses	132.02	-
- included in Other Expenses	204.70	9.81
- Amount transferred from Liabilities to Provisions	3.89	-
- Adjusted against Deposits/ Paid	-	-

* Expected timing of outflow is not ascertainable at this stage, the matters being under dispute/ contingent.

Note - 19 : DEFERRED TAX LIABILITIES (NET)

(i) In compliance of Ind AS – 12 on "Income Taxes", the item wise details of Deferred Tax Liabilities (net) are as under:

(₹ in Crore)

	As on April 1, 2020	Provided during the year in the Statement of Profit and Loss	Provided during the year in OCI (net)	Balance as on March 31, 2021
Deferred Tax Liability:				
Related to Plant, Property & Equipment	16,685.78	249.82	-	**16,935.60**
Total Deferred Tax Liability (A)	**16,685.78**	**249.82**	**-**	**16,935.60**
Deferred Tax Assets:				
Provision on Inventories, Trade Receivable, Loans and Advance, Investments	845.10	443.07	-	**1,288.17**
Compensation for Voluntary Retirement Scheme	3.50	(2.49)	-	**1.01**
43B/40 (a)(ia)/other Disallowances etc.	2,590.81	203.47	-	**2,794.28**
Carry Forward Business Losses/ Unabsorbed Depreciation	1,828.80	(1,828.80)	-	**-**
Fair Valuation of Equity Instruments	72.36	-	(199.12)	**(126.76)**
MTM on Hedging Instruments *	(15.48)	-	9.82	**(5.66)**
Fair Value of Debt Instruments **	(145.11)	-	(15.56)	**(160.67)**
Others	92.66	87.84	-	**180.50**
Total Deferred Tax Assets (B)	**5,272.64**	**(1,096.91)**	**(204.86)**	**3,970.87**
Deferred Tax Liability (net) (A-B)	**11,413.14**	**1,346.73**	**204.86**	**12,964.73**

Note: During FY 2020-21, on account of change in the tax liabilities pertaining to the past periods, MAT credit amounting to **₹ 228.15** Crore out of previously written off MAT balance has been recognised and utilised against such increased tax liability.

* Net of amount recycled to Statement of Profit and Loss during the year.

** Excludes the amount of tax on fair value of debt instrument sold during the year.

NOTES TO FINANCIAL STATEMENTS

Note - 19 : DEFERRED TAX LIABILITIES (NET) (Contd..)

(₹ in Crore)

	As on April 1, 2019	Provided during the year in the Statement of Profit and Loss	Provided during the year in OCI (net)	Balance as on March 31, 2020
Deferred Tax Liability:				
Related to Plant, Property & Equipment	22,100.50	(5,414.72)	-	**16,685.78**
Foreign Currency gain on long term monetary item	12.50	(12.50)	-	**-**
Total Deferred Tax Liability (A)	**22,113.00**	**(5,427.22)**	**-**	**16,685.78**
Deferred Tax Assets:				
Provision on Inventories, Trade Receivable, Loans and Advance, Investments	993.23	(148.13)	-	**845.10**
Compensation for Voluntary Retirement Scheme	9.38	(5.88)	-	**3.50**
43B/40 (a)(ia)/other Disallowances etc.	3,692.50	(1,101.69)	-	**2,590.81**
Carry Forward Business Losses/ Unabsorbed Depreciation	-	1,828.80	-	**1,828.80**
Fair Valuation of Equity Instruments	(54.11)	-	126.47	**72.36**
MTM on Hedging Instruments	(11.85)	-	(3.63)	**(15.48)**
Fair Value of Debt Instruments	5.76	-	(150.87)	**(145.11)**
Others	61.59	31.07	-	**92.66**
Total Deferred Tax Assets (B)	**4,696.50**	**604.17**	**(28.03)**	**5,272.64**
MAT Credit Entitlement (C) Net#	**1,593.43**	**(1,593.43)**	**-**	**-**
Deferred Tax Liability net of MAT Credit (A-B-C)	**15,823.07**	**(4,437.96)**	**28.03**	**11,413.14**

#Includes generation of MAT Credit of ₹ 770.05 Crore due to alignment of tax provisions with ITR for earlier years and ₹ 1,921.13 Crore towards MAT credit written off upon movement to new regime

(ii) Reconciliation between the average effective tax rate and the applicable tax rate is as below:

	2020-21		2019-20	
	%	(₹ in Crore)	%	(₹ in Crore)
Profit Before Tax		**29,715.65**		**(3,694.11)**
Tax as per applicable Tax Rate	**25.168**	**7,478.83**	**25.168**	**(929.73)**
Tax effect of:				
Income that are not taxable in determining taxable profit	**(1.05)**	**(312.34)**	8.37	(309.31)
Expenses that are not deductible in determining taxable profit	**0.50**	**147.46**	(4.66)	172.23
Recognition of previously unrecognised allowance/ disallowances	**(3.43)**	**(1,020.09)**	1.88	(69.39)
Expenses/income related to prior years	**5.34**	**1,588.23**	(17.03)	629.08
Difference in tax due to income chargeable to tax at special rates	**(0.01)**	**(2.48)**	2.63	(97.24)
Difference due to change in Rate of Tax	**-**	**-**	119.19	(4,402.98)
Average Effective Tax Rate/ Income Tax Expenses	**26.517**	**7,879.61**	**135.549**	**(5,007.34)**

NOTES TO FINANCIAL STATEMENTS

Note - 20 : OTHER LIABILITIES (NON FINANCIAL)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31,2021	March 31, 2020	March 31, 2021	March 31, 2020
Deferred Income		**3.64**	4.41	**0.86**	1.20
Government Grants (refer Note - 46)		**2,265.19**	1,925.98	**201.21**	170.70
Statutory Liabilities		**-**	-	**10,745.81**	6,051.01
Advances from Customers		**306.74**	111.49	**4,404.71**	4,895.07
Others	A	**0.53**	0.60	**1,064.32**	932.98
TOTAL		**2,576.10**	**2,042.48**	**16,416.91**	**12,050.96**
A. Includes liability towards Fleet Customers				**920.15**	793.24

Note - 21 : BORROWINGS - CURRENT

(₹ in Crore)

Particulars		March 31, 2021	March 31, 2020
SECURED LOANS			
Loans Repayable on Demand			
From Banks:	A		
Working Capital Demand Loan		**7,822.63**	7,186.93
Cash Credit		**113.34**	641.44
		7,935.97	**7,828.37**
From Others:			
Loans through Tri-Party Repo Segment (TREPS) of Clearing Corporation of India Ltd. (CCIL)	B	**319.97**	2,629.95
Total Secured Loans		**8,255.94**	**10,458.32**
UNSECURED LOANS			
Loans Repayable on Demand			
From Banks/ Financial Institutions			
In Foreign Currency		**11,080.47**	29,488.48
In Rupee		**8,905.58**	5,800.00
		19,986.05	**35,288.48**
From Others			
Commercial Papers		**12,930.87**	17,739.28
Total Unsecured Loans		**32,916.92**	**53,027.76**
TOTAL SHORT-TERM BORROWINGS		**41,172.86**	**63,486.08**
A. Against hypothecation by way of first pari passu charge on Raw Materials, Finished Goods, Stock-in Trade, Trade Receivables, Outstanding monies, Receivables, Claims, Contracts, Engagements to SBI and HDFC Banks.			
B. Against pledging of the following to CCIL:			
Government Securities (Including OMC GOI Special Bonds)		**2,655.00**	3,701.00
Bank Guarantees		**1,650.00**	1,650.00

Note - 22 : TRADE PAYABLES (At amortised cost)

(₹ in Crore)

Particulars		March 31, 2021	March 31, 2020
Dues to Micro and Small Enterprises		**314.90**	205.00
Dues to Related Parties		**1,014.06**	910.39
Dues to Others	A	**32,545.63**	24,108.91
TOTAL		**33,874.59**	**25,224.30**
A. Includes amount related to Micro and Small enterprises for which payment to be made to financial institutions in pursuance of bills discounted by them		**0.65**	2.51

NOTES TO FINANCIAL STATEMENTS

Note - 23 : REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	2020-2021	2019-2020
Sale of Products and Crude	**5,20,749.66**	5,73,924.19
Less: Discounts	**10,204.13**	13,466.07
Sales (Net of Discounts)	**5,10,545.53**	5,60,458.12
Sale of Services	**301.37**	152.55
Other Operating Revenues (Note "23.1")	**3,076.48**	4,184.83
	5,13,923.38	**5,64,795.50**
Net Claim/(Surrender) of SSC and Other Claims	**891.49**	100.20
Subsidy From Central/ State Governments	**75.60**	161.68
Grant from Government of India	**-**	1,296.17
TOTAL	**5,14,890.47**	**5,66,353.55**

Note - 23.1 : OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	2020-2021	2019-2020
Sale of Power and Water	**253.77**	337.19
Revenue from Construction Contracts	**3.91**	8.11
Unclaimed / Unspent liabilities written back	**371.70**	171.94
Provision for Doubtful Advances, Claims and Stores written back	**9.41**	15.34
Provision for Contingencies written back	**227.65**	1,353.49
Recoveries from Employees	**13.32**	15.46
Retail Outlet License Fees	**998.91**	1,117.06
Income from Non Fuel Business	**132.45**	170.47
Commission and Discount Received	**7.01**	3.75
Sale of Scrap	**251.68**	213.62
Income from Finance Leases	**0.13**	5.03
Amortisation of Capital Grants	**170.15**	134.30
Revenue Grants	**46.00**	43.66
Terminalling Charges	**56.48**	56.85
Other Miscellaneous Income	**533.91**	538.56
TOTAL	**3,076.48**	**4,184.83**

Particulars relating to Revenue Grants are given in Note - 46.

Note - 24 : OTHER INCOME

(₹ in Crore)

Particulars		2020-2021	2019-2020
Interest on:	A		
Financial items:			
Deposits with Banks		**6.41**	6.16
Customers Outstandings		**341.72**	342.10
Oil Companies GOI SPL Bonds/ Other Investments		**912.69**	825.50
Other Financial Items		**459.74**	623.61
Total interest on Financial items		**1,720.56**	1,797.37
Non-Financial items		**39.56**	119.86
		1,760.12	**1,917.23**
Dividend:	B		
From Related Parties		**984.90**	882.06
From Other Companies		**256.13**	709.96
		1,241.03	**1,592.02**

NOTES TO FINANCIAL STATEMENTS

Note - 24 : OTHER INCOME (Contd..)

(₹ in Crore)

Particulars	2020-2021	2019-2020
Profit on Sale of Investments (Net)	1.84	-
Exchange Fluctuations (Net)	1,154.42	-
Gain on Derivatives	140.87	-
Fair value Gain on Financial instruments classified as FVTPL	205.56	-
Other Non Operating Income	46.88	45.47
TOTAL	4,550.72	3,554.72
A 1. Includes Tax Deducted at Source	8.55	8.43
A 2. Includes interest received under section 244A of the Income Tax Act.	24.15	45.75
A 3. Include interest on:		
Current Investments	638.32	516.93
Non-Current Investments	274.37	308.57
A 4. Total interest income (calculated using the effective interest method) for financial assets:		
In relation to Financial Assets classified at amortised cost	807.87	971.87
In relation to Financial Assets classified at FVOCI	832.42	772.28
In relation to Financial Assets classified at FVTPL	80.27	53.22
B.1 Dividend Income consists of Dividend on:		
Current Investments	1.69	5.65
Non-Current Investments	1,239.34	1,586.37
B.2 Dividend on Non Current Investments Includes Dividend from Subsidiaries	557.95	556.54
B.3. Includes Tax Deducted at Source	54.12	-

Note - 25: COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	2020-2021	2019-2020
Opening Stock	19,350.20	28,359.50
Add: Purchases	1,65,362.08	2,43,784.87
	1,84,712.28	2,72,144.37
Less: Closing Stock	28,064.32	19,350.20
Less: Transfer to Exceptional Items	-	5,717.14
TOTAL	1,56,647.96	2,47,077.03

Note - 26 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND STOCK IN PROCESS

(₹ in Crore)

Particulars	2020-2021	2019-2020
Closing Stock		
Finished Products	30,652.95	27,074.48
Stock in Process	5,964.42	5,432.60
Stock- in - trade	9,067.37	7,630.09
	45,684.74	40,137.17
Less:		
Opening Stock		
Finished Products	27,074.48	24,260.44
Stock in Process	5,432.60	5,739.85
Stock - in - Trade	7,630.09	9,313.95
	40,137.17	39,314.24
Add: Transfer to Exceptional Items	-	5,587.50
NET INCREASE / (DECREASE) A	5,547.57	6,410.43

A. Includes ₹ **37.25** Crore towards energy imbalance of 375,644 MMBTU in Ennore - Manali Spur Pipeline . The Company has appointed third party expert agency to conduct the system audit of metering system and the final report from the expert agency is awaited

NOTES TO FINANCIAL STATEMENTS

Note - 27 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	2020-2021	2019-2020
Salaries, Wages, Bonus etc	8,156.65	6,504.09
Contribution to Provident & Other Funds	1,426.95	1,207.10
Voluntary Retirement Compensation	2.60	1.75
Staff Welfare Expenses	1,125.84	1,079.71
TOTAL	10,712.04	8,792.65

A. Excludes ₹ **421.12 Crore** (2020: ₹ **405.12** Crore) included in capital work in progress (construction period expenses - Note-2.2) / intangible assets under development (Note - 3.1) and ₹ **15.08 Crore** (2020: ₹ 24.63 Crore) included in CSR expenses (Note - 29.1).

B. Includes expenditure on account of Staff and Establishment amounting to ₹ **22.75 Crore** (2020: ₹ 24.82 Crore) engaged in Public Relations and Publicity (Refer Note 29.1)

C. Includes ₹ **132.02 Crore** (2020: 130.24) towards Provident Fund contribution for likely future interest shortfall on portfolio basis.

D. Disclosure in compliance with Indian Accounting Standard-19 on "Employee Benefits" is given in Note - 35.

Note - 28 : FINANCE COSTS

(₹ in Crore)

Particulars		2020-2021	2019-2020
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings		540.54	842.92
Bonds/ Debentures		434.03	325.13
Others		787.52	1,379.05
		1,762.09	2,547.10
Other Loans:			
Bank Borrowings		133.26	242.54
Bonds/Debentures		564.58	533.18
Lease Obligations		765.92	756.53
		1,463.76	1,532.25
Unwinding of Discount		88.61	65.74
Others		6.17	5.59
		3,320.63	4,150.68
Interest Payments on Non Financial items:			
Unwinding of Discount		0.14	0.14
Others	A	581.15	343.30
		581.29	343.44
		3,901.92	4,494.12
Other Borrowing Cost	B	19.08	31.33
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation	C	(827.08)	1,454.00
TOTAL		3,093.92	5,979.45
A. Mainly includes:			
Interest expenses u/s 234B and 234C		135.19	-
Interest on Kandla Port Trust Rental Liability		131.61	326.54
B. Mainly pertains to franking charges, service charges & other indirect expenses on borrowings.			
C. Net adjustment pertaining to current year's exchange gain considering unrealised exchange losses treated as finance cost in earlier years in line with Ind AS 23			
Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss		3,320.63	4,150.68

NOTES TO FINANCIAL STATEMENTS

Note - 29 : OTHER EXPENSES

(₹ in Crore)

Particulars	2020-2021	2019-2020
Consumption:		
a) Stores, Spares and Consumables	**1,717.88**	1,875.26
b) Packages & Drum Sheets	**421.30**	438.79
	2,139.18	**2,314.05**
Power & Fuel	**17,845.30**	21,823.59
Less: Fuel from own production	**13,485.22**	16,637.78
	4,360.08	**5,185.81**
Throughput, Processing & Blending Fees, Royalty and Other Charges	**1,020.26**	1,444.38
Octroi, Other Levies and Irrecoverable taxes	**1,566.81**	1,665.52
Repairs and Maintenance		
i) Plant & Equipment	**3,136.90**	3,564.85
ii) Buildings	**337.89**	365.71
iii) Others	**526.50**	518.36
	4,001.29	**4,448.92**
Freight, Transportation Charges and Demurrage	**14,100.70**	14,097.80
Office Administration, Selling and Other Expenses (Note "29.1")	**6,816.81**	10,034.55
TOTAL	**34,005.13**	**39,191.03**
Less: Company's use of own Products and Crude	**688.32**	836.39
TOTAL (Net)	**33,316.81**	**38,354.64**

Note - 29.1 : OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES

(₹ in Crore)

Particulars	2020-2021	2019-2020
Rent	**602.41**	477.30
Insurance	**260.86**	151.35
Rates & Taxes	**144.19**	148.29
Donation	**1.00**	0.01
Payment to Auditors		
As Auditors	**2.18**	2.17
For Taxation Matters	**0.43**	0.42
Other Services (for issuing other certificates etc.)	**1.41**	1.33
For reimbursement of expenses	**0.14**	0.35
	4.16	**4.27**
Travelling & Conveyance	**470.71**	714.97
Communication Expenses	**59.00**	54.46
Printing & Stationery	**31.47**	41.24
Electricity & Water	**376.92**	389.80
Bank Charges	**30.06**	48.44
Advances & Claims written off	**2.92**	6.25
Provision/ Loss on Assets sold or written off (Net)	**85.09**	93.94
Technical Assistance Fees	**103.45**	48.94
Exchange Fluctuation (net)	**-**	3,944.60
Provision for Doubtful Advances, Claims, CWIP, Stores etc.	**574.39**	26.89

NOTES TO FINANCIAL STATEMENTS

Note - 29.1 : OFFICE, ADMINISTRATION, SELLING AND OTHER EXPENSES (Contd..)

(₹ in Crore)

Particulars	2020-2021	2019-2020
Security Force Expenses	**855.22**	825.48
Sales Promotion Expenses (Including Commission)	**339.07**	443.39
Handling Expenses	**611.52**	595.65
Exploration & Production Cost	**68.40**	57.24
Loss on Derivatives	**-**	170.58
Fair value Loss on Financial instruments classified as FVTPL	**-**	59.11
Amortisation of FC Monetary Item Translation	**-**	28.92
Expenses on Construction Contracts	**3.65**	7.08
Expenses on CSR Activities (Refer Note - 45)	**342.00**	543.38
Training Expenses	**59.15**	97.06
Legal Expenses / Payment To Consultants	**151.30**	170.34
Notices and Announcement	**9.73**	18.87
Advertisement and Publicity	**65.03**	62.31
Pollution Control Expenses	**108.60**	96.94
Amortisation and Remeasurement of PMUY Assets	**1,056.60**	291.07
Miscellaneous Expenses	**399.91**	416.38
TOTAL	**6,816.81**	**10,034.55**

Expenses includes expenditure on Public Relations and Publicity amounting to ₹ **97.33 Crore** (2020 ₹ 101.32 Crore) which is inclusive of ₹ **22.75 Crore** (2020: ₹ 24.82 Crore) on account of Staff and Establishment and ₹ **74.58 Crore** (2020: ₹ 76.5 Crore) for payment to others. The ratio of annual expenditure on Public Relations and Publicity to the annual turnover (inclusive of excise duty) is **0.00019:1** (2020: 0.00018:1)

Note - 30 : OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars	2020-2021	2019-2020
Items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	**22.42**	(154.40)
Fair value of Equity Instruments	**4,668.51**	(10,901.88)
	4,690.93	**(11,056.28)**
Income Tax relating to items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	**(5.64)**	38.86
Fair value of Equity Instruments	**(199.12)**	126.47
	(204.76)	**165.33**
Items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	**97.24**	586.49
Gain/(Loss) on Hedging Instruments	**22.47**	61.49
	119.71	**647.98**
Income Tax relating to items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	**(16.33)**	(150.87)
Gain/(Loss) on Hedging Instruments	**(5.66)**	(15.48)
	(21.99)	**(166.35)**
TOTAL	**4,583.89**	**(10,409.32)**

NOTES TO FINANCIAL STATEMENTS

Note - 31 : DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Cash Dividends on Equity Shares declared:		
Final Dividend		
Total Final Dividend during the current year for previous financial year: ₹ **Nil per share** (2020: ₹ 1.00 per share for previous financial year)	-	941.42
Less: Final Dividend pertaining to IOC Share trust (Refer Note-1)	-	23.31
Final Dividend net of IOC share trust	-	**918.11**
Dividend Distribution Tax on final Dividend	-	186.67
Interim Dividend		
Total Interim Dividend for current financial year: ₹ **10.50 per share** (2020: ₹ 4.25 per share).	**9,640.09**	3,901.94
Less: Interim Dividend pertaining to IOC Share trust (Refer Note-1)	-	-
Interim Dividend net of IOC share trust	**9,640.09**	**3,901.94**
Dividend Distribution Tax on interim Dividend	-	799.27
Total	**9,640.09**	**5,805.99**
Proposed Dividend on Equity Shares		
Final proposed Dividend for current financial year: ₹ **1.50 per share** (2020: ₹ Nil per share)	**1,377.16**	-
Less: Proposed Dividend pertaining to IOC Share trust (Refer Note-1)	-	-
Final proposed Dividend net of IOC share trust	**1,377.16**	**-**
Dividend Distribution Tax on proposed Dividend	-	-
	1,377.16	**-**

Notes

1. 233118456 shares held under IOC Share Trust (Shareholder) of face value ₹ **233.12** Crore (2020: ₹ 233.12 Crore) has been netted off from paid up capital. IOC Share Trust have waived its right to receive the Dividend w.e.f. March 02, 2020 and therefore interim Dividend on shares held by IOC Share Trust was neither proposed in the last year nor during the current financial year.

2. The Company has also incurred expenses on distribution of final dividend amounting to **Nil** (2020: ₹ 0.14 Crore) and on distribution of interim Dividend amounting to ₹ **0.38 Crore** (2020: ₹ 0.15 Crore) which have been debited to equity.

Note - 32 : EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

The following reflects the profit/ (loss) and number of shares used in the basic and diluted EPS computations:

Particulars	2020-21	2019-20
Profit/ (Loss) attributable to Equity holders (₹ in Crore)	**21,836.04**	1,313.23
Weighted Average number of Equity Shares used for computing Earning Per Share (Basic) (Refer note-1)	**9181040466**	9181040466
Weighted Average number of Equity Shares used for computing Earning Per Share (Diluted) (Refer note-1)	**9181040466**	9181040466
Earnings Per Share (Basic) (₹)	**23.78**	1.43
Earnings Per Share (Diluted) (₹)	**23.78**	1.43
Face value per share (₹)	**10.00**	10.00

Notes

1. 233118456 Equity Shares held under IOC Share Trust of face value ₹ **233.12 Crore** have been excluded from weighted average number of Equity Shares and EPS is computed accordingly.

NOTES TO FINANCIAL STATEMENTS

Note - 33A : INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The list of Investments in Subsidiaries, Joint Ventures and Associates are as under-

Name	Country of Incorporation/ Principal place of business	Equity Interest	
		March 31, 2021	March 31, 2020
Subsidiaries			
Chennai Petroleum Corporation Limited	India	**51.89%**	51.89%
Indian Catalyst Private Limited#	India	**-**	100.00%
IndianOil (Mauritius) Limited	Mauritius	**100.00%**	100.00%
Lanka IOC PLC	Sri Lanka	**75.12%**	75.12%
IOC Middle East FZE	UAE	**100.00%**	100.00%
IOC Sweden AB	Sweden	**100.00%**	100.00%
IOCL (USA) Inc.	USA	**100.00%**	100.00%
IndOil Global B.V.	Netherlands	**100.00%**	100.00%
IOCL Singapore Pte Limited	Singapore	**100.00%**	100.00%
Associates			
Petronet LNG Limited	India	**12.50%**	12.50%
AVI-OIL India Private Limited	India	**25.00%**	25.00%
Petronet India Limited@	India	**18.00%**	18.00%
Petronet VK Limited	India	**50.00%**	50.00%
Joint Ventures			
Indian Oiltanking Limited	India	**49.38%**	49.38%
Lubrizol India Private Limited	India	**26.00%**	26.00%
Indian Oil Petronas Private Limited	India	**50.00%**	50.00%
Green Gas Limited	India	**49.97%**	49.97%
IndianOil Skytanking Private Limited	India	**50.00%**	50.00%
Suntera Nigeria 205 Limited	Nigeria	**25.00%**	25.00%
Delhi Aviation Fuel Facility (Private) Limited	India	**37.00%**	37.00%
Indian Synthetic Rubber Private Limited	India	**50.00%**	50.00%
NPCIL IndianOil Nuclear Energy Corporation Limited	India	**26.00%**	26.00%
GSPL India Transco Limited	India	**26.00%**	26.00%
GSPL India Gasnet Limited	India	**26.00%**	26.00%
IndianOil Adani Gas Private Limited	India	**50.00%**	50.00%
Mumbai Aviation Fuel Farm Facility Private Limited	India	**25.00%**	25.00%
Kochi Salem Pipelines Private Limited	India	**50.00%**	50.00%
IndianOil LNG Private Limited	India	**50.00%**	50.00%
IndianOil Panipat Power Consortium Limited (upto 05.03.2021)@@	India	**-**	50.00%
Petronet CI LTD@@@	India	**26.00%**	26.00%
IndianOil Ruchi Bio Fuels LLP##	India	**50.00%**	50.00%
Hindustan Urvarak and Rasayan Limited	India	**29.67%**	29.67%

NOTES TO FINANCIAL STATEMENTS

Note – 33A : INTEREST IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Contd..)

Name	Country of Incorporation/ Principal place of business	Equity Interest	
		March 31, 2021	March 31, 2020
Ratnagiri Refinery & Petrochemicals Limited	India	**50.00%**	50.00%
Indradhanush Gas Grid Limited	India	**20.00%**	20.00%
IHB Private Limited	India	**50.00%**	50.00%
IndianOil Total Private Limited (Incorporated on 07.10.2020)	India	**50.00%**	-

#Application has been submitted to RoC Ahmedabad on December 30, 2020 for striking-off the Company's name from the ROC's Register.

@ Liquidator has been appointed for winding up of Company w.e.f August 30, 2018.

@@ IndianOil has exited the Joint Venture by selling its entire stake in IPPCL to SCION Exports Private Limited on March 5, 2021.

@@@ The Company is under winding up process and the appointed liquidator has submitted his report to the official liquidator who is still to submit its report to Tribunal for winding up of the company.

IndianOil has exited the Joint Venture, IndianOil Ruchi Biofuels LLP (M/s IORB) by giving notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries Limited (M/s Ruchi) as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The time frame for completing exit formalities by M/s. Ruchi by filing requisite forms with ROC was within 30 days of notice expiry period (i.e., by February 24, 2019) but the same is still pending and IndianOil name is appearing on ROC website as Partner in the said LLP. M/s Ruchi was under Corporate Insolvency Resolution Process and has been taken over by Patanjali Ayurveda Limited. All necessary documents have been provided to M/s Ruchi for completing formalities relating to exit of IndianOil from IORB LLP.

Notes:

1. Ujjwala Plus Foundation is a joint venture of IOCL, BPCL and HPCL with fund contribution in the ratio of 50:25:25 which was incorporated as a limited by guarantee Company (without share capital) under section 8 of Companies Act, 2013.

2. IOC Phinergy Pvt. Limited is a joint venture of IOCL and Phinergy Limited, Israel and was incorporated on 19th February,2021 having shareholding in the ratio of 50:50 for development of indigenous batteries using locally available Aluminum to boost India's pursuit of e-mobility.

Note - 33B : INTEREST IN JOINT OPERATIONS

Name		Principle place of Business	Proportion of Ownership Interest	
			March 31, 2021	March 31, 2020
E&P BLOCKS				
1) AA-ONN-2001/2	A	India	**20.00%**	20.00%
2) GK-OSN-2009/1		India	**25.00%**	25.00%
3) GK-OSN-2009/2	B	India	**-**	30.00%
4) CB-ONN-2010/6	B	India	**-**	20.00%
5) AAP-ON-94/1		India	**29.03%**	29.03%
6) AA/ONDSF/UMATARA/2018		India	**90.00%**	90.00%
7) BK-CBM-2001/1		India	**20.00%**	20.00%
8) NK-CBM-2001/1		India	**20.00%**	20.00%
9) FARSI BLOCK IRAN	C	Iran	**40.00%**	40.00%
10) LIBYA BLOCK 86	B	Libya	**-**	50.00%

NOTES TO FINANCIAL STATEMENTS

Note - 33B : INTEREST IN JOINT OPERATIONS (Contd..)

Name		Principle place of Business	Proportion of Ownership Interest	
			March 31, 2021	March 31, 2020
11) LIBYA BLOCK 102/4	B	Libya	-	50.00%
12) SHAKTHI GABON		Gabon	**50.00%**	50.00%
13) AREA 95-96	D	Libya	**25.00%**	25.00%
14) RJ-ONHP-2017/8		India	**30.00%**	30.00%
15) AA-ONHP-2017/12		India	**20.00%**	20.00%
16) Block-32	B	Israel	-	25.00%
OTHERS				
17) Petroleum India International (PII)	E	India	-	27.27%

A. Exploration License expired on October 7, 2015. Consortium has requested Directorate General of Hydrocarbon (DGH) for Appraisal phase, however vide letter dated March 6, 2019, it was opined to carry out Exploration activity instead of Appraisal work. Accordingly, Operator requested DGH for extension of exploration period. Response from DGH is awaited.

B. Blocks relinquished during the year 2020-21 vide approval dated November 27, 2020.

C. The project 's exploration period ended on 24 June 2009. The contractual arrangement with respect to development of the block could not be finalised so far with Iranian Authorities.

D. Under Force Majeure since May 20, 2014

E. Members in Petroleum India International (AOP) are HPCL, BPCL, EIL, IOCL, CPCL, ONGC, OIL and Reliance Industries Ltd. During the current financial year, final communication is received from PII for bringing an end to the MOU (entered on 01/03/1986) vide letter dated March 31, 2021 as all the balance activities facilitating the dissolution mentioned in termination agreement dated March 18, 2020 ,for dissolution of AOP is completed.

IOCL share of Financial position of Joint Operations are as under:

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Assets	**650.23**	**653.02**
PPE (including Producing Properties)	**157.13**	173.30
Capital Work in Progress	**271.19**	225.60
Intangible Asset under Development (Net of Provisions)	**204.90**	247.30
Other Assets (Net of Provisions)	**17.01**	6.82
Liabilities & Provisions	**122.38**	**149.30**
Liabilities	**112.71**	141.59
Provisions	**9.67**	7.71
Income	**101.08**	**157.90**
Sale of Products (Net of Own Consumption)	**100.58**	144.49
Other Income	**0.50**	13.41
Expenditure	**67.78**	**57.16**
Expenditure written off (incl exploration related)	**45.64**	0.01
Other Costs (incl exploration related)	**22.14**	57.15
Net Results	**33.30**	**100.74**
Commitments	**766.60**	**837.16**
Contingent Liabilities	**-**	**-**

Note: Including financial position of relinquished blocks.

NOTES TO FINANCIAL STATEMENTS

Note - 34A : DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

In compliance of Ind-AS-106 on "Exploration and Evaluation of Mineral Resources", the disclosure of financial information relating to activity associated with the exploration for and evaluation of mineral resources (crude oil, natural gas etc.) are as under:

(₹ in Crore)

Name	March 31, 2021	March 31, 2020
(i) Assets	**211.02**	**252.14**
- Intangible Assets under Development	**204.91**	247.31
- Capital Work in Progress	**0.79**	0.79
- Other Assets	**5.32**	4.04
(ii) Liabilities	**86.30**	**98.00**
- Provisions	**2.31**	2.31
- Other Liabilities	**83.99**	95.69
(iii) Income	**0.19**	**10.33**
- Other Income	**0.19**	10.33
(iv) Expenses	**68.71**	**28.98**
- Exploration expenditure written off	**45.64**	0.01
- Other exploration costs	**23.07**	28.97
(v) Cash Flow		
- Net Cash from/(used) in operating activities	**(35.85)**	**(37.71)**
- Net Cash from/(used) in investing activities	**(2.47)**	**(8.82)**

NOTE - 34 B : IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER:

Dirok field of Pre-NELP block AAP-ON-94/1 commenced production of gas and condensate on August 26, 2017 having producing life cycle of 20 years. IndianOil has the participating interest of 29.03% in the block.

Net Proved Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas:

Assets		March 31, 2021		March 31, 2020	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves					
Assam AAP-ON-94/1	Beginning	**35.81**	**1137.21**	69.46	1621.05
	Addition	-	-	-	-
	Deduction	-	-	24.91	396.25
	Production	**9.66**	**106.67**	8.74	87.59
	Balance	**26.15**	**1030.54**	**35.81**	**1137.21**
Total Proved Reserves		**26.15**	**1030.54**	**35.81**	**1137.21**
B) Proved developed Reserves					
Assam AAP-ON-94/1	Beginning	**35.81**	**1137.21**	69.46	1621.05
	Addition	-	-	-	-
	Deduction	-	-	24.91	396.25
	Production	**9.66**	**106.67**	8.74	87.59
	Balance	**26.15**	**1030.54**	**35.81**	**1137.21**
Total Proved developed Reserves		**26.15**	**1030.54**	**35.81**	**1137.21**

NOTES TO FINANCIAL STATEMENTS

NOTE - 34 B : IN COMPLIANCE OF REVSIED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER: (Contd..)

Net Proved Reserves & Proved developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas on geographical Basis:

Details		March 31, 2021		March 31, 2020	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves					
India		26.15	1030.54	35.81	1137.21
Total Proved Reserves		26.15	1030.54	35.81	1137.21
B) Proved developed Reserves					
India		26.15	1030.54	35.81	1137.21
Total Proved developed Reserves		26.15	1030.54	35.81	1137.21

Frequency

The Proved (PD) and Proved & Developed (PDD) reserves mentioned above are the provisional numbers based on the estimate provided by the operator. For the purpose of estimation of Proved (PD) and Proved Developed (PDD) reserves, Deterministic method has been used by the operator. The annual revision of Reserve Estimates is based on the yearly exploratory and development activities and results thereof.

Note - 35 : EMPLOYEE BENEFITS FOR THE YEAR ENDED ON MARCH 31, 2021

Disclosures in compliance with Ind-As 19 on "Employee Benefits" is as under:

A. Defined Contribution Plans- General Description

Provident Fund (EPS-95)*

During the year, the company has recognised ₹ **32.68 Crore** (2020: ₹ 34.89 Crore) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

Pension Scheme*

During the year, the company has recognised ₹ **449.83 Crore** (2020: ₹ 312.3 Crore) towards Defined Contributory Employees Pension Scheme (including contribution in corporate National Pension System) in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

B. Defined Benefit Plans- General Description

Provident Fund:*

The Company's contribution to the Provident Fund is remitted to separate provident fund trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Company. The Company has three Provident Funds maintained by respective PF Trusts in respect of which actuarial valuation is carried out and ₹ **132.02 Crore** (2020: ₹ 130.24 Crore) has been provided by the company for current and future interest shortfall/ losses of PF trusts beyond available surplus at respective trust level.

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS FOR THE YEAR ENDED ON MARCH 31, 2021 (Contd..)

Gratuity:*

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount based on completed tenure of service subject to maximum of ₹ 0.20 Crore at the time of separation from the company. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50% with reference to January 01, 2017.

Post Retirement Medical Benefit Facility (PRMBF):*

PRMBF provides medical coverage to retired employees and their eligible dependant family members.

Resettlement Benefit:

Resettlement benefit is allowed to employees to facilitate them to settle down upon retirement.

Ex gratia Scheme:

Ex-gratia is payable to those employees who have retired before January 01, 2007 and either not drawing pension from superannuation benefit fund (as they superannuated prior to January 01, 1987, i.e. introduction of superannuation benefit fund scheme in IndianOil) or are drawing a pension lower than the ex gratia fixed for a Grade (in such case differential amount between pension and ex gratia is paid).

Employees Compensation for injuries arising out of or during the course of employment:

Employees covered under the Employees' Compensation Act, 1923 who meet with accidents, while on duty, are eligible for compensation under the said Act. Besides, a lumpsum monetary compensation equivalent to 100 months' Pay (BP+DA) is paid in the event of an employee suffering death or permanent total disablement due to an accident arising out of and in the course of his employment.

Felicitation of Retired Employees:

The company has a scheme to felicitate retired employees on attaining different age milestones with a token lumpsum amount.

* As per the DPE Guidelines on Pay Revision, the company can contribute upto 30% of Basic Pay plus Dearness Allowance towards Provident Fund, Gratuity, Post-Retirement Medical Benefits (PRMB) and Pension of its employees. The superannuation benefits expenditure charged to Statement of Profit and Loss / Other Comprehensive Income has been limited to 30% of Basic pay plus Dearness Allowance and the balance amount is shown as recoverable advance from the company's contribution towards superannuation benefits including pension schemes.

Accordingly, as per the actuarial valuation of Gratuity and PRMB, ₹ 369.01 Crore was charged to the Statement of Profit and Loss, ₹ (-) 28.87 Crore has been adjusted in Other Comprehensive income during the year and ₹ 648.80 Crore (i.e. ₹ 214.24 Crore and ₹ 434.56 Crore towards Gratuity and PRMBF respectively) has been shown as recoverable advance. This advance amount is included in Advance to Employee Benefits Trust / Funds of ₹ 870.53 Crore in Note 6.

C. Other Long-Term Employee Benefits - General Description

Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation of 300 days. In addition, each employee is entitled to get 5 sick leaves (in lieu of 10 HPL) at the end of every six months. The entire accumulation is permitted for encashment only at the time of retirement. DPE had clarified earlier that sick leave cannot be encashed, though Earned Leave (EL) and Half Pay Leave (HPL) could be considered for encashment on retirement subject to the overall limit of 300 days. MOP&NG has advised the company to comply with the said DPE Guidelines. However, in compliance to the DPE guidelines of 1987 which had allowed framing of own leave rules within broad parameters laid down by the Government and keeping in view operational complications and service agreements the company had requested concerned authorities to reconsider the matter. Subsequently, based on the recommendation of the 3rd PRC, DPE in its guidelines on pay revision, effective from January 01, 2017 has inter-alia allowed CPSEs to frame their own leave rules considering operational necessities and subject to conditions set therein. The requisite conditions are fully met by the company.

Long Service Award:

On completion of specified period of service with the company and also at the time of retirement, employees are rewarded with amounts based on the length of service completed. It is a mode of recognising long years of loyalty and faithful service in line with Bureau of Public Enterprises (currently DPE) advice vide its DO No. 7(3)/79-BPE (GM.I) dated February 14, 1983. On receipt of communication from MoPNG advising us that the issue of Long Service Award has been made into an audit para in the Annual Report of CAG of 2019, the Corporation has been clarifying its position to MoP&NG individually as well as on industry basis as to how Long Service Awards are not in the nature of Bonus or Ex-gratia or honorarium and is emanating from a settlement with

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS FOR THE YEAR ENDED ON MARCH 31, 2021 (Contd..)

the unions under the ID Act as well as with the approval of the Board in line with the DPE's advice of 1983. The matter is being pursued with MOP&NG for resolution. Pending this the provision is in line with Board approved policy.

The amount provided during the year on this account is **₹ 18.49 Crore** (2020: ₹ 28.4 Crore) and the payments made to employees during the year is **₹ 25.33 Crore** (2020: ₹ 26.28 Crore). The actuarial liability of ₹ 182.36 Crore in this respect as on March 31, 2021 is included under "Provision for Employees Benefit" in "Note 18 – Provisions".

<u>Leave Fare Allowance (LFA) / Leave Travel Concession (LTC):</u>

LFA/ LTC is allowed once in a period of two calendar years (viz. two yearly block).

D. The summarised position of various Defined Benefit Plans recognised in the Statement of Profit & Loss, Balance Sheet and Other Comprehensive Income are as under:

(Figures given in Unbold & Italic Font in the table are for previous year)

(i) Reconciliation of Balance of Defined Benefit Plans

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning	**16,128.32**	**2,777.24**	**5,897.04**	**133.63**	**246.72**	**444.67**
	14,325.99	*2,662.76*	*4,908.94*	*120.83*	*208.92*	*475.90*
Current Service Cost	**505.09**	**51.44**	**252.04**	**19.22**	**-**	**1.74**
	511.07	*48.74*	*215.58*	*19.24*	-	*1.42*
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	-
Interest Cost	**1,345.15**	**190.52**	**401.59**	**9.17**	**14.90**	**30.37**
	1,234.30	*207.43*	*381.92*	*9.41*	*15.75*	*37.03*
Contribution by employees	**1,187.14**				**-**	
	1,364.74	-	-	-	-	-
Net Liability transferred In / (Out)	**103.53**	**-**	**-**	**-**	**-**	**-**
	25.81	-	-	-	-	-
Benefits paid	**(1,894.45)**	**(305.52)**	**(228.48)**	**(6.89)**	**(36.40)**	**(13.70)**
	(1,463.83)	*(398.02)*	*(208.91)*	*(7.85)*	*(30.11)*	*(6.70)*
Actuarial (gain)/ loss on obligations due to Future Interest Shortfall	**132.02**	**25.48**	**205.56**	**(27.87)**	**11.01**	**23.31**
	130.24	256.33	*599.51*	*(8.00)*	*52.16*	*(62.98)*
Defined Benefit Obligation at the end of the year	**17,506.80**	**2,739.16**	**6,527.75**	**127.26**	**236.23**	**486.39**
	16,128.32	*2,777.24*	*5,897.04*	*133.63*	*246.72*	*444.67*

(ii) Reconciliation of balance of Fair Value of Plan Assets

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**16,048.14**	**2,344.86**	**5,352.41**	**-**	**-**	**-**
	14,635.72	*2,549.13*	*4,993.59*	-	-	-
Interest Income	**1,345.15**	**160.86**	**364.50**	**-**	**-**	**-**
	1,234.30	*198.58*	*388.50*	-	-	-
Contribution by employer	**505.09**	**528.93**	**746.56**	**-**	**-**	**-**
	511.07	-	*163.54*	-	-	-
Contribution by employees	**1,187.14**	**-**	**1.22**	**-**	**-**	**-**
	1,364.74	-	*1.19*	-	-	-

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS FOR THE YEAR ENDED ON MARCH 31, 2021 (Contd..)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Net Liability transferred In / (Out)	**103.53**	**-**	**-**	**-**	**-**	**-**
	25.81	*-*	*-*	*-*	*-*	*-*
Benefit paid	**(1,894.45)**	**(305.52)**	**(228.48)**	**-**	**-**	**-**
	(1,463.83)	*(398.02)*	*(208.91)*	*-*	*-*	*-*
Provision for Stressed Assets	**-**	**-**	**-**	**-**	**-**	**-**
	(83.23)	*-*	*-*	*-*	*-*	*-*
Re-measurement (Return on plan assets excluding Interest Income)	**87.06**	**13.77**	**50.49**	**-**	**-**	**-**
	(176.44)	*(4.83)*	*14.50*	*-*	*-*	*-*
Fair value of plan assets at the end of the year	**17,381.66**	**2,742.90**	**6,286.70**	**-**	**-**	**-**
	16,048.14	*2,344.86*	*5,352.41*	*-*	*-*	*-*

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**17,381.66**	**2,742.90**	**6,286.70**	**-**	**-**	**-**
	16,048.14	*2,344.86*	*5,352.41*	*-*	*-*	*-*
Defined Benefit Obligation at the end of the year (Net of Interest Shortfall)	**17,244.54**	**2,739.16**	**6,527.75**	**127.26**	**236.23**	**486.39**
	16,128.32	*2,777.24*	*5,897.04*	*133.63*	*246.72*	*444.67*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	**137.12**	**-**	**-**	**-**	**-**	**-**
	(50.06)	*-*	*-*	*-*	*-*	*-*
Amount recognised in the Balance Sheet	**262.26**	**(3.74)**	**241.05**	**127.26**	**236.23**	**486.39**
	130.24	*432.38*	*544.63*	*133.63*	*246.72*	*444.67*

(iv) Amount recognised in Statement of Profit and Loss/ Construction Period Expenses

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Current Service Cost	**505.09**	**51.44**	**252.04**	**19.22**	**-**	**1.74**
	511.07	*48.74*	*215.58*	*19.24*	*-*	*1.42*
Past Service Cost	**-**	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*-*	*-*	*-*
Net Interest Cost	**-**	**29.66**	**37.09**	**9.17**	**14.90**	**30.37**
	-	*8.85*	*(6.58)*	*9.41*	*15.75*	*37.03*
Contribution by Employees	**-**	**-**	**(1.22)**	**-**	**-**	**-**
	-	*-*	*(1.19)*	*-*	*-*	*-*
Actuarial (gain)/ loss on obligations due to Future Interest Shortfall	**132.02**	**-**	**-**	**-**	**-**	**-**
	130.24	*-*	*-*	*-*	*-*	*-*
Expenses for the year	**637.11**	**81.10**	**287.91**	**28.39**	**14.90**	**32.11**
	641.31	*57.59*	*207.81*	*28.65*	*15.75*	*38.45*

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS FOR THE YEAR ENDED ON MARCH 31, 2021 (Contd..)

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Actuarial (gain)/ loss on Obligations - Due to change in Demographic assumptions	**-**	**-**	**653.45**	**-**	**5.05**	**69.18**
	-	*-*	*-*	*-*	*-*	*-*
Actuarial (gain)/ loss on Obligations - Due to change in Financial assumptions	**-**	**(8.82)**	**(115.06)**	**(0.73)**	**(2.81)**	**(4.18)**
	-	*163.43*	*847.67*	*15.81*	*14.55*	*39.96*
Actuarial (gain)/ loss on Obligations - Due to Experience	**-**	**34.30**	**(332.83)**	**(27.14)**	**8.77**	**(41.69)**
	-	*92.90*	*(248.16)*	*(23.81)*	*37.61*	*(102.94)*
Re-measurement (Return on plan assets excluding Interest Income)	**-**	**13.77**	**50.49**	**-**	**-**	**-**
	-	*(4.83)*	*14.50*	*-*	*-*	*-*
Amount recoverable from employee adjusted in OCI	**-**	**(13.68)**	**209.33**	**-**	**-**	**-**
	-	*214.24*	*521.69*	*-*	*-*	*-*
Net Loss / (Gain) recognised in OCI *	**-**	**25.39**	**(54.26)**	**(27.87)**	**11.01**	**23.31**
	-	*46.92*	*63.32*	*(8.00)*	*52.16*	*(62.98)*

* OCI Gain of ₹ 62.98 Crore pertaining to felicitation was not recognised in OCI during FY 2019-20

(vi) Major Actuarial Assumptions

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Discount rate	**6.90%**	**6.90%**	**6.91%**	**6.90%**	**6.33%**	**6.91%**
	6.86%	*6.86%*	*6.81%*	*6.86%*	*6.04%*	*6.81%*
Salary escalation	**-**	**8.00%**	**-**	**-**	**-**	**-**
	-	*8.00%*	*-*	*-*	*-*	*-*
Inflation	**-**	**-**	**8.00%**	**6.00%**		
	-	*-*	*8.00%*	*6.00%*		
Average Expected Future Service/ Obligation (Years)	**-**	**16**	**30**	**16**	**9**	**30**
	-	*16*	*30*	*16*	*9*	*30*
Mortality rate during employment	**-**	**Indian Assured Lives Mortality (2006-08) Ult**				
	-	*Indian Assured Lives Mortality (2006-08) Ult*				

In case of funded schemes above, expected return on plan assets is same as that of respective discount rate.

The estimate of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS FOR THE YEAR ENDED ON MARCH 31, 2021 (Contd..)

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Change in Discounting Rate						
Increase by 1%	**-**	**(202.94)**	**(986.91)**	**(16.16)**	**(9.17)**	**(47.09)**
	-	*(175.62)*	(870.46)	*(16.87)*	*(9.92)*	*(41.87)*
Decrease by 1%	**-**	**239.79**	**1,322.26**	**20.45**	**10.03**	**57.68**
	-	*204.92*	*1,163.05*	*21.40*	*10.88*	*51.18*
Change in Salary Escalation						
Increase by 1%	**-**	**57.41**	**-**	**-**	**-**	**-**
	-	40.51	-	-	-	-
Decrease by 1%	**-**	**(64.02)**	**-**	**-**	**-**	**-**
	-	*(47.11)*	-	-	-	-
Change in Inflation Rate						
Increase by 1%	**-**	**-**	**790.95**	**-**	**-**	**-**
	-	-	*677.59*	-	-	-
Decrease by 1%	**-**	**-**	**(640.81)**	**-**	**-**	**-**
	-	-	*(550.78)*	-	-	-

(viii) Investment details:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Investment with Insurer	**-**	**99.54%**	**88.07%**
	-	*99.50%*	*91.16%*
Self managed investments	**100.00%**	**0.46%**	**11.93%**
	100.00%	*0.50%*	*8.84%*

Details of the investment pattern for the above mentioned funded obligations are as under:

	Provident Fund	Gratuity*	PRMS*
	Funded	Funded	Funded
Government Securities (Central & State)	**50.77%**	**42.84%**	**21.22%**
	55.00%	*73.24%*	*73.33%*
Investment in Equity / Mutual Funds	**7.84%**	**2.83%**	**-**
	4.26%	*5.40%*	*5.33%*
Investment in Debentures / Securities	**39.32%**	**52.12%**	**78.20%**
	40.25%	*21.26%*	*21.33%*
Other approved investments (incl. Cash)	**2.06%**	**2.21%**	**0.58%**
	0.49%	*0.10%*	*0.01%*

* Pending receipt of investment pattern from LIC for current year, pattern above pertains to self managed funds & funds managed by other insurers and the actual investment pattern after considering the details from LIC shall vary.

NOTES TO FINANCIAL STATEMENTS

Note - 35 : EMPLOYEE BENEFITS FOR THE YEAR ENDED ON MARCH 31, 2021 (Contd..)

(ix) The following payments are expected projections to the defined benefit plan in future years:

(₹ in Crore)

Cash Flow Projection from the Fund/ Employer	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
Within next 12 Months	**188.83**	**235.73**	**8.38**	**36.74**	**22.89**
	531.83	*223.62*	*9.01*	*41.63*	*23.08*
Between 1 to 5 Years	**1,117.71**	**1,010.80**	**28.69**	**109.65**	**106.51**
	1,058.87	*958.66*	*30.80*	*131.35*	*97.36*
Between 6 to 10 Years	**1,110.33**	**1,391.30**	**34.38**	**72.48**	**162.23**
	1,029.87	*1,315.78*	*37.18*	*97.12*	*146.56*

Note - 36 : COMMITMENTS AND CONTINGENCIES

A. Leases

(a) As Lessee

The Company has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for the purpose of its plants, facilities, offices, retail outlet etc., storage tankages facility for storing petroleum products, time charter arrangements for coastal transportation of crude and petroleum products, transportation agreement for dedicated tank trucks for road transportation of petroleum products, handling arrangement with CFA for providing dedicated storage facility and handling lubes, supply of utilities like Hydrogen, Oxygen, Nitrogen and Water, and port facilities among others.

There are no significant sale and lease back transactions and lease agreements entered by the Company do not contain any material restrictions or covenants imposed by the lessor upto the current reporting period.

Details of significant leases entered by the Company (including in substance leases) are as under;

1. BOOT Agreement in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to IOCL after 15 years at Nil value.
2. BOOT Agreement in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to IOCL after 25 years at ₹ 0.01 Crore.
3. Leasehold lands from government for the purpose of plants, facilities and offices for the period 30 to 90 years.
4. Agreements with vessel owners for hiring of vessels for various tenures, these are classified as Transport Equipments.
5. BOO agreement for supply of oxygen and nitrogen at Panipat Refinery. The land is owned by IOCL and the plant is being operated by contractor for supply of oxygen and nitrogen to IOCL.
6. BOO Agreement for leasing of Nitrogen & Hydrogen Plant at Paradip for 15 years .
7. BOOT Agreement for leasing of Quality Control Lab at Paradip for 10 years. Lessor will transfer the Assets after 10 years at ₹ 0.01 Crore.
8. Arrangements with Gujarat Adani Port Limited related to port facilities at Gujarat for a period of 25 years and 11 months.
9. Arrangement for lease of land for operating Retail Outlets for sale of Petroleum products, setting up terminals/Bottling plant/Lube Blending plant for storing petroleum products/bottling LPG/Manufacturing Lubes respectively.
10. CFA handling arrangement with CFAs for providing dedicated storage facility for handling lubes.
11. Arrangements with Tank truck operators for providing dedicated tank trucks for transportation of company's petroleum products.
12. Arrangements for dedicated time charter vessels for coastal transportation of Company's petroleum products.
13. Arrangement for dedicated storage tanks for storing Company's petroleum products at various locations.

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd..)

Amount Recognised in the Statement of Profit and Loss or Carrying Amount of Another Asset

(₹ in Crore)

Particulars	2020-21		2019-20	
Depreciation recognised		**1,200.38**		921.42
Interest on lease liabilities		**794.35**		776.46
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)*		**1,425.09**		1,047.16
Expenses relating to leases of low-value assets, excluding short-term leases of Low-value assets		**13.56**		4.69
Variable lease payments not included in the measurement of lease liabilities		**8,955.04**		8,879.31
Income from sub-leasing right-of-use assets				
- As Rental income from Operating Lease	**22.64**		24.16	
- As Finance income from Finance Lease of RoU Asset	**0.13**	**22.77**	4.99	29.15
Total cash outflow for leases		**1,929.21**		1,370.19
Additions to ROU during the year		**1,438.97**		1,489.22
Gain or losses arising from sale and leaseback transactions		**-**		-
Net Carrying Amount of ROU at the end the year		**9,349.01**		9,110.42
Others including Disputed, Leave & License, Reversal of excess liability of previous year, exchange fluctuation on lease liability etc...		**172.92**		159.47

*Includes Leases for which agreement are yet to be entered or due for renewal.

The details of ROU Asset included in PPE (Note 2) held as lessee by class of underlying asset (excluding those covered in Investment property) are presented below:-

2020-21

(₹ in Crore)

Asset Class	Net Carrying value as at April 01, 2020	Additions to RoU Asset during the Year**	Depreciation Recognised During the Year	Net Carrying value as at March 31, 2021
Leasehold Land	4,182.54	478.28	301.93	**4,358.89**
Buildings Roads etc.	94.62	281.77	30.01	**346.38**
Plant & Equipment	3,887.62	16.91	268.45	**3,636.08**
Transport Equipments	945.53	662.01	599.98	**1,007.56**
Railway Sidings	0.11	-	0.01	**0.10**
Total	**9,110.42**	**1,438.97**	**1,200.38**	**9,349.01**

2019-20

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on April 1, 2019	Additions to RoU Asset during the Year**	Depreciation Recognised During the Year	Net Carrying value as at March 31, 2020
Leasehold Land	4,065.54	389.16	272.16	4,182.54
Buildings Roads etc.	105.62	16.60	27.60	94.62
Plant & Equipment	4,145.43	17.76	275.57	3,887.62
Transport Equipments	225.91	1,065.70	346.08	945.53
Railway Sidings	0.12	-	0.01	0.11
Total	**8,542.62**	**1,489.22**	**921.42**	**9,110.42**

** Additions to RoU Asset during the year is net of RoU Assets given on Sublease or modifications and cancellations during the year, if any. Its asset class wise details have been shown under Note 2: Property, Plant and Equipment.

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd..)

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown separately from the maturity analysis of other financial liabilities under Liquidity Risk-Note 40: Financial Instruments & Risk Factors.

Details of items of future cash outflows which the Company is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;

(i) Variable Lease Payments

Variable lease payments that depend on an index or a rate are to be included in the measurement of lease liability although not paid at the commencement date. As per general industry practice, the Company incurs various variable lease payments which are not based any index or rate (variable based on kms covered or % of sales etc..) and are recognised in profit or loss and not included in the measurement of lease liability. Details of some of the arrangements entered by the Company which contain variable lease payments are as under;

1. Transportation arrangement based on number of kms covered for dedicated tank trucks with different operators for road transportation of petroleum, petrochemical and gas products.

2. Leases of Land of Retail Outlets based on Sales volume.

3. Rent for storage tanks for petroleum products on per day basis.

4. Payment of VTS software and VSAT equipment based on performance of equipment.

5. DG Set charges based on usage.

(ii) Extension and Termination Options

The Company lease arrangements includes extension options only to provide operational flexibility. Company assesses at every lease commencement whether it is reasonably certain to exercise the extension options and further reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. However, where Company has the sole discretion to extend the contract such lease term is included for the purpose of calculation of lease liabilities.

The Company has the sole discretion to terminate the lease in case of lease agreement for Retail Outlets. However, Company is reasonably certain not to exercise the option in view of significant improvement and prominent importance of Retail to the entity's operations. Accordingly, such lease term without any effect of termination is considered for the purpose of calculation of lease liabilities.

(iii) Residual Value Guarantees

The Company have entered into various BOOT agreements wherein at the end of lease term the leased assets will be transferred to the company at Nominal value which has no significant impact on measurement of lease liabilities.

(iv) Committed leases which are yet to commence

1. The Company has entered into lease agreement on BOO basis for supply of oxygen and nitrogen gas to IOCL Ethylene Glycol Project at Paradip Refinery for a period of 20 years. IOCL has sub leased the land for the construction of the plant. Lease will commence once plant is commissioned.

2. The Company has entered into lease agreement with VSAT providers (Highes,Nelco and Airtel) for VSAT equipment at ₹ 1175/ month upto Sep/Oct 2024 for subleasing to Retail outlet to ensure seamless connectivity of automated and online data from them. Out of total contracts, 499 no's are pending as at March 31, 2021. However, payment is in the nature of variable lease payment.

3. Advance upfront premium is paid to Greater Noida Developement Authority for leasing of land for the period of 90 years for New Retail Outlet of ₹ 7.58 Crore at Greater Noida. The agreement is yet to be executed and therefore the amount is lying as Capital advance and shall form part of ROU once lease is commenced.

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd..)

4. The Company has entered into lease agreement for 1 Nos of Retail Outlet at Rajkot for a period of 20 years at an annual rental of ₹ 4,20,000/- with an increment of 10% in every 5 years. Lease for such case will commence once RO is commisioned.

5. The Company has entered into lease agreement with various lessors for 3 no's of Retail outlet at Ahmedabad for a period of 19 years 11 months at an annual rental of ₹ 90,000/-, ₹ 1,08,000/-, ₹ 2,40,000/- respectively with an increment of 10% in every 5 years. Leases for all such cases will commence once RO is commissioned.

6. The Company has entered into lease agreement for providing e-locks from various vendors for a period of 3 years (with an option to extend at the option of IOCL) at rate ranging from ₹ 1050-1300/month and for 1 vendor ₹ 2,450/-month. As at March 31, 2021, 8897 no's are yet to be supplied. However, the same are low value items.

7. The Company has entered into lease agreement with Andhra Pradesh State Civil Supplies for 1 Nos of Retail Outlet at Vizag for a period of 20 years at an monthly rental of ₹ 20,000/- with an increment of 10% in every 3 years. The possession of land is not given and the matter is pending in the court.

8. The Company has entered into centralised lease agreement with M/s Trimble for rent payment of ₹ 373/month for VTS software for POL trucks customised to IOCL requirement for a period of 5 years. As at March 31, 2021 total 1776 Nos are yet to be installed. However, payment is in the nature of variable lease payment.

9. The Company has entered into lease agreement with M/s Geovista for VTS software for 2800 Nos of LPG trucks for a period of 5 years. As at March 31, 2021 lease pending to be commence for all 2800 Nos.

(b) As Lessor

(i) Operating Lease

The lease rentals recognised as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

Particulars	2020-21	2019-20
Lease rentals recognised as income during the year	**105.33**	45.42
- Variable Lease	**48.52**	5.94
- Others	**56.81**	39.48

These relate to Land/Buildings subleased for non fuel business, storage tankage facilities for petroleum products, Leave and License model, machinery and office equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant and Equipments.

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Less than one year	**61.53**	18.88
One to two years	**56.38**	15.24
Two to three year	**45.23**	12.65
Three to four years	**40.61**	10.30
Four to five years	**13.78**	8.01
More than five years	**1.22**	4.67
Total	**218.75**	**69.75**

NOTES TO FINANCIAL STATEMENTS

Note - 36: COMMITMENTS AND CONTINGENCIES (Contd..)

(ii) Finance Lease

The Company has entered into the following material finance lease arrangements:

(i) The Company has entered into Lease Agreement with Indian Railways in respect of BTPN Tank Wagons for a minimum period of 20 years. The lease rentals from the date of formation of rake are @ 16% for the first 10 years and thereafter at the nominal rate of 1% of the cost.

(ii) The Company has subleased Telematics Equipments to its Fleet Customers. IOCL has classified the sub lease as a finance lease, because the sub-lease is for the whole of the remaining term of the head lease.

(iii) The Company has entered into sublease arrangement of Office Space to PCRA for a period of 3 years. The same has been classified as finance lease as the sub-lease is for the whole of the remaining term of the head lease.

(iv) The Company has entered into arrangement with Chandigarh administration for subleasing LPG Godowns to LPG Distributors for a period of 15 years. The same has been classified as finance lease as the sub-lease is for the whole of the remaining term of the head lease.

(v) The Company has entered into a lease agreement with Indian Synthetic Rubber Private Limited in which the Company has leased out land for one time upfront payment of ₹ 16.65 Crore

(vi) The Company has subleased certain Office Premises to IHB Private Limited.

Lease income from lease contracts in which the Company acts as a lessor is as below:-

(₹ in Crore)

	2020-21	2019-20
Selling Profit & Loss	0.13	3.07
Finance income on the net investment in the lease	0.13	5.03

(₹ in Crore)

	March 31, 2021	March 31, 2020
Gross Investments in Finance Lease	120.51	224.94
Less: Unearned Finance Income	0.27	5.20
Less: Finance Income Received	40.36	47.59
Less: Minimum Lease payment received	75.82	106.38
Net Investment in Finance Lease as on Date	4.06	65.77
Opening Net Investment in Finance Lease	65.77	59.97
Add: New Leases added during the year	4.44	33.10
Less: PV of Minimum Lease payment received during the year	1.41	27.30
Less: Adjustment during the year	64.74	-
Closing Net Investment in Finance Lease	4.06	65.77

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

	March 31, 2021	March 31, 2020
Less than one year	2.30	37.04
One to two years	1.55	29.40
Two to three year	0.48	4.53
Three to four years	-	-
Four to five years	-	-
More than five years	-	-
Total Undiscounted Lease Payment	4.33	70.97
Less: Unearned finance Income	0.27	5.20
Net Investment in Finance Lease as on date	4.06	65.77

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd..)

B. Contingent Liabilities

B.1 Claims against the Company not acknowledged as debt

Claims against the Company not acknowledged as debt amounting to ₹ **8,069.65 Crore** (2020: ₹ 8,862.31 Crore) are as under:

B.1.1 ₹ **49.15 Crore** (2020: ₹ 48.02 Crore) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹ **22.43 Crore** (2020: ₹ 21.31 Crore.)

B.1.2 ₹ **42.81 Crore** (2020: ₹ 52.39 Crore) in respect of demands for Entry Tax from State Governments including interest of ₹ **8.61 Crore** (2020: ₹ 11.69 Crore).

B.1.3 ₹ **2,033.87 Crore** (2020: ₹ 2,027.91 Crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of ₹ **848.96 Crore** (2020: ₹ 841.17 Crore).

B.1.4 ₹ **1,812.86 Crore** (2020: ₹ 2,589.45 Crore) in respect of Income Tax demands including interest of ₹ **80.15 Crore** (2020: Nil).

B.1.5 ₹ **3,779.27 Crore** (2020: ₹ 2,980.96 Crore) including ₹ **3,169.42 Crore** (2020: ₹ 2,404.28 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ **110.53 Crore** (2020: ₹ 210.53 Crore).

B.1.6 ₹ **351.69 Crore** (2020: ₹ 1,163.58 Crore) in respect of other claims including interest of ₹ **25.22 Crore** (2020: ₹ 545.86 Crore).

The Company has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote. Contingent liabilities in respect of joint operations are disclosed in Note 33B.

B.2 Guarantees excluding Financial Guarantees

B.2.1 The Company has issued Corporate Guarantee in favour of three beneficiaries i.e. Bolivarian Republic of Venezuela (Republic), The Corporation Venezolana del Petroleo S.A. and PeTroCarabobo S.A., on behalf of Indoil Netherlands B.V., Netherlands (an associate Company) to fulfill the associate Company's future obligations of payment of signature bonus / equity contribution / loan to the beneficiaries. The total amount sanctioned by the Board of Directors is USD 424 Million. The estimated amount of such obligation (net of amount paid) is ₹ **2,678.71 Crore** - USD 366.37 Million (2020: ₹ 2,772.13 Crore – USD 366.37 Million).

B.2.2 The Company has entered into Master Guarantee Agreement, on behalf of its subsidiaries viz. Indoil Global B.V. and Indoil Montney Ltd. for all of its payments and performance obligations under the various Project Agreements entered by the subsidiaries with PETRONAS Carigali Canada B.V. and Progress Energy Canada Ltd. (now renamed as Petronas Energy Canada Ltd.). The total amount sanctioned by the Board of Directors is CAD 3924.76 Million. The estimated amount of such obligation (net of amount paid) is ₹ **4,332.44 Crore** – CAD 746.55 Million (2020: ₹ 4,317.78 Crore - CAD 813.51 Million). The sanctioned amount was reduced by CAD 1,462.00 Million due to winding down of LNG Plant during 2017.

B.2.3 The Company has issued Corporate Guarantee, on behalf of IndianOil Adani Gas Private Limited (IOAGPL), to the extent of obligations of later company under Performance Bank Guarantee facility provided to IOAGPL by State Bank of India, Canara Bank, Bank of Baroda, Indian Bank, IndusInd Bank, Jammu and Kashmir Bank, Axis Bank and ICICI Bank. The Company's share of such obligation is estimated at ₹ **3,533.46 Crore** (2020: ₹ 3,533.46 Crore).

B.2.4 The Company has issued Corporate Guarantee, on behalf of IndianOil LNG Private Limited (IOLPL), to the extent of obligations of IOLPL under Performance Bank Guarantee Facility provided to IOLPL by State Bank of India. The estimated amount of such obligation is at Nil (2020: ₹ 11.40 Crore).

B.2.5 The Company has issued Parent Company Guarantee in favor of Abu Dabhi National Oil Company, on behalf of Urja Bharat Pte. Ltd., Singapore (a joint venture company of Company's subsidiary i.e. IOCL Singapore Pte Ltd) to fulfill the joint venture Company's future obligations of payment and performance of Minimum Work Programme. The total amount sanctioned by the Board of Directors is USD 89.7 Million. The estimated amount of such obligation (net of amount paid) is ₹ **418.22 Crore** - USD 57.20 Million (2020: ₹ 565.22 Crore - USD 74.70 Million).

NOTES TO FINANCIAL STATEMENTS

Note - 36 : COMMITMENTS AND CONTINGENCIES (Contd..)

B.3 Other money for which the Company is Contingently Liable

Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

C. Commitments

C.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for is **₹ 30,679.89 Crore** (2020: ₹ 26,677.10 Crore) inclusive of taxes.Capital Commitments in respect of Joint Operations are disclosed in Note 33B.

C.2 Other Commitments

C.2.1 The Company has an export obligation to the extent of **Nil** (2020: ₹ 583.56 Crore) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

C.2.2 IndianOil LNG Private Limited (IOLPL), the JV Company, entered into Debenture Subscription Agreement with ICICI Bank (ICICI), in which, the Company, as promoter of IOLPL, provided put option under certain conditions in which ICICI has option to sell Compulsory Convertible Debenture (CCD) to the Company. During the year, ICICI Bank has exercised put option and the Company (IOCL) has paid **₹ 787.00 Crore** and its share of obligation is ₹ Nil as on March 31, 2021 (2020 ₹ 808.44 Crore).

D. Contingent assets

(₹ in Crore)

		March 31, 2021	March 31, 2020
a.	In respect of M/s Khazana Projects and Industries (P) Ltd. for the amount of risk & cost claim along with 15% supervision charges admitted by the Arbitrator in favour of the Company.	**3.85**	3.73
b.	In respect of M/s Metro Builders for the amount of risk & cost claim along with 15% supervision charges, price discount and interest admitted by the Arbitrator in favour of the Company.	**7.16**	6.26
Total		**11.01**	**9.99**

Note - 37 : RELATED PARTY DISCLOSURES

As required by Ind-AS -24 "Related Party Disclosures", are given below:

1. Relationship with Entities

A. Details of Subsidiary Companies/ Entities and their Subsidiaries:

1) Chennai Petroleum Corporation Limited
2) IndianOil (Mauritius) Limited
3) Lanka IOC PLC
4) IOC Middle East FZE
5) Indian Catalyst Private Limited#
6) IOC Sweden AB
7) IOCL (USA) INC.
8) IndOil Global B.V., Netherlands
9) IOCL Singapore Pte. Limited
10) IndOil Montney Limited
11) IOC Cyprus Limited
12) IOCL Exploration and Production Oman Limited

NOTES TO FINANCIAL STATEMENTS

Note -37 : RELATED PARTY DISCLOSURES (Contd..)

B. The following transactions were carried out with Subsidiary Companies/Entities in the ordinary course of business:

(₹ in Crore)

		March 31, 2021	March 31, 2020
1	**Sales of Products/ Services**	**1,660.29**	1,196.61
	[Includes sales to Chennai Petroleum Corporation Limited ₹ **1,447.50 Crore** (2020: ₹ 1,043.83 Crore)]		
2	**Other Operating Revenue / Other Income**	**606.08**	579.58
	[Includes Other Operating Revenue / Other Income from IOCL Singapore Pte. Limited ₹ **297.69 Crore** (2020: ₹ 528.81 Crore) and IndOil Global B.V., Netherlands ₹ **234.12 Crore** (2020: Nil)]		
3	**Purchase of Products**	**38,964.08**	44,240.98
	[Includes Purchase of Products from Chennai Petroleum Corporation Limited ₹ **38,964.08 Crore** (2020: ₹ 44,240.98 Crore)]		
4	**Purchase of Raw Materials/ Others**	**1,556.66**	3,051.67
	[Includes Purchase of Raw Materials/Others from Chennai Petroleum Corporation Limited ₹ **859.58 Crore** (2020: ₹ 942.90 Crore) and IndOil Global B.V., Netherlands ₹ **694.57 Crore** (2020: ₹ 2,102.90 Crore)]		
5	**Expenses Paid/ (Recovered) (Net)**	**(12.22)**	(11.09)
	[Includes Expenses Paid to/(Recovered) from Chennai Petroleum Corporation Limited- ₹ **15.46 Crore** (2020:- ₹ 11.77 Crore)]		
6	**Investments made/ (sold) during the year (Incl Advance for Investment)**	**(5.32)**	89.95
	[Includes Investment made/ (reduction in share capital) in Indian Catalyst Private Limited- ₹ **6.45 Crore** (2020: Nil) and IOC Sweden AB ₹ **1.13 Crore** (2020: ₹ 89.95 Crore)]		
7	**Purchase/ (Sale)/ Acquisition of Fixed Assets (Incl. CWIP/ Leases)**	**19.96**	252.81
	[Includes Purchase/ (Sale)/ Acquisition of Fixed Assets incl. CWIP/ Leases from Chennai Petroleum Corporation Limited ₹ **19.96 Crore** (2020: ₹ 252.81 Crore)]		
8	**Provisions made/ (write back) during the year**	**68.13**	1,431.65
	[Includes Provision made/ (written back) in IOCL (USA) INC. ₹ **68.12 Crore** (2020: ₹ 86.41 Crore) and IndOil Global B.V., Netherlands- Nil (2020: ₹ 1,345.24 Crore)]		
9	**Outstanding Receivables/ Loans**	**1,169.88**	1,702.62
	[Includes Outstanding Receivables from Chennai Petroleum Corporation Limited ₹ **1,083.35 Crore** (2020: ₹ 1,082.96 Crore)]		
10	**Outstanding Payables (Incl Lease Obligation)**	**386.74**	602.39
	[Includes Outstanding payable to Chennai Petroleum Corporation Limited ₹ **348.51 Crore** (2020: ₹ 290.13 Crore)]		
11	**Investments in Subsidiaries as on date**	**15,010.13**	14,950.32
12	**Guarantees**		
	Financial Guarantees	**5,270.99**	4,709.97
	[Includes Financial Guarantees given to IndOil Montney Limited ₹ **3,369.92 Crore** (2020: ₹ 2,591.16 Crore) and IOCL Singapore Pte. Limited ₹ **1,901.07 Crore** (2020: ₹ 2,118.81 Crore)]		
	Other than Financial Guarantees	**4,332.44**	4,317.78
	[Includes Parent Company Guarantees for other than debt obligation given to IndOil Montney Limited ₹ **4,332.44 Crore** (2020: ₹ 4,317.78 Crore)]		

Note:

1) Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.

2) In case of Subsidiary Companies constituted/acquired during the year, transactions w.e.f. date of constitution / acquisition are disclosed.

3) In case of Subsidiary Companies which have been closed/divested during the year, transactions up to the date of closure / disinvestment only are disclosed.

#Application submitted to ROC, Ahmedabad on 30th Dec 2020 for striking off the Company name from the ROC Register.

NOTES TO FINANCIAL STATEMENTS

Note -37 : RELATED PARTY DISCLOSURES (Contd..)

2. Relationship with Entities

A) Details of Joint Ventures (JV) / Associate Entities to IOCL & its subsidiaries

1) Indian Oiltanking Limited
2) Lubrizol India Private Limited
3) Petronet VK Limited
4) IndianOil Petronas Private Limited
5) Avi-Oil India Private Limited
6) Petronet India Limited *
7) Petronet LNG Limited
8) Green Gas Limited
9) IndianOil Panipat Power Consortium Limited @@
10) Petronet CI Limited @
11) IndianOil LNG Private Limited
12) IndianOil SkyTanking Private Limited
13) Suntera Nigeria 205 Limited
14) Delhi Aviation Fuel Facility Private Limited
15) Indian Synthetic Rubber Private Limited
16) Indian Oil Ruchi Biofuels LLP#
17) NPCIL- IndianOil Nuclear Energy Corporation Limited
18) GSPL India Transco Limited
19) GSPL India Gasnet Limited
20) IndianOil - Adani Gas Private Limited
21) Mumbai Aviation Fuel Farm Facility Private Limited
22) Kochi Salem Pipeline Private Limited
23) Hindustan Urvarak & Rasayan Limited
24) Ratnagiri Refinery & Petrochemicals Limited
25) Indradhanush Gas Grid Limited
26) Indian Additives Limited
27) National Aromatics & Petrochemicals Corporation Limited
28) INDOIL Netherlands B.V.
29) Taas India PTE Limited
30) Vankor India PTE Limited
31) Ceylon Petroleum Storage Terminals Limited
32) Falcon Oil & Gas B.V.
33) Urja Bharat PTE Limited
34) IHB Private Limited
35) Ujjwala Plus Foundation
36) Beximco IOC Petroleum and Energy Limited (Incorporated on 28.09.20)
37) IndianOil Total Private Limited (Incorporated on 07.10.20)
38) IOC Phinergy Private Limited (Incorporated on 19.02.21)

B) Details of Subsidiaries to JV's of IOCL

1) IOT Engineering & Construction Services Ltd.
2) Stewarts and Lloyds of India Limited
3) IOT Infrastructures Private Limited
4) IOT Utkal Energy Services Limited
5) PT IOT EPC Indonesia
6) IOT Engineering Projects Limited
7) Indian Oiltanking Engineering & Construction Services LLC Oman
8) JSC KazakhstanCaspishelf
9) IOT VITO MUHENDISLIK INSAAT VE TAAHUT A.S.
10) IndianOil Skytanking Delhi Private Limited
11) IOT Biogas Private Limited
12) Petronet LNG Foundation
13) Petronet Energy Limited (Incorporated on 26.02.2021)

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd..)

C) The following transactions were carried out with the related parties in the ordinary course of business:

(₹ in Crore)

	March 31, 2021	March 31, 2020
1 Sales of Products / Services	1,992.70	1,592.78
[Includes sales to IndianOil Petronas Private Limited ₹ **1,325.16 Crore** (2020: ₹ 1,083.75 Crore) and Indian Synthetic Rubber Private Limited ₹ **322.55 Crore** (2020: ₹ 350.95 Crore)]		
2 Interest received	93.17	66.98
[Includes interest received from IndianOil LNG Private Limited ₹ **81.88 Crore** (2020: ₹ 54.77 Crore) and Petronet VK Limited ₹ **9.64 Crore** (2020: ₹ 9.49 Crore)]		
3 Other Operating Revenue/ Other Income	528.79	467.28
[Includes Other Operating Revenue / Other Income from Petronet LNG Limited ₹ **287.33 Crore** (2020: ₹ 192.60 Crore), IndianOil Petronas Private Limited ₹ **141.52 Crore** (2020: ₹ 107.22 Crore) and Indian Synthetic Rubber Private Limited ₹ **57.19 Crore** (2020: ₹ 116.00 Crore)]		
4 Purchase of Products	4,474.71	6,177.51
[Includes Purchase of Products from Petronet LNG Limited ₹ **3,963.39 Crore** (2020: ₹ 5,686.10 Crore)]		
5 Purchase of Raw Materials/ Others	3,980.99	5,402.30
[Includes Purchase of Raw Materials/Others from Petronet LNG Limited ₹ **3,638.75 Crore** (2020: ₹ 5,027.29 Crore)]		
6 Interest paid	249.97	268.25
[Includes Interest paid to IOT Utkal Energy Services Limited ₹ **249.97 Crore** (2020: ₹ 268.25 Crore)]		
7 Expenses Paid/ (Recovered) (Net)	686.22	875.65
[Includes Expenses Paid to/ (Recovered) from IndianOil Petronas Private Limited ₹ **355.17 Crore** (2020: ₹ 316.90 Crore), IndianOil Sky Tanking Private Limited ₹ **141.42 Crore** (2020: ₹ 346.19 Crore) and Indian Oiltanking Ltd ₹ **110.15 Crore** (2020: ₹ 105.51 Crore)]		
8 Investments made/ (sold) during the year (Incl. Advance for Investment)	4,629.97	735.67
[Includes Investment made in IndianOil LNG Private Limited ₹ **3,012.00 Crore** (2020: Nil), IHB Private Limited ₹ **776.50 Crore** (2020: ₹ 52.50 Crore) and Hindustan Urvarak and Rasayan Limited ₹ **380.68 Crore** (2020: ₹ 310.76 Crore)]		
9 Purchase/(Sale)/Acquisition of Fixed Assets (Incl. CWIP/ Leases)	(1.56)	3.91
[Includes Purchase/ (Sale)/ Acquisition/ (Recovered) of Fixed Assets incl. CWIP/ Leases from Indian Oiltanking Ltd- Nil (2020: ₹ 3.50 Crore), IHB Private Limited ₹ **(1.34) Crore** (2020: Nil) and IOT Engineering & Construction Services Limited ₹ **(0.28) Crore** (2020: Nil)]		
10 Provisions made/ (write back) during the year	5.93	(316.66)
[Includes Provision made / (written back) in INDOIL Netherlands B.V. ₹ **7.03 Crore** (2020: Nil) and Indian Oiltanking Ltd- Nil (2020: ₹ (316.66) Crore)]		
11 Outstanding Receivables/ Loans	1,381.09	963.03
[Includes Outstanding Receivables/ Loans from IndianOil LNG Private Limited ₹ **500.66 Crore** (2020: ₹ 251.32 Crore), Petronet LNG Limited ₹ **297.15 Crore** (2020: ₹ 265.58 Crore) and Suntera Nigeria 205 Limited ₹ **158.23 Crore** (2020: ₹ 163.76 Crore)]		
12 Outstanding Payables (Incl. Lease Obligation)	3,149.20	3,027.40
[Includes Outstanding payable to IOT Utkal Energy Services Limited ₹ **2,321.57 Crore** (2020: ₹ 2,497.78 Crore) and Petronet LNG Limited ₹ **533.88 Crore** (2020: ₹ 420.86 Crore)]		
13 Investments in JV/ Associates as on date	8,656.54	3,855.73

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd..)

(₹ in Crore)

	March 31, 2021	March 31, 2020
14 Guarantees		
Financial Guarantees	**217.51**	1,114.28
[Includes Financial Guarantee given to Indian Synthetic Rubber Private Limited **₹ 217.51 Crore** (2020: ₹ 305.88 Crore) and IndianOil LNG Private Limited- Nil (2020: ₹ 808.40 Crore)]		
Other than Financial Guarantees	**6,630.39**	6,882.21
[Includes Parent Company Guarantees for other than debt obligation given to IndianOil Adani Gas Private Limited **₹ 3,533.46 Crore** (2020: ₹ 3,533.46 Crore) and INDOIL Netherlands B.V. **₹ 2,678.71 Crore** (2020: ₹ 2,772.13 Crore)]		

Note:

1) Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.

2) In case of Joint Venture/ Subsidiary Companies constituted/acquired during the period, transactions w.e.f. date of constitution / acquisition is disclosed.

3) In case of Joint Venture / Subsidiary Companies which have been closed/divested during the period, transactions up to the date of closure / disinvestment only are disclosed.

3. Government related entities where significant transactions carried out

Apart from transactions reported above, the Company has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:

- Sale of Products and Services
- Purchase of Products
- Purchase of Raw Materials
- Handling and Freight Charges, etc.

These transactions are conducted in the ordinary course of the Company's business on terms comparable to those with other entities that are not Government-related.

*Liquidator has been appointed for winding up of Company w.e.f. August 30, 2018.

@@IndianOil has exited the Joint Venture by selling its entire stake in IPPCL to SCION Exports Private Limited on March 5, 2021.

@The Company is under winding up process and the appointed liquidator has submitted his report to the official liquidator who is still to submit its report to Tribunal for winding up of the company.

#IndianOil has exited the Joint Venture, IndianOil Ruchi Biofuels LLP (M/s IORB) by giving notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries Limited (M/s Ruchi) as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The time frame for completing exit formalities by M/s Ruchi by filing requisite forms with ROC was within 30 days of notice expiry period (i.e., by February 24, 2019) but the same is still pending and IndianOil name is appearing on ROC website as Partner in the said LLP. M/s Ruchi was under Corporate Insolvency Resolution Process and has been taken over by Patanjali Ayurveda Limited. All necessary documents have been provided to M/s Ruchi for completing formalities relating to exit of IndianOil from IORB LLP.

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd..)

4) Key Managerial Personnel

A. Whole-time Directors/ Company Secretary	B. Independent Directors	C. Government Nominee Directors
1) Shri S. M. Vaidya (w.e.f. 14.10.2019)	1) Shri Rajendra Arlekar	1) Ms Indrani Kaushal
2) Shri G. K. Satish	2) Ms Lata Usendi	2) Dr Navneet Mohan Kothari
3) Dr S. S. V. Ramakumar	3) Shri Vinoo Mathur (upto 21.09.2020)	
4) Shri Ranjan Kumar Mohapatra	4) Shri Samirendra Chatterjee (upto 21.09.2020)	
5) Shri Gurmeet Singh	5) Shri Chitta Ranjan Biswal (upto 21.09.2020)	
6) Shri S. K. Gupta (w.e.f. 18.05.2019)	6) Dr Jagdish Kishwan (upto 21.09.2020)	
7) Shri Akshay Kumar Singh (upto 31.01.2021)	7) Shri Sankar Chakraborti (upto 21.09.2020)	
8) Shri Sanjiv Singh (upto 30.06.2020)	8) Shri Dharmendra Singh Shekhawat (upto 21.09.2020)	
9) Shri Kamal Kumar Gwalani		

D) Details relating to the personnel referred to in Item No. 4A & 4B above:

March 31, 2021

(₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole-time Directors/ Company Secretary						
1) Shri S. M. Vaidya	0.45	0.09	0.08	0.62	-	0.01
2) Shri G. K. Satish	0.47	0.09	0.16	0.72	-	-
3) Dr S. S. V. Ramakumar	0.55	0.09	0.08	0.72	-	0.01
4) Shri Ranjan Kumar Mohapatra	0.46	0.08	0.08	0.62	-	0.02
5) Shri Gurmeet Singh	0.61	0.73	0.09	1.43	-	-
6) Shri S. K. Gupta	0.47	0.08	0.08	0.63	-	-
7) Shri Akshay Kumar Singh	0.35	0.30	0.16	0.81	-	-
8) Shri Sanjiv Singh	0.37	0.70	0.18	1.25	-	-
9) Shri Kamal Kumar Gwalani	0.47	0.08	0.06	0.61	-	0.19
B. Independent Directors						
1) Shri Rajendra Arlekar	-	-	-	-	0.10	-
2) Ms Lata Usendi	-	-	-	-	0.07	-
3) Shri Vinoo Mathur	-	-	-	-	0.03	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.04	-
5) Shri Chitta Ranjan Biswal	-	-	-	-	0.02	-
6) Dr Jagdish Kishwan	-	-	-	-	0.03	-
7) Shri Sankar Chakraborti	-	-	-	-	0.04	-
8) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.03	-
TOTAL	**4.20**	**2.24**	**0.97**	**7.41**	**0.36**	**0.23**

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd..)

March 31, 2020

(₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole-time Directors/ Company Secretary						
1) Shri S. M. Vaidya	0.21	0.03	-	0.24	-	0.01
2) Shri G. K. Satish	0.59	0.07	-	0.66	-	-
3) Dr S. S. V. Ramakumar	0.63	0.08	0.04	0.75	-	0.02
4) Shri Ranjan Kumar Mohapatra	0.60	0.07	-	0.67	-	0.04
5) Shri Gurmeet Singh	0.61	0.07	-	0.68	-	-
6) Shri S. K. Gupta	0.47	0.06	-	0.53	-	0.11
7) Shri Akshay Kumar Singh	0.58	0.07	-	0.65	-	0.01
8) Shri Sanjiv Singh	0.60	0.07	-	0.67	-	-
9) Shri Kamal Kumar Gwalani	0.50	0.07	-	0.57	-	0.21
B. Independent Directors						
1) Shri Rajendra Arlekar	-	-	-	-	0.04	-
2) Ms Lata Usendi	-	-	-	-	0.02	-
3) Shri Vinoo Mathur	-	-	-	-	0.09	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.09	-
5) Shri Chitta Ranjan Biswal	-	-	-	-	0.05	-
6) Dr Jagdish Kishwan	-	-	-	-	0.10	-
7) Shri Sankar Chakraborti	-	-	-	-	0.09	-
8) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.09	-
TOTAL	**4.79**	**0.59**	**0.04**	**5.42**	**0.57**	**0.40**

Notes:

1) This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.

2) There were no Share Based Employee Benefits given to KMPs during the period.

3) In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes up to 12,000 kms. per annum on a payment of ₹ 2,000/- per mensem.

5) Relatives of Key Managerial Personnel and nature of relation with whom transactions are undertaken during the year:

1) Shri Siddharth Shrikant Vaidya (Senior Production Engineer, Indian Oil Corporation Limited): Son of Key Managerial Personnel

(₹ in Crore)

	March 31, 2021	March 31, 2020
1 Remuneration		
Shri Siddharth Shrikant Vaidya ^	**0.15**	0.08
2 Outstanding Receivables/ Loans		
Shri Siddharth Shrikant Vaidya ^	**-**	-

^ Remuneration and Loan balances for relative of KMP is reported for the period of tenure of KMP.

NOTES TO FINANCIAL STATEMENTS

Note - 37 : RELATED PARTY DISCLOSURES (Contd..)

6) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

		Post Employment Benefit Plan	March 31, 2021		March 31, 2020	
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund *	Provident Fund	**237.27**	**82.50**	229.72	(7.40)
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	**21.35**	**38.10**	24.46	(7.52)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division) *	Provident Fund	**246.47**	**168.24**	256.89	(59.90)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	**164.06**	**33.42**	294.21	135.97
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	**746.56**	**(241.05)**	163.54	(544.63)
6	IOCL Employees Group Gratuity Trust	Gratuity	**528.93**	**3.74**	-	(432.38)

*Includes ₹ 335.00 Crore advance given to PF trust in FY 20-21 as per actuarial valuation against interest shortfall in future years against which provision for probable contingencies to the tune of ₹ 262.26 Crore was provided for in books as Contingencies for Probable Obligation as on March 31, 2021 (Refer Note 35)

NOTES TO FINANCIAL STATEMENTS

Note - 38 : SEGMENT INFORMATION

Operating Segment Reporting as per Ind-AS 108 for the year ended March 31, 2021 is as under:

(₹ in Crore)

	2020-2021					2019-2020				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	4,84,610.57	19,149.78	11,130.12	-	5,14,890.47	5,37,442.80	15,702.53	13,208.22	-	5,66,353.55
Inter-segment Revenue	8,516.35	19.31	68.19	(8,603.85)	-	10,054.57	24.28	80.21	(10,159.06)	-
Total Revenue	4,93,126.92	19,169.09	11,198.31	(8,603.85)	5,14,890.47	5,47,497.37	15,726.81	13,288.43	(10,159.06)	5,66,353.55
Result										
Segment Results excluding Exchange Gain/ (Loss)	23,337.30	5,218.82	(146.03)	-	28,410.09	12,534.15	2,029.99	883.26	-	15,447.40
Segmental Exchange Gain/ (Loss)	516.51	(0.56)	23.09	-	539.04	(2,051.60)	(21.64)	8.08	-	(2,065.16)
Segment Results (Before Exceptional Items)	23,853.81	5,218.26	(122.94)	-	28,949.13	10,482.55	2,008.35	891.34	-	13,382.24
Less: Unallocable Expenditure										
- Finance Cost					3,093.92					5,979.45
- Impairment Loss on Financial Assets - Pertaining to Investment					66.15					1,114.99
- Loss on sale and disposal of Assets					85.09					93.94
- Exchange Loss - (Net)					-					1,879.44
- Loss on Derivatives					-					170.58
- Fair value Loss on Financial instruments classified as FVTPL					-					59.11
- Amortisation of FC Monetary Item Translation					-					28.92
Add: Unallocable Income										
- Interest and Dividend Income					3,001.15					3,509.25
- Profit on Sale of Investments (Net)					1.84					-
- Exchange Gain - (Net)					615.38					-
- Gain on Derivatives					140.87					-
- Fair value gain on Financial instruments classified as FVTPL					205.56					-
- Other non operating income					46.88					45.47
Profit before Exceptional items and Tax					29,715.65					7,610.53
Exceptional Items (Refer Point No. 14 of Note-48)	-	-	-	-	-	(10,946.98)	(293.73)	(63.93)	-	(11,304.64)
Profit / (Loss) Before Tax					29,715.65					(3,694.11)
Less: Income Tax (including deferred tax) (Refer Point No. 12 & 13 of Note-48)					7,879.61					(5,007.34)
Profit / (Loss) After Tax					21,836.04					1,313.23

1. The Company is engaged in the following operating segments:

   a) Sale of Petroleum Products

   b) Sale of Petrochemicals

   c) Other operating segment of the Corporation comprises; Gas, Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill & Solar Power Generation.

   Segments have been identified and reported taking into account, the nature of products and services and differing risks and returns.

2. Segment Revenue comprises of the following:

   a) Turnover (Inclusive of Excise Duties)

   b) Net Claim/(Surrender) of SSC

   c) Subsidy / Grants received from Governments

   d) Other Operating Revenue

3. Inter segment pricing are at Arm's length basis

4. There are no reportable geographical segments.

NOTES TO FINANCIAL STATEMENTS

Note - 38 : SEGMENT INFORMATION (Contd..)

Other Information

(₹ in Crore)

	March 31, 2021				March 31, 2020			
	Petroleum Products	Petro-chemicals	Other Business	Total	Petroleum Products	Petro-chemicals	Other Business	Total
Segment Assets	2,48,925.70	21,734.13	9,209.79	2,79,869.62	2,37,349.85	19,970.34	6,231.69	2,63,551.88
Corporate Assets								
Investments (Current and Non Current)				48,619.41				39,138.56
Advances For Investments				22.63				88.90
Advance Tax				2,428.85				4,253.04
Interest Accrued On Investments/ Bank Deposits				0.67				0.71
Loans				3,063.71				3,860.59
Derivative Asset				45.13				131.11
Finance Lease Receivables				4.06				65.77
Total Assets				3,34,054.08				3,11,090.56
Segment Liabilities	1,03,058.05	847.13	2,045.35	1,05,950.53	86,519.67	970.38	1,406.14	88,896.19
Corporate Liabilities								
Liability for Dividend				1,260.79				-
Provision For Taxation				797.85				-
Borrowings (Short Term and Long Term)				96,580.81				1,12,736.72
Current Maturities Of Long-Term Debt				5,746.68				3,808.26
Deferred Tax Liability				12,964.73				11,413.14
Derivative Liabiliies				252.65				467.38
Total Liabilities				2,23,554.04				2,17,321.69
Capital Employed								
Segment Wise	1,45,867.65	20,887.00	7,164.44	1,73,919.09	1,50,830.18	18,999.96	4,825.55	1,74,655.69
Corporate				(63,419.05)				(80,886.82)
Total Capital Employed				1,10,500.04				93,768.87
Capital Expenditure	19,875.26	2,071.48	2,230.91	24,177.65	25,266.54	3,259.98	2,190.72	30,717.24
Depreciation and Amortisation	8,777.27	918.02	109.01	9,804.30	7,777.07	898.09	90.94	8,766.10

Geographical information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	2020-2021	2019-2020	March 31, 2021	March 31, 2020
India	4,98,109.51	5,44,499.15	1,79,039.90	1,66,048.45
Outside India	16,780.96	21,854.40	239.71	239.53
Total	5,14,890.47	5,66,353.55	1,79,279.61	1,66,287.98

Revenue from major products and services

(₹ in Crore)

	2020-2021	2019-2020
Motor Spirit (MS)	1,11,485.89	1,12,707.55
High Speed Diesel (HSD)	2,58,141.00	2,81,617.99
Superior Kerosene Oil (SKO)	4,376.53	9,346.74
Liquified Petroleum Gas (LPG)	64,124.29	64,963.59
Aviation Turbine Fuel (ATF)	9,201.40	27,190.13
Others	67,561.36	70,527.55
Total External Revenue	5,14,890.47	5,66,353.55

NOTES TO FINANCIAL STATEMENTS

Note - 39 : FAIR VALUE MEASUREMENT

I. Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, along with the fair value measurement hierarchy:

(₹ in Crore)

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
FINANCIAL ASSETS					
A. Fair Value through Other Comprehensive Income (FVTOCI):					
Quoted Equity Shares	**12,213.69**	8,016.28	**12,213.69**	8,016.28	Level 1
Unquoted Equity Instrument	**855.52**	384.42	**855.52**	384.42	Level 3
Quoted Government Securities	**11,883.53**	11,931.81	**11,883.53**	11,931.81	Level 1
Hedging Derivatives					
Foreign exchange forward contracts- Loans	**-**	18.67	**-**	18.67	Level 2
Foreign exchange forward contracts- Crude/ Product Liablities	**-**	3.23	**-**	3.23	Level 2
Commodity forward contracts- Margin Hedging	**17.12**	93.00	**17.12**	93.00	Level 2
Interest Rate Swap	**5.35**	-	**5.35**	-	Level 2
B. Fair Value through Profit and Loss (FVTPL):					
Non Convertible Redeemable Preference shares	**600.00**	555.63	**600.00**	555.63	Level 3
Compulsorily Convertible Debentures	**3,875.66**	672.18	**3,875.66**	672.18	Level 3
Loan to Related Party - Suntera Nigeria 205 Limited	**121.51**	129.63	**121.51**	129.63	Level 3
Derivative Instruments at fair value through profit or loss	**22.66**	16.21	**22.66**	16.21	Level 2
C. Amortised Cost:					
Loans to employees	**1,467.62**	1,379.74	**1,644.69**	1,504.12	Level 2
PMUY Loan (Refer point 1 of Note-48 for more details)	**1,058.43**	2,098.54	**1,108.88**	2,132.88	Level 3
FINANCIAL LIABILITIES					
A. Amortised Cost:					
Non-Convertible Redeemable Bonds	**16,287.16**	8,129.16	**16,301.33**	8,134.87	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**472.49**	322.28	**466.82**	317.80	Level 2
Foreign Currency Bonds - US Dollars	**10,330.07**	14,510.96	**11,451.94**	14,077.15	Level 1
Foreign Currency Bonds - Singapore Dollars	**2,227.92**	2,176.44	**2,321.48**	2,065.38	Level 2
Loan from Odisha Government	**1,291.34**	962.66	**1,303.89**	1,000.53	Level 2
USD 100 Mn Term Loan	**731.59**	-	**731.50**	-	Level 2
B. Fair Value through Profit and Loss (FVTPL):					
Derivative Instruments at fair value through profit or loss	**252.65**	435.87	**252.65**	435.87	Level 2
C. Fair Value through Other Comprehensive Income (FVTOCI):					
Hedging Derivatives					
Commodity forward contracts- Margin Hedging	**-**	31.51	**-**	31.51	Level 2

NOTES TO FINANCIAL STATEMENTS

Note - 39 : FAIR VALUE MEASUREMENT (Contd..)

Note:

The management has assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances/ Deposits, Advances for Investment, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance Lease Receivable, B site RO modernisation loans, Security Deposits paid and received, Short-term Borrowings (including Current Maturities of Long term Borrowings), Trade Payables, Floating Rate Borrowings/ Receivables, Other Non-derivative Current Financial Liabilities and Liabilities towards financial guarantees approximate their carrying amounts.

METHODS AND ASSUMPTIONS

The following methods and assumptions were used to estimate the fair values at the reporting date:

A. Level 1 Hierarchy:

(i) **Quoted Equity Shares:** Closing quoted price (unadjusted) in National Stock Exchange of India Limited

(ii) **Quoted Government Securities:** Closing published price (unadjusted) in Clearing Corporation of India Limited

(iii) **Foreign Currency Bonds** - US Dollars: Closing price for the specific bond collected from Bank

B. Level 2 Hierarchy:

(i) **Derivative Instruments at FVTPL:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) **Hedging Derivatives at FVTOCI:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(iii) **Loans to employees:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities, adjusted for insignificant unobservable inputs specific to such loan like principal and interest repayments are such that employee get more flexibility in repayment as per the respective loan schemes.

(iv) **Non-Convertible Redeemable Bonds, Foreign Currency Bonds - Singapore Dollars , Loan from Odisha Government and USD 100 Mn Term Loan:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings).

(v) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing Rate) using exit model as per Ind AS 113.

C. Level 3 Hierarchy:

(i) **Unquoted Equity Instruments:** Fair values of the unquoted equity shares have been estimated using Market Approach & Income Approach of valuation techniques. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(ii) **Non Convertible Redeemable Preference Shares, Compulsorily Convertible Debentures (CCDs) and Loan to Related parties - Suntera:** Fair value of Preference shares, CCDs and Loan to Suntera is estimated with the help of external valuer by discounting future cash flows. The CCDs are valued considering conversion into equity shares at face value on conversion date. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

(iii) **PMUY Loan:** Fair value of PMUY loans is estimated by discounting future cash flows using approximate interest rates applicable on loans given by Banks duly adjusted for significant use of unobservable inputs in estimating the cash flows comprising of specific qualitative and quantitative factors like consumption pattern, assumption of subsidy rate, deferment of loan etc.

NOTES TO FINANCIAL STATEMENTS

Note - 39 : FAIR VALUE MEASUREMENT (Contd..)

The significant unobservable inputs used in fair value assessment categorised within Level 3 of the Fair Value Hierarchy together with a quantitative sensitivity analysis as on March 31, 2021 and March 31, 2020 are shown below:

	Valuation technique	Significant unobservable Input	Range (weighted average)	Sensitivity of the Input to Fair Value
I Haldia Petrochemical Limited (included under FVTOCI assets in unquoted equity instruments. Refer Note-4 for Carrying Value)	Market Approach with equal weights to Revenue Multiple and EBITDA Multiple	Revenue Multiple	March 31, 2021: 1.02x - 1.06x (1.04x) March 31, 2020: 0.49x - 0.53x (0.51x)	0.01x increase/(decrease) in Revenue Multiple would result in increase/ (decrease) in fair value by: March 31, 2021: ₹ 4.5 Crore/ ₹ (4.5) Crore March 31, 2020: ₹ 4.2 Crore/ ₹ (4.1) Crore
		EBITDA Multiple	March 31, 2021: 4.8x - 5.2x (5.0x) March 31, 2020: 5.6x - 6.0x (5.8x)	0.1x increase/(decrease) in EBITDA Multiple would result in increase/ (decrease) in fair value by: March 31, 2021: ₹ 10.0 Crore/ ₹ (10.0) Crore March 31, 2020: ₹ 4.3 Crore/ ₹ (4.2) Crore
II Non Convertible Redeemable Preference Shares - Chennai Petroleum Corporation Limited	Income Approach - Present Value Measurement	Discount Rate	March 31, 2021: 4.63% - 6.63% (5.63%) March 31, 2020: 5.98% - 7.98% (6.98%)	0.5% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: March 31, 2021: ₹ (10.0) Crore/ ₹ 10.0 Crore March 31, 2020: ₹ (11.0) Crore/ ₹ 11.5 Crore
III Compulsorily Convertible Debentures - IndianOil LNG Private Limited	Income Approach - Present Value Measurement		CCD-1&2: March 31, 2021: 4.54% - 6.54% (5.54%) March 31, 2020: 5.54% - 7.54% (6.54%)	0.5% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: March 31, 2021: ₹ (8.42) Crore/ ₹ 8.57 Crore March 31, 2020: ₹ (2.44) Crore/ ₹ 2.47 Crore
		Discount Rate	CCD-3: March 31, 2021: 4.54% - 6.54% (5.54%) March 31, 2020: N/A	0.5% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: March 31, 2021: ₹ (10.17) Crore/ ₹ 10.34 Crore March 31, 2020: N/A
			CCD-4: March 31, 2021: 4.66% - 6.66% (5.66%) March 31, 2020: N/A	0.5% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: March 31, 2021: ₹ (30.12) Crore/ ₹ 30.69 Crore March 31, 2020: N/A
IV Loan to Related Party - Suntera Nigeria 205 Limited	Income Approach - Present Value Measurement	Discount Rate	March 31, 2021: 15.0% - 19.0% (17.0%) March 31, 2020: 15.5% - 19.5% (17.5%)	1% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: March 31, 2021: ₹ (5.1) Crore/ ₹ 5.1 Crore March 31, 2020: ₹ (5.3) Crore/ ₹ 6.8 Crore

NOTES TO FINANCIAL STATEMENTS

Note - 39 : FAIR VALUE MEASUREMENT (Contd..)

Unquoted Equity Instruments carried at FVTOCI includes following investments for which sensitivity disclosure is not disclosed:

	Carrying Value (₹ in Crore)	
	March 31, 2021	March 31, 2020
Woodlands Multispeciality Hospital Limited	**0.10**	0.10
International Cooperative Petroleum Association, New York	**0.02**	0.02

Reconciliation of fair value measurement of Assets and Liabilities under Level 3 hierarchy of Fair Value measurement:

(₹ in Crore)

	FVTOCI Assets		FVTPL Assets	
	Unquoted Equity Shares	Non Convertible Redeemable Preference Shares	Compulsorily Convertible Debentures	Loan to Suntera Nigeria 205 Ltd.
Balance as at March 31 2020	**384.42**	**555.63**	**672.18**	**129.63**
Addition	-	-	3,012.00	-
Fair Value Changes	471.10	44.37	191.48	(3.75)
Exchange Difference	-	-	-	(4.37)
Balance as at March 31 2021	**855.52**	**600.00**	**3,875.66**	**121.51**

II. Disclosures relating to recognition of differences between the fair value at initial recognition and the transaction price

In the following cases, the Company has not recognised gains/losses in profit or loss on initial recognition of financial assets/ financial liability, instead, such gains/losses are deferred and recognised as per the accounting policy mentioned below.

Financial Assets

1. Loan to Employees

As per the terms of service, the Company has given long term loan to its employees at concessional interest rate. Transaction price is not fair value because loans are not extended at market rates applicable to employees. Since implied benefit is on the basis of the services rendered by the employee, it is deferred and recognised as employee benefit expense over the loan period.

2. PMUY loan

The PMUY loan is the interest free loan given to PMUY beneficiaries towards cost of burner and 1st refill. The loan is interest free and therefore transaction price is not at fair value. The difference between fair value and transaction price is accumulated in Deferred expenses and amortised over the loan period on straight line basis in the Statement of Profit and Loss.

3. Security Deposits

The security deposit is paid to landlord in relation to lease of land. The security deposit is interest free and therefore transaction price is not fair value.The difference between fair value and transaction price is accumulated in Deferred expenses and amortised over the loan period on straight line basis in the statement of Profit and loss till March 31,2019 prior to introduction of IND AS 116.

NOTES TO FINANCIAL STATEMENTS

Note - 39 : FAIR VALUE MEASUREMENT (Contd..)

Financial Liabilities

1. Security Deposits

In case certain deposits payable to deceased employees under R2 option and security deposits received in relation to some revenue expenses contracts, transaction price is not considered as fair value because deposits are interest free. The difference between fair value and transaction price is accumulated in Deferred income and amortised over the tenure of security deposit on straight line basis in the Statement of Profit and Loss.

Reconciliation of deferred gains/losses yet to be recognised in the Statement of Profit and Loss are as under:

(₹ in Crore)

	Opening Balance	Addition During the Year	Amortised During the Year	Adjusted During the Year	Closing Balance
2020-21					
Deferred Expenses (Refer Note 8)					
Loan to employees	678.89	26.36	46.68	-	658.57
PMUY Loan	647.55	-	209.52	61.53	376.50
Deferred Income (Refer Note 20)					
Security Deposits	5.61	-	1.11	-	4.50
2019-20					
Deferred Expenses (Refer Note 8)					
Loan to employees	634.48	96.56	52.15	-	678.89
PMUY Loan	247.03	691.59	291.07	-	647.55
Security Deposits	14.90	-	-	14.90	-
Deferred Income (Refer Note 20)					
Security Deposits	7.38	-	1.35	0.42	5.61

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

The Company's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits, employee liabilities and lease obligation. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

The Risk Management Commitee comprised of senior management oversees the management of these risks. The Company's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk Management Committee provides assurance to the Board that the Company's risks are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies, risk objectives and risk appetite.

The Company's requirement of crude oil are managed through integrated function handled through its international trade and optimisation department. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. As per the Company's policy, derivatives contracts are taken only to hedge the various risks that the Company is exposed to and not for speculation purpose.

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

The Board of Directors oversee the risk management activities for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risk viz. equity shares etc. Financial instruments affected by market risk include Borrowings, Deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets and liabilities of foreign operations.

1. Interest Rate Risk

The Company is exposed to interest rate risk from the possibiltiy that changes in interst rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages to maintian a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market/ regulatory constraints etc. The Company also use interest rate swap contracts for managing the interest rate risk of floating interest rate debt. As at March 31, 2021, approximately 66% of the Company's borrowings are at a fixed rate of interest (March 31, 2020: 58%).

Company is exposed to USD LIBOR interest rate benchmark reform with respect to floating rate debts raised by it and associated derivative contracts. Company is closely monitoring the market and the announcements from the various agencies managing the transition to new benchmark interest rates. Secured Overnight Financing Rate (SOFR) has been identified by the regulators as the replacement benchmark for USD LIBOR. This is applicable for both loans as well as interest rate derivatives contracts benchmarked to USD LIBOR. Based on announcements made in March 2021 by various agencies involved in USD LIBOR transition, the transition from USD LIBOR to SOFR will take effect immediately after 30 June 2023. The Company is not expecting any material financial impact of transition from USD LIBOR to SOFR on its floating rate loans linked to USD LIBOR and associated derivative contracts which are maturing beyond 30th June 2023.

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency of Borrowings	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)
	March 31, 2021		March 31, 2020	
INR	**+50**	**(37.74)**	+50	(3.32)
US Dollar	**+50**	**(136.59)**	+50	(242.61)
INR	**-50**	**37.74**	-50	3.32
US Dollar	**-50**	**136.59**	-50	242.61

2. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, mandatory hedging and hedging undertaken on occurence of pre-determined triggers. The hedging is mostly undertaken through forward contracts.

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

The Company has outstanding forward contract of Nil as at March 31, 2021 (March 31, 2020: ₹ 3,296.52 Crore) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

The sensitivity to a reasonably possible change in USD/INR exchange rates, with all other variables held constant, the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies other than below is not material.

Currency	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)
	March 31, 2021		March 31, 2020	
Forward Contract - US Dollar	**+5%**	**-**	+5%	164.83
	-5%	**-**	-5%	(164.83)
Other Exposures - US Dollar	**+5%**	**(3,274.30)**	+5%	(3,995.70)
	-5%	**3,274.30**	-5%	3,995.70
Other Exposures - SGD	**+5%**	**(111.40)**	+5%	(108.82)
	-5%	**111.40**	-5%	108.82
Cross Currency - USD vs. SGD	**+5%**	**(119.03)**	+5%	(123.18)
	-5%	**119.03**	-5%	123.18
Cross Currency - USD vs. INR	**+5%**	**(63.98)**	+5%	-
	-5%	**63.98**	-5%	-

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the Company's reported results.

3. Commodity Price Risk

The Company is exposed to various commodity price related risk such as Refinery Margins i.e. Differential between the prices of petroleum products & crude oil, Crude Oil Price fluctuation on accounts of inventoty valuation fluctuation and crude oil imports etc. As per approved risk management policy, the Company can undertake refinery margin hedging, inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as domestic exchanges to mitigate the risk within the approved limits.

The Company's exposure of various inventories as at the end of the financial year is provided below:

In MMT

Inventory	March 31, 2021	March 31, 2020
- Raw Materials	**8.084**	9.735
- Stock in Process	**1.662**	1.856
- Finished Products	**4.947**	5.689
- Stock in Trade	**1.694**	1.799

Due to variation in prices, the Company incurred total inventory gain/ (Loss) of ₹ **20,503.03 Crore** during the current year (2020: ₹ (16,616.17) Crore). Out of the above, an amount of **Nil** (2020: ₹ (11,304.64) Crore is shown as exceptional item towards write down of inventories at net realisable value.

Category-wise quantitative data about commodity derivative transactions that are oustanding as at the end of the financial year is given below:

Quantity (in Lakhs bbls)

Particulars	March 31, 2021	March 31, 2020
Margin Hedging Forward contracts	**14.25**	50.50

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

The sensitivity to a reasonably possible change in Crude benchmark price difference/ refinery margin on the outstanding commodity hedging position as on March 31, 2021:

(₹ in Crore)

Particulars	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2021		March 31, 2020	
Margin Hedging	**+10%**	**(2.88)**	+10%	(14.37)
Margin Hedging	**-10%**	**2.88**	-10%	14.37

4. Equity Price Risk

The Company's investment in listed and non-listed equity securities, other than its investments in Joint Ventures/ Associates and Subsidiaries, are susceptible to market price risk arising from uncertainties about future values of the investment securities.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ **855.52 Crore**. Sensitivity analysis of these investments have been provided in Note 39.

The exposure to listed equity securities valued at fair value was ₹ **12,213.69 Crore.** An increase / decrease of 5% on the NSE market index could have an impact of approximately ₹ **610.68 Crore** on the OCI and equity attributable to the Company. These changes would not have an effect on profit or loss.

5. Derivatives and Hedging

(i) Classification of derivatives

The Company is exposed to certain market risks relating to its ongoing business operations as explained above.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Company and outstanding as at the end of the financial year is provided below:

(₹ in Crore)

Particulars	March 31, 2021		March 31, 2020	
	Other Financial Assets	Other Financial Liabilities	Other Financial Assets	Other Financial Liabilities
Derivatives not designated as hedging instruments				
Foreign exchange forward contracts-Loans	**-**	**-**	16.21	-
Foreign Exchange currency swap	**22.66**	**252.65**	-	435.87
Derivatives designated as hedging instruments				
Foreign exchange forward contracts-Loans	**-**	**-**	18.67	-
Foreign exchange forward contracts-Crude/ Product Liabilities	**-**	**-**	3.23	-
Interest Rate Swap	**5.35**	**-**	-	-
Commodity Forward Contracts - Margin Hedging	**17.12**	**-**	93.00	31.51

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

(ii) Hedging activities

The primary risks managed using derivative instruments are commodity price risk, foreign currency risk and interest rate risk.

Commodity Price Risk

Margin Hedging

IndianOil buys crude and sells petroleum products linked to international benchmark prices and these benchmark prices do not move in tandem. This exposes IndianOil to the risk of variation in refining margins.

The risk of fall in refining margins of petroleum products in highly probable forecast sale transactions is hedged by undertaking crack spread forward contracts. The Company wants to protect the realisation of margins and therefore to mitigate this risk, the Company is taking these forward contracts to hedge the margin on highly probable forecast sale in future. Risk management activities are undertaken in OTC market i.e. these are the bilateral contracts with registered counterparties.

All these hedges are accounted for as cash flow hedges.

Foreign Currency Risk

The Company is exposed to various foreign currency risks as explained in A.2 above. As per Company's Foreign Currency & Interest Rate Risk Management Policy , the Company is required to fully hedge the short term foreign currency loans (other than revolving lines and PCFC loans) and at least 50% of the long term foreign currency loans based on market conditions.

Apart from mandatory hedging of loans, the Company also undertakes foreign currency forward contracts for the management of currency purchase for repayment of crude/ product liabilities based on market conditions and requirements. The above hedgings are undertaken through delivery based forward contracts.

All these hedges are accounted for as cash flow hedges.

Interest Rate Risk

The Company is exposed to interest rate risks on floating rate borrowings as explained in A.1 above. Company hedges interest rate risk by taking interest rate swaps as per company's Interest Rate Risk Management Policy based on market conditions. The Company uses interest rate derivatives to hedge exposure to interest payments for floating rate borrowings denominated in foreign currencies.

All these hedges are accounted for as cash flow hedges.

Hedge Effectiveness

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of hedge items. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange, interest rate and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. In case of interest rate swaps, as the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the company performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

Source of Hedge ineffetiveness

In case of commodity price risk, the Company has identified the following sources of ineffectiveness, which are not expected to be material:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

In case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty and the company's own credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

Disclosures of effects of Cash Flow Hedge Accounting

Hedging instruments

The Company is holding the following hedging instruments:

(₹ in Crore)

As at March 31,2021	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	Total
Foreign exchange forward contracts- Loans						
Nominal amount	-	-	-	-	-	-
Average forward rate	-	-	-	-	-	
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	-	-	-	-	-	-
Average forward rate	-	-	-	-	-	
Interest Rate Swaps						
Nominal amount	-	-	-	-	1,438.43	1,438.43
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in Lakhs bbls)	0.75	1.50	6.00	6.00	-	14.25
Nominal amount (₹ Crore)	(0.91)	(1.82)	37.48	11.17	-	45.92
Average forward rate ($ /bbl)	(1.66)	(1.66)	8.55	2.55	-	-

(₹ in Crore)

As at March 31,2020	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	Total
Foreign exchange forward contracts- Loans						
Nominal amount	449.00	-	756.00	-	-	1,205.00
Average forward rate	74.76	-	75.62	-	-	
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	1,131.99	-	-	-	-	1,131.99
Average forward rate	75.47	-	-	-	-	
Interest Rate Swaps						
Nominal amount	-	-	-	-	-	-
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in Lakhs bbls)	8.75	12.50	17.25	12.00	-	50.50
Nominal amount (₹ Crore)	16.14	31.15	109.81	32.40	-	189.50
Average forward rate ($ /bbl)	2.44	3.29	8.41	3.57	-	

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

The impact of the hedging instruments on the Balance Sheet is as under:

(₹ in Crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Nominal amount	-	1,205.00	-	1,131.99	1,438.43	-	45.92	189.50
Carrying amount	-	18.67	-	3.23	5.35	-	17.12	61.49
Line item in the Balance Sheet that's includes Hedging Instruments	Other Current Financial Assets / Other Current Financial Liabilities*							
Change in fair value used for measuring ineffectiveness for the period - Gain (Loss)	(14.14)	18.67	(6.30)	(6.61)	5.35	0.00	136.67	124.70

* Refer 5(i) above for further break-up.

Hedge Items

The impact of the Hedged Items on the Balance Sheet is as follows:

(₹ in Crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	-	-	-	-	4.00	-	12.80	46.00
Change in value of the hedged items used for measuring ineffectiveness for the period	14.14	(18.67)	6.30	6.61	(5.35)	-	(136.67)	(124.70)

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

(₹ in Crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Cash flow Hedge Reserve at the beginning of the year	**-**	(1.08)	**-**	-	**-**	-	**46.00**	23.12
Total hedging gain/(loss) recognised in OCI	**(14.14)**	20.33	**(6.30)**	(6.61)	**5.35**	-	**75.18**	89.14
Income tax on above	**3.56**	(5.12)	**1.59**	1.66	**(1.35)**	-	**(18.92)**	(22.43)
Ineffectiveness recognised in profit or loss	**-**	-	**-**	-	**-**	-	**-**	-
Line item in the statement of profit or loss that includes the recognised ineffectiveness	**NA**	NA	**NA**	NA	**NA**	NA	**NA**	NA
Amount reclassified from OCI to profit or loss	**(14.14)**	18.67	**(6.30)**	(6.61)	**-**	-	**119.55**	63.21
Income tax on above	**3.56**	(4.54)	**1.59**	1.66	**-**	-	**(30.09)**	(19.38)
Cash flow Hedge Reserve at the end of the year	**-**	-	**-**	-	**4.00**	-	**12.80**	46.00
Line item in the statement of profit or loss that includes the reclassification adjustments	**Other Income**	Other Expenses	**Other Income**	Other Expenses	**NA**	NA	**Revenue from Operations**	Revenue from Operations

B. Credit risk

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Letters of Credit, Bank Guarantees or other forms of credit insurance, wherever required.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company applies Simplified approach for providing the expected credit losses on Trade Receivables as per the accounting policy of the company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

(₹ in Crore)

	0 - 90 days	91 days to 6 months	Above 6 months to 1 Year	Above 1 Year to 3 Years	> 3 years	Total
Year ended March 31, 2021						
Gross Carrying amount	9,999.28	621.84	993.21	2,128.83	261.57	14,004.73
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(9.44)	(0.27)	(0.66)	(0.98)	(0.10)	(11.45)
Specific Provision	(102.05)	(62.99)	(57.76)	(203.76)	(169.04)	(595.60)
Carrying amount	**9,887.79**	**558.58**	**934.79**	**1,924.09**	**92.43**	**13,397.68**
Year ended March 31, 2020						
Gross Carrying amount	6,855.79	3,175.07	2,388.86	354.34	197.88	12,971.94
Expected loss rate	0.10%	0.10%	0.10%	0.10%	0.10%	
Expected credit losses	(6.86)	(3.18)	(2.39)	(0.37)	(0.07)	(12.87)
Specific Provision	-	(0.09)	-	-	(114.89)	(114.98)
Carrying amount	**6,848.93**	**3,171.80**	**2,386.47**	**353.97**	**82.92**	**12,844.09**

Other Financial instruments and cash deposits

The Company's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

The Company applies General approach for providing the expected credit losses on these items as per the accounting policy of the company.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company has given loans to PMUY (Pradhan Mantri Ujjwala Yojana) customers which are shown under Loans in Note-5. PMUY loans are given to provide clean cooking fuel to BPL families as per GOI scheme wherein free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households. As per the scheme, OMCs are providing an option for interest free loan towards cost of burner and 1st refill to PMUY consumers which is to be recovered from the subsidy amount payable to customer when such customers book refill.

In case of certain PMUY loans, the Company has determined that there is significant increase in the credit risk. The Company considers the probability of default upon initial recognition of the loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers past experience and time elapsed since the last refill for determining probability of default on collective basis. The Company has categorised the PMUY loans wherein credit risk has increased significantly under various categories considering the likelihood of default based on time gap since last refill. During the year, due to inactivity of a portion of PMUY consumers despite the efforts of company and GOI, company has changed the percentage of ECL provisioning. ECL is provided **@80%** (2020: @50%) in case of time gap since last refill is more than 12 months but not exceeding 18 months, **@90%** (2020: @70%) in case of time gap is more than 18 months but not exceeding 24 months and **@100%** (2020: @90%) for those consumers who have not taken any refill more than 24 months. ECL is provided for the loans where the refill is taken within last 12 months based on experience ratio of more than 12 months as above.

The PMUY loans are classified as credit impaired as on reporting date considering significant financial difficulty in case the customer has not taken any refill from past 24 months (2020: 30 months).

In case of other financial assets, there are certain credit impaired cases mainly due to breach of contract arising due to default or bankruptcy proceedings.

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

The movement in the loss allowance for impairment of financial assets at amortised cost during the year was as follows:

(₹ in Crore)

2020-21	Opening Balance	ECL created during the year	ECL write Back	ECL written off/ Reclassifications	Closing Balance
	A	B	C	D	(A+B+C+D)
Trade Receivables					
Expected credit losses	12.87	0.62	(2.04)	-	**11.45**
Specific Provision	114.98	482.71	(2.14)	0.05	**595.60**
Total	**127.85**	**483.33**	**(4.18)**	**0.05**	**607.05**
Loans					
12 Months ECL	69.98	257.07	-	(0.02)	**327.03**
Life Time ECL- not credit impaired	126.39	69.92	-	-	**196.31**
Life Time ECL- credit impaired	360.29	197.25	(0.14)	(0.09)	**557.31**
Total	**556.66**	**524.24**	**(0.14)**	**(0.11)**	**1,080.65**
Security Deposits					
12 Months ECL	-	-	-	-	**-**
Life Time ECL- not credit impaired	-	-	-	-	**-**
Life Time ECL- credit impaired	1.50	-	(0.10)	-	**1.40**
Total	**1.50**	**-**	**(0.10)**	**-**	**1.40**
Other Financial assets					
12 Months ECL	-	-	-	-	**-**
Life Time ECL- not credit impaired	-	71.56	-	-	**71.56**
Life Time ECL- credit impaired	**61.08**	**58.00**	**(3.28)**	**(0.07)**	**115.73**
Total	**61.08**	**129.56**	**(3.28)**	**(0.07)**	**187.29**

(₹ in Crore)

2019-20	Opening Balance	ECL created during the year	ECL write Back	ECL written off/ Reclassifications	Closing Balance
	A	B	C	D	(A+B+C+D)
Trade Receivables					
Expected Credit Loss	15.49	-	(0.56)	(2.06)	**12.87**
Specific Provision	118.61	4.61	(0.49)	(7.75)	**114.98**
Total	**134.10**	**4.61**	**(1.05)**	**(9.81)**	**127.85**
Loans					
12 Months ECL	-	69.98	-	-	**69.98**
Life Time ECL- not credit impaired	1,141.71	-	(658.50)	(356.82)	**126.39**
Life Time ECL- credit impaired	3.63	-	-	356.66	**360.29**
Total	**1,145.34**	**69.98**	**(658.50)**	**(0.16)**	**556.66**
Security Deposits					
12 Months ECL	-	-	-	-	**-**
Life Time ECL- not credit impaired	-	-	-	-	**-**
Life Time ECL- credit impaired	1.56	0.05	(0.10)	(0.01)	**1.50**
Total	**1.56**	**0.05**	**(0.10)**	**(0.01)**	**1.50**
Other Financial assets					
12 Months ECL	-	-	-	-	**-**
Life Time ECL- not credit impaired	-	-	-	-	**-**
Life Time ECL- credit impaired	**77.19**	**0.22**	**(16.33)**	**-**	**61.08**
Total	**77.19**	**0.22**	**(16.33)**	**-**	**61.08**

NOTES TO FINANCIAL STATEMENTS

Note - 40 : FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

C. Liquidity risk

The Company monitors its risk of shortage of funds using a liquidity planning tool. The Company seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Company has committed credit facilities from banks.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans, debentures, and leases. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2021						
Borrowings excluding Lease Obligations	16,394.51	21,065.37	7,987.25	44,674.87	4,291.00	**94,413.00**
Lease Obligations	15.86	296.41	1,160.14	2,458.54	3,983.54	**7,914.49**
Trade payables	3,002.33	29,458.28	1,413.98	-	-	**33,874.59**
Other financial liabilities	29,310.76	9,597.88	4,348.50	517.68	329.81	**44,104.63**
Financial guarantee contracts*	5,488.50	-	-	-	-	**5,488.50**
Derivatives	-	252.65	-	-	-	**252.65**
	54,211.96	**60,670.59**	**14,909.87**	**47,651.09**	**8,604.35**	**1,86,047.86**
Year ended March 31, 2020						
Borrowings excluding Lease Obligations	13,627.94	27,532.80	24,735.95	38,761.17	3,962.32	1,08,620.18
Lease Obligations	48.41	303.33	1,045.91	2,861.20	3,665.95	7,924.80
Trade payables	2,357.23	21,603.04	1,264.03	-	-	25,224.30
Other financial liabilities	30,180.14	6,694.83	1,353.08	415.98	373.60	39,017.63
Financial guarantee contracts*	5,824.25	-	-	-	-	5,824.25
Derivatives	-	467.38	-	-	-	467.38
	52,037.97	**56,601.38**	**28,398.97**	**42,038.35**	**8,001.87**	**1,87,078.54**

* Based on the maximum amount that can be called for under the financial guarantee contract.

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

E. Collateral

As Company has been rated investment grade by various domestic and international rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. Company undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, Company does not seek any collaterals from its counterparties.

NOTES TO FINANCIAL STATEMENTS

Note - 41 : CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's endeavour is to keep the debt equity ratio around 1:1.

(₹ in Crore)

	March 31, 2021	March 31, 2020
Borrowings	**1,02,327.49**	1,16,544.98
Equity Share Capital	**9,181.04**	9,181.04
Reserves and Surplus	**1,01,319.00**	84,587.83
Equity	**1,10,500.04**	**93,768.87**
Debt Equity Ratio	**0.93 : 1**	**1.24 : 1**

No changes were made in the objectives, policies or processes for managing capital during the financial year ended March 31, 2021 and March 31, 2020.

Note - 42 : DISCLOSURES AS REQUIRED BY REGULATION 34(3) OF SEBI(LODR) REGULATIONS, 2015

In compliance of Regulation 34(3) of SEBI(LODR) Regulations 2015, the required information are given as under:

(₹ in Crore)

	Amount as at		Maximum Amount outstanding during the year ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
I. Loans and Advances in the nature of loans:				
A) To Subsidiary Companies	**-**	-	**-**	-
B) To Associates /Joint Venture				
(i) Petronet V. K. Ltd.	**107.05**	98.37	**107.05**	98.37
(No repayment schedule available)				
(ii) Suntera Nigeria 205 Ltd. (For Exploration activities) (Refer Note-1)	**156.77**	162.24	**161.90**	162.24
(iii) IndianOil LNG Private Limited (For LNG terminal construction)	**-**	-	**135.00**	108.00
(iv) Indian Oiltanking Limited	**15.00**	15.00	**15.00**	15.00
C) To Firms/Companies in which directors are interested	**-**	-	**-**	-
II. Investment by the loanee (as detailed above) in the shares of IOC and its subsidiaries	**-**	-	**-**	-

Note

1 As per the applicable provisions of Indian Accounting Standards, the loan given to Suntera Nigeria 205 Ltd. is measured at fair value through the Statement of Profit and Loss in the financial statements and fair value of the loan is **₹ 121.51 Crore** as at March 31, 2021 (2020: ₹ 129.63 Crore). Refer Note -39 for further details regarding fair valuation.

NOTES TO FINANCIAL STATEMENTS

Note - 43 : DUES TO MICRO AND SMALL ENTERPRISES

The dues to Micro and Small Enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(₹ in Crore)

	March 31, 2021	March 31, 2020
Amount due and Payable at the year end		
- Principal *	**651.78**	391.69
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	-	0.03
- Interest	-	0.06
Interest due and payable for principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-
Further Interest remaining due and payable in succeeding year	-	-

*Amount of ₹ **336.88 Crore** (2020: ₹ 186.69 Crore) included in Note 17: Other Financial Liabilities.

Note - 44 : RESEARCH AND DEVELOPMENT COSTS

Research and Development Expenses of ₹ **226.16 Crore** (2020: ₹ 161.04 Crore) have been capitalised and ₹ **282.79 Crore** (2020 : ₹ 267.00 Crore) have been accounted for in the Statment of Profit and Loss during the year. Detailed break up of total expenditure are as under:

A. CAPITAL EXPENSES (Property, Plant and Equipment)

(₹ in Crore)

S. No.	Asset Block	Gross Block as at April 1, 2020	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at March 31, 2021	Work-in-Progress as at April 1, 2020	Additions during the year	Transferred to Fixed Assets (Capitalised)	Work-in-Progress as at March 31, 2021	Total Capital Expenditure
1	2	3	4	5	6	7 = (3+4+5-6)	8	9	10	11 = (8+9-10)	12=(4+5+11-8)
(a)	Property, Plant and Equipment										
1	Land - Free Hold	377.26	-	-	3.83	**373.43**	-	-	-	-	-
2	Building, Roads etc	104.45	0.78	2.13	0.42	**106.94**	36.43	24.00	2.13	**58.30**	**24.78**
3	Plant & Equipment	688.47	43.39	75.22	-0.36	**807.44**	67.34	140.67	75.22	**132.79**	**184.06**
4	Office Equipment	29.52	7.85	3.92	2.18	**39.11**	0.60	3.40	3.92	**0.08**	**11.25**
5	Transport Equipment	0.06	-	-	-	**0.06**	-	-	-	-	-
6	Furniture & Fixtures	16.25	0.57	0.03	0.23	**16.62**	-	0.03	0.03	-	**0.60**
7	Drainage & Sewage	1.42	-	-	-	**1.42**	-	-	-	-	-
8	ROU Asset	0.38	-	-	-	**0.38**	-	-	-	-	-
	Sub Total	**1,217.81**	**52.59**	**81.30**	**6.30**	**1,345.40**	**104.37**	**168.10**	**81.30**	**191.17**	**220.69**
(b)	Intangible Assets										
1	Right of way	-	-	-	-	-	-	-	-	-	-
2	Licenses / Technical Know-how	0.11	-	-	-	**0.11**	-	-	-	-	-
3	Computer Software	20.69	2.96	7.86	-	**31.51**	6.48	2.51	7.86	**1.13**	**5.47**
		20.80	**2.96**	**7.86**	**-**	**31.62**	**6.48**	**2.51**	**7.86**	**1.13**	**5.47**
	Total	**1,238.61**	**55.55**	**89.16**	**6.30**	**1,377.02**	**110.85**	**170.61**	**89.16**	**192.30**	**226.16**

NOTES TO FINANCIAL STATEMENTS

Note - 44 : RESEARCH AND DEVELOPMENT COSTS (Contd..)

(₹ in Crore)

S. No.	Asset Block	Gross Block as at April 1, 2019	Additions during the year	Transferred from CWIP	Transfer/ Deduction/ Disposal during the year	Gross Block as at March 31, 2020	Work-in-Progress as at April 1, 2019	Additions during the year	Transferred to Fixed Assets (Capitalised)	Work-in-Progress as at March 31, 2020	Total Capital Expenditure
1	2	3	4	5	6	7 = (3+4+5-6)	8	9	10	11 = (8+9-10)	12=(4+5+11-8)
(a)	**Property, Plant and Equipment**										
1	Land - Free Hold	377.26	-	-	-	**377.26**	-	-	-	**-**	-
2	Building, Roads etc	101.14	0.32	4.20	1.21	**104.45**	28.36	12.27	4.20	**36.43**	12.59
3	Plant & Equipment	599.51	39.21	56.91	7.16	**688.47**	36.14	88.11	56.91	**67.34**	127.32
4	Office Equipment	22.26	4.88	3.88	1.50	**29.52**	3.71	0.77	3.88	**0.60**	5.65
5	Transport Equipment	0.06	-	-	-	**0.06**	-	-	-	**-**	-
6	Furniture & Fixtures	13.57	2.08	0.90	0.30	**16.25**	0.45	0.45	0.90	**-**	2.53
7	Drainage & Sewage	1.42	-	-	-	**1.42**	-	-	-	**-**	-
8	ROU Asset	-	0.38	-	-	**0.38**	-	-	-	**-**	0.38
	Sub Total	**1,115.22**	**46.87**	**65.89**	**10.17**	**1,217.81**	**68.66**	**101.60**	**65.89**	**104.37**	**148.47**
(b)	**Intangible Assets**										
1	Right of way	-	-	-	-	**-**	-	-	-	**-**	-
2	Licenses / Technical Know-how	0.11	-	-	-	**0.11**	-	-	-	**-**	-
3	Computer Software	11.92	6.09	2.68	-	**20.69**	2.68	6.48	2.68	**6.48**	12.57
	Sub Total	**12.03**	**6.09**	**2.68**	**-**	**20.80**	**2.68**	**6.48**	**2.68**	**6.48**	**12.57**
	Total	**1,127.25**	**52.96**	**68.57**	**10.17**	**1,238.61**	**71.34**	**108.08**	**68.57**	**110.85**	**161.04**

B. RECURRING EXPENSES

(₹ in Crore)

	Particulars	2020-21	2019-20
1	Consumption of Stores, Spares & Consumables	**9.78**	9.55
2	Repairs & Maintenance		
	(a) Plant & Machinery	**11.74**	12.84
	(b) Building	**7.95**	10.29
	(c) Others	**2.33**	2.26
3	Freight, Transportation Charges & demurrage	**0.09**	0.20
4	Payment to and Provisions for employees	**178.36**	149.16
5	Office Administration, Selling and Other Expenses	**72.51**	82.68
6	Interest	**0.03**	0.02
	Total	**282.79**	**267.00**

C. TOTAL RESEARCH EXPENSES

(₹ in Crore)

Particulars	2020-21	2019-20
Capital Expenditure	**226.16**	161.04
Recurring Expenditure	**282.79**	267.00
Total	**508.95**	**428.04**

NOTES TO FINANCIAL STATEMENTS

Note - 45 : DISCLOSURE RELATING TO CORPORATE SOCIAL RESPONSIBILITY (CSR) EXPENDITURE

The disclosure in respect of CSR Expenditure is as under:

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Gross amount required to be spent by the Company during the year (2% of Avg Net Profit as per Section 135(5))	342.00	543.38
Surplus arising out of CSR Project	-	-
Set Off Available from Previous Years	-	-
Total CSR Obligation for the year	342.00	543.38
Amount approved by the Board to be spent during the year	460.37	543.38
Amount Spent during the Year	460.37	543.38
Set Off available for succeeding years	118.37	-
Amount Unspent during the year	-	-

Amount spent during the year on:

(₹ in Crore)

Particulars	2020-21			2019-20		
	In cash	Yet to be paid In cash**	Total	In cash	Yet to be paid In cash**	Total
(i) Construction/acquisition of any assets	-	-	-	-	-	-
(ii) On purposes other than (i) above						
Health and Sanitation	28.48	1.06	29.54	83.19	3.71	86.90
Contribution towards PMUY	-	-	-	73.87	-	73.87
Flagship Projects-CSR	12.27	0.42	12.69	16.69	0.13	16.82
Educational Scholarship	1.21	-	1.21	1.69	-	1.69
Swachh Bharat	9.85	6.53	16.38	6.24	0.93	7.17
Education/employment vocational skills	82.31	2.68	84.99	251.21	3.36	254.57
Administration Expenses, training etc.	15.37	-	15.37	24.80	0.07	24.87
Drinking Water	10.15	0.80	10.95	9.50	1.63	11.13
Promotion of National Heritage, Art and Culture	11.94	0.01	11.95	5.90	0.14	6.04
Covid-19	251.17	1.31	252.48	0.42	0.05	0.47
Other expenses	23.15	1.66	24.81	58.20	1.65	59.85
Total Expenses (ii)	445.90	14.47	460.37	531.71	11.67	543.38
Grand Total (i) and (ii)	445.90	14.47	460.37	531.71	11.67	543.38

**Provisions made for liabilities incurred

NOTES TO FINANCIAL STATEMENTS

Note - 46 : DISCLOSURE ON GOVERNMENT GRANTS

A. Revenue Grants

1 Subsidies on sales of SKO (PDS) and LPG (Domestic)

Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **72.46 Crore** (2020: ₹ 148.29 Crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to ₹ **3.13 Crore** (2020: ₹ 13.39 Crore) have been reckoned as per the schemes notified by Governments.

2 Compensation against under recoveries

The Company has accounted for Budgetary Support of **Nil** (2020: ₹ 1,296.17 Crore) towards under-recovery on sale of SKO (PDS) in the Statement of Profit and Loss as Revenue Grant.

3 Export of Notified Goods under MEIS Claims

The Company has recognised ₹ **0.02 Crore** (2020: ₹ 1.41 Crore) on export of notified goods under Merchandise Exports from India Scheme (MEIS) in the Statement of Profit and Loss as Revenue Grant.

4 Stipend to apprentices under NATS scheme

As per Ministry of HRD, 50% of the cost of stipend for apprentices which are paid under National Apprenticeship Training Scheme (NATS) will be reimbursed to employer from Government subject to prescribed threshhold limit. The Company has recognised grant in respect of stipend paid to apprentices appointed under NATS amounting to ₹ **2.43 Crore** (2020: ₹ 4.88 Crore) as Revenue Grant.

5 Grant in respect of revenue expenditure for research projects

During the year, the Company has received revenue grant of ₹ **1.59 Crore** (2020: ₹ 1.93 Crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel & Contingency etc for research projects undertaken with various agencies.

6 Incentive on sale of power

Company is getting incentive from Department of Renewable Energy, GOI for wind power generation of Electricity at the rate of ₹ 0.50 paise for per unit of power generated. The Company has received grant of ₹ **2.08 Crore** during the current year (2020: ₹ 2.76 Crore).

7 EPCG Grant

Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Govt. which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligation of 6 times of the duty saved on capital goods procured. The unamortised grant amount as at March 31, 2021 is **Nil** (2020: ₹ 39.89 Crore) . During the year, the Company has recognised ₹ **39.89 Crore** (2020: ₹ 17.68 Crore) in the Statement of Profit and Loss as amortisation of revenue grant.

8 Excise duty benefit in North East

Excise duty exemption of 50% of goods manufactured and cleared from north east refineries has been reckoned at full value in revenue and on net basis in expenses under 'Excise Duty' (to the extent of duty paid). Financial impact for the current year is ₹ **5,655.21 Crore** (2020: ₹ 2,627.98 Crore).

9 Grant in respect of Hydrogen blended Natural Gas project at Rajghat DTC

The Company has received grant from Transport Ministry, Govt of NCT, DELHI as per the direction of Hon'ble Supreme Court to carry out its study & pilot project of hydrogen blended CNG (H-CNG). The Company has recognised **Nil** (2020: ₹ 15.00 Crore) in Statement of Profit & Loss during the year.

B. Capital Grants

1 OIDB Government Grant for strengthening distribution of SKO (PDS)

The Company has received government grant from OIDB (Oil Industry Development Board) for strengthening distribution of PDS Kerosene as per the directions of MoP&NG to be used in construction of 20KL underground Tank, Mechanical Dispensing

NOTES TO FINANCIAL STATEMENTS

Note - 46 : DISCLOSURE ON GOVERNMENT GRANTS (Contd..)

Units and Barrel Shed. The unamortised capital grant amount as at March 31, 2021 is ₹ **0.76 Crore** (2020: ₹ 1.01 Crore). During the year, the Company has recognised ₹ **0.25 Crore** (2020: ₹ 0.27 Crore) in Statement of Profit and Loss as amortisation of capital grants.

2 **Capital Grant in respect of Excise duty, Custom duty and GST waiver**

The Company has received grant in respect of Custom duty waiver on import on capital goods,Excise duty waiver and GST waiver on purchase of goods from local manufacturer in India under the certificate issued by Department of Scientific and Industrial Research (DSIR). The unamortised capital grant amount as at March 31, 2021 is ₹ **67.77 Crore** (2020: ₹ 61.78 Crore) The goods so imported or procured from local manufacturer shall not be transferred or sold for a period of five years from date of installation. During the year, the Company has recognised ₹ **10.85 Crore** (2020: ₹ 8.50 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

3 **Capital Grant in respect of Research projects**

The Company has received capital grant from various agencies in respect of procurement/ setting up of Capital assets for research projects undertaken. The unamortised capital grant amount as at March 31, 2021 is ₹ **11.19 Crore** (2020: ₹ 12.24 Crore). During the year, the Company has recognised ₹ **2.60 Crore** (2020: ₹ 2.51 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

4 **Capital Grant in respect of Entry Tax Exemption from Odisha Govt.**

Entry Tax exemption received from Odisha Government for Paradip Refinery Project has been recognised as Capital Grant and grossed up with the concerned Assets.The unamortised capital grant amount as at March 31, 2021 is ₹ **105.55 Crore** (2020: ₹ 111.02 Crore). During the year, the Company has recognised ₹ **5.47 Crore** (2020: ₹ 5.30 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

5 **Capital Grant in respect of demonstration unit**

Grant received from OIDB for setting up of demonstration unit at Guwahati refinery with the company's R&D developed IndaDeptG technology and also for Ethanol production from Refinery off gases at Panipat Refinery. The unamortised capital grant amount as at March 31, 2021 is ₹ **173.27 Crore** (2020: ₹ 90.77 Crore). During the year, the Company has recognised ₹ **4.38 Crore** (2020: ₹ 4.38 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

6 **Capital Grant in respect of interest subsidy**

The Company has received capital grant in respect of interest subsidy on loans taken from OIDB. The unamortised capital grant amount as at March 31, 2021 is ₹ **26.32 Crore** (2020: ₹ 11.56 Crore). During the year, the Company has recognised ₹ **0.51 Crore** (2020: ₹ 0.34 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

7 **Capital Grant in respect of Viability Gap Funding (VGF)**

The Company has received capital grant in the form of interest free loans from Orissa Government for a period of 15 years.The unamortised capital grant amount as at March 31, 2021 is ₹ **2,065.16 Crore** (2020: ₹ 1,750.64 Crore). During the year, the Company has recognised ₹ **144.86 Crore** (2020: ₹ 112.11 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

8 **Capital Grant in respect of Solar Power Generation**

The Company has received capital financial assistance from Ministry of New and Renewable Energy in respect of procurement and installation of Solar Panels for Power Generation.The unamortised capital grant amount as at March 31, 2021 is ₹ **3.96 Crore** (2020: ₹ 4.14 Crore). During the year, the Company has recognised ₹ **0.18 Crore** (2020: ₹ 0.19 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

9 **Capital Grant from Nepal Government**

The Company has received grant from Nepal Government by way of waiver of Local taxes on goods/services procured locally in Nepal and Import Duty for goods/services imported into Nepal. The Company has recognised ₹ **1.05 Crore** (2020: ₹ 0.71 Crore) in Statement of Profit & Loss. The unamortised balance is ₹ **12.42 Crore** (2020: ₹ 13.63 Crore)

NOTES TO FINANCIAL STATEMENTS

Note - 47 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company is in the business of oil and gas and it earns revenue primarily from sale of petroleum products, petrochemicals and others comprising of Gas, E&P and Others. Revenue are recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Company enters into contract with customers;

a. On delivered basis in case of Retail Sales, LPG and Aviation.
b. On EX-MI as well as delivered basis in case of Lubes and Consumers.
c. On FOB or CIF basis depending on terms of contract in case of Export sales.

Majority of Company's sales are to retail category which are mostly on cash and carry basis. Company also execute supply to Institutional Businesses(IB), Lubes , Aviation on credit which are for less than a year.

For maintaining uninterrupted supply of products, customers generally deposit amount in advance with the Company against which orders for purchase of products are placed by the customers. Based on these orders, supply is maintained by the Company and revenue is recognised when the goods are delivered to the customer by adjusting the advance from customers.

Company also extend volume/slab based discounts to its customers on contract to contract basis for upliftment of products and it is adjusted in revenue as per the terms of the contract. Company also runs loyalty programmes and incentive schemes for its retail and bulk customers. Loyalty points are generated and accumulated by the customers on doing transactions at Company's outlet which can be redeemed subsequently for fuel purchases from Company outlets. Revenue is recognised net of these loyalty points and incentive schemes.

Beside this, though not significant, Company also undertakes construction contracts on deposit basis. Revenue is recognised for these contracts on input based on cost incurred. Similarly non-refundable deposits received from Retail Outlets (ROs) are recognised as revenue over time.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS is given below;

(₹ in Crore)

	2020-21	2019-20
Total Revenue (A+D)	**5,14,890.47**	**5,66,353.55**
Revenue from contract with customers (A)	**5,12,429.23**	5,62,426.49
Recognised from contract liability balance of previous year (B)	**4,288.98**	3,225.89
Recognised from contracts initiated in current year (C)	**5,08,140.25**	5,59,200.60
Revenue from other contracts/from others (D)	**2,461.24**	3,927.06

An amount of **₹ 483.48 Crore** (2020: ₹ 1.76 Crore) on account of impairment losses on receivables is recognised under the head Impairment Loss on Financial Assets on the face of Statement of Profit and Loss.

The Company disclose information on reportable segment as per Ind AS 108 under Note 38 - Segmental Information. An amount of **₹ 300.55 Crore** (2020: ₹ 69.19 Crore) is recognised over time under Revenue from contract with customers.

(₹ in Crore)

	Receivables	Contract Asset	Contract Liability
Opening Balance	12,878.18	-	5,948.98
Closing Balance	13,445.75	-	5,769.20

The Company has applied practical expedient as per IndAS 115 in case of delivered sales, advance from customers where the performance obligation is part of the contract and the original expected duration is one year or less and in case of construction contracts/deposit works wherein the company has a right to consideration from customer that correspond directly with the value of the entity's performance completed for the customer.

Revenue in cases of performance obligation related to delivered sales and advance from customers are recognised in time based on delivery of identified and actual goods and no significant judgement is involved. Revenue in case of construction contracts/ deposit works are recognised over time using input based on cost incurred. Revenue in case of Non Refundable RO Deposit is recognised on time proportion basis.

NOTES TO FINANCIAL STATEMENTS

Note - 48 : OTHER DISCLOSURES

1 In order to provide clean cooking fuel to BPL families, Government has approved "Pradhan Mantri Ujjwala Yojana (PMUY)" scheme where free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households as per SECC -2011 (Rural) database. The scheme was launched on May 1, 2016. As per the scheme, the initial cost towards connection charges (Refundable deposit) would be borne by the Central Government for each card holder. Few State Governments have also extended this scheme to other beneficiaries. As per the scheme, OMCs would provide an option for EMI/Loans towards cost of burner and 1st refill to the PMUY consumers. The loan amount is to be recovered from the subsidy amount payable by the government to the customers on each refill sale. During the year, discounting of the loan has been done based on assumption of 3 refills in a year and average subsidy of ₹ 44.69 per cylinder as loan recovery.

The amount of outstanding as at March 31, 2021 towards PMUY claim from Central Government is ₹ **6.38 Crore** (2020: ₹ 468.54 Crore) and loan to PMUY consumers is ₹ **3,022.58 Crore** (2020: ₹ 3,185.64 Crore) (net of recovery through subsidy). Against the above loan, a provision for doubtful loans amounting to ₹ **910.45 Crore** (2020: ₹ 553.19 Crore) has been created as at March 31, 2021 against the beneficiaries who have not taken any refill for more than 12 months based on expected credit loss(ECL) model and applying experience factor based on experience ratio of more than 12 months. (Also refer Credit Risk under Note 40)

On account of decline in subsidy amount of LPG cylinders in current year, the Company has remeasured the gross carrying amount of PMUY loan as at Balance Sheet date based on revised estimated future contractual cash flows resulting in reduction in PMUY loans by ₹ **847.08 Crore** which has been charged to Statement of Profit and Loss in Note 29.1 under the head "Amortisation and Remeasurement of PMUY Assets"

2 During the year old dispute with Delhi Development Authority (DDA) pertaining to demand of license fee towards Retail Outlets settled with DDA based on decision of the Committee of Secretaries under Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD). Consequently provision of ₹ **205.38 Crore** has been written back and included in Revenue from operations.

3 "The Government of India had announced a relief package under Pradhan Mantri Garib Kalyan Yojna (PMGKY) to the Poor families affected by the pandemic.This scheme entailed PMUY consumers to avail a sequential advance towards purchase of three refill cylinders. The scheme was initially for the period beginning from 01.04.2020 and ending on 30.06.2020 which was subsequently extended up to 31.12.2020 to allow PMUY Beneficiaries to uplift refill against the transferred advance, and thereby enabling OMC to claim from MoPNG for such refill against the advance transferred.

Accordingly, the Company during the year transferred advance of ₹ **4,541.05 Crore** (2020: Nil) to PMUY beneficiaries out of which ₹ **4,374.16 Crore** (2020: Nil) were utilised by the customers towards refills leaving an outstanding of ₹ 166.89 Crore as on 31.03.2021. Doubtful provision has been made for the said unutilised amount and included under the head "Impairment Loss on Financial Assets" on the face of Statement of Profit and Loss , representing the difference between advance amount as against RSP on the date of upliftment of refill and advance against which no upliftment of refill has taken place and thereby claim could not be submitted by IOC.

4 The land and other facilities held by the Company at Narimanam Marketing Terminal is intended to be transferred to new Joint venture proposed to be formed between IOCL and CPCL with equity holding of 50% and balance to be retained by strategic/public investors for construction of new refinery project at CBR Nagapattinam. Pending finalisation of modalities of transfer and management approvals, the facilities held at marketing terminal having WDV of ₹ **81.93 Crore** (Gross Block: ₹ 151.39 Crore) has been continued in the books as Property, Plant & Equipment under Note -2.

5 Pursuant to the Board approval for formation of a Joint Venture company between Indian Oil Corporation Ltd and Coal India Ltd for transfer of explosives business to the said venture Company on slump sale basis at a value of ₹ 311.00 Crore (Net Assets WDV of ₹ 82.69 Crore as at March 31, 2020), consent of Niti Ayog was initially received for formation of the JV vide letter dated April 27, 2018. However, the formation of the JV is not carried forward on account of subsequent communication dated July 11, 2018 from MoPNG. The matter is under deliberation and accordingly, the explosive business continues to be in operation as at March 31, 2021. The Net Asset WDV of the business as at March 31, 2021 is ₹ **77.49 Crore**.

6 In line with the conditions specified in Environment Clearance Certificates issued by Ministry of Environment, Forest and Climate Change (MoEFCC) at the time of commencement of the project, during the year, the Company has recognised a cumulative liability towards environmental responsibility as project cost for the ongoing projects of ₹ **174.9 Crore** and completed projects of ₹ **421.19 Crore**.

7 Pursuant to the order of Honorable High Court of Odisha in the Feb' 2012 for removal of shoals from the upstream of Mahanadi Barrage and Construction of Water Treatment plant in Cuttack, Company was treating the expenditure as enabling

NOTES TO FINANCIAL STATEMENTS

Note - 48 : OTHER DISCLOSURES (Contd..)

Asset for its Paradip Refinery which was commissioned in March 2016. In the financial year 2019-20, out of the total advance of ₹ 231.44 Crore, an amount of ₹ 147.10 Crore was shown as Construction-Work in Progress based on Utilisation Certificate received from the authorities and the balance amount of ₹ 84.34 Crore was shown as Advance for Capital Expenditure (Note-8). The balance unpaid amount of ₹ 146.96 Crore was shown under Capital Commitment (Note-36). During the year, Company has received an opinion from the Expert advisory Committee (EAC) of Institute of Chartered Accountant of India (ICAI) which opined that above expenses are directly attributable for bringing the refinery assets into operation and therefore should be capitalised along with Refinery. Accordingly, the Company has capitalised the entire cost of ₹ **382.37 Crore** by providing unpaid liability amounting to ₹ **33.19 Crore**.

8 During the year, vessel MT New Diamond carrying crude cargo for Paradip Refinery met with fire incidence near Sri Lankan Coast and had to be towed to port of refuge, Kalba, UAE for Ship-to-Ship (STS) operations with the help of salvors. General Average claims arising out of such salvage, towing and STS operations in respect of vessel MT New Diamond is yet to be finalised by General Adjuster appointed for the purpose. The liability arising out of General Average claims is fully insured under Marine Insurance Policy except to the extent of excess clause, for which necessary provision amounting to ₹ **6.84 Crore** is made in the books of accounts.

9 The Company has net recoverable capital advances of ₹ **103.53 Crore** and trade receivable of ₹ **8.40 Crore** from parties which have been referred to National Company Law Tribunal (NCLT). In respect of capital advances provision of ₹ **9.36 Crore** (2020: Nil) is recognised after considering the available bank guarantees and no further provision is considered as the matter is subjudice. For trade receivable no provision have been created considering available bank gurantees.

10 Pursuant to the opinion of EAC of ICAI on treatment of Marine Cum Erection policy cost, Company has charged an amount of ₹ **40.51 Crore** as insurance cost under Note 29.1 in respect of ongoing projects and projects completed during the year.

11 During the year, Diamond Gas International (DGI) cancelled FOB LNG Cargoes scheduled to be loaded from Cameron LNG Project in USA, due to Force Majeure event - Hurricane Laura and Hurricane Delta. The Company has created a provision of ₹ 288.38 Crore against advance paid to DGI, recognised ₹ **23.53 Crore** payable to DGI under LNG Sale and Purchase Agreement as Miscellaneous Expenses and recognised ₹ **60.79 Crore** as shipping cost settled with shippers.

12 During the financial year 2019-20, the MAT Credit Entitlement as on April 1, 2019 amounting to ₹ 1,921.13 Crore was written off in the books of accounts upon exercising the option to pay tax at lower rates from Assessment Year 2020-21 as per provision of Section 115BAA of the Income Tax Act, 1961. However, the same is available for utilisation against any tax liabilities pertaining to past years i.e prior to Assessment Years 2020-21. During the current financial year, on account of increase in the tax liabilities pertaining to the past years, MAT Credit Entitlement previously written off, has been adjusted by ₹ **1,099.27 Crore**.

13 During the current financial year, the Company has opted for settlement of eligible Income Tax disputes for the Assessment Years 1987-88 to 2010-11 through Vivad se Vishwas Scheme introduced by the Government of India vide The Direct Tax Vivad Se Vishwas Act, 2020. As per the provisions of the scheme liability has been assessed at ₹ **2,420.82 Crore** in respect of said years. Accordingly, during the year, an additional amount of ₹ **1,582.44 Crore** has been accounted for as current tax expense in the Statement of Profit and Loss towards the aforesaid scheme over and above the existing provision of ₹ 838.49 Crore which was being carried in the Books of account and contingent liability amounting to ₹ 625.09 Crore in respect of the said years has been reduced to **Nil**.

14 The Company is consistently valuing its inventories at Cost or Net Realisable Value (NRV), whichever is lower and for this purpose NRV is derived is based on specified subsequent period as per regular practice. During previous financial year 2019-20, unprecedented situation caused by global outbreak of Covid-19 pandemic lead to demand reduction and significant fall in oil prices. Further, national lockdown from March 25, 2020 resulted in decline in demand necessitating the Company to consider a longer time period than that as per regular practice for deriving NRV and the NRV so derived was compared with cost. As a result of considering a longer time period and fall in prices, value of inventories as on March 31,2020 were written down by ₹ 11,304.64 Crore, which was treated as Exceptional Item considering its nature and size.

15 The impact of Covid-19 pandemic on lives of people from every walk of life continued during the year and effected all business and economic activities globally. The national lock down imposed in last week of Mar 2020 lasted till May'2020 and the restrictions were gradually relaxed over a period extending unto third quarter. This skewed demand for petroleum products by reducing need for transportation fuels and increasing demand domestic fuel.

NOTES TO FINANCIAL STATEMENTS

Note - 48 : OTHER DISCLOSURES (Contd..)

The Company continued to meet energy demand of the nation under Essential Services, by modifying the production plans at its refineries and balancing it with import of products. The Company reorganised itself in tune with the new normal without any disruption in the supply chain or compromising with the internal controls. The demand for all petroleum products resumed to normal levels from the second half of the financial year. However, as Tourism and Airline industries had been hit worst by the pandemic, the demand for aviation fuel had not normalised.

The Company has taken into account all the possible impacts of pandemic in preparation of these standalone financial statements, including but not limited to its assessment of liquidity, recoverable values of its financial and non-financial assets, performance of contractual liability and obligations etc. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statement. The Company is positive on the long term business outlook as well as its financial position.

16 Purchase of crude oil from Oil India Limited and some other oilfields has been accounted for provisionally, pending finalisation of agreements with respective parties. Adjustments, if any, will be made on finalisation of agreements.

17 Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

18 There are no other significant subsequent events that would require adjustments or disclosures in the Financial Statements as at Balance Sheet date, other than those disclosed above.

19 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions/losses.

Sd/-	Sd/-	Sd/-
(S. M. Vaidya)	**(S. K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN- 06995642	DIN- 07570165	ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.	**For K.C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 008744N)	(Firm Regn. No. 106237W)	(Firm Regn. No. 302049E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M.No. 091007	M.No. 101533	M.No. 050773	M.No. 060854

Place: New Delhi
Dated: May 19, 2021

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2021

ON PROVISION OF TOWNSHIP, EDUCATION, MEDICAL AND OTHER FACILITIES

(₹ in Crore)

Particulars	2020-21	2019-20
INCOME:		
1. Recovery of House Rent	**15.53**	15.04
2. Recovery of Utilities-Power and Water	**4.18**	4.38
3. Recovery of Transport Charges	**0.09**	0.06
4. Other Recoveries	**8.02**	8.56
5. Excess of Expenditure over Income	**661.63**	718.63
TOTAL:	**689.46**	**746.66**
EXPENDITURE:		
1. Employee Benefit Expenses	**146.45**	163.44
2. Consumable Stores and Medicines	**76.89**	78.07
3. Repairs and Maintenance	**152.49**	169.15
4. Finance Cost	**29.63**	29.54
5. Depreciation & Amortisation	**41.42**	46.97
6. Miscellaneous Expenses		
Taxes, License Fees, Insurance etc.	**63.56**	69.58
7. Utilities-Power, Water and Gas	**128.99**	127.78
8. Rent	**1.57**	1.51
9. Subsidies for Social & Cultural Activities	**29.66**	34.91
10. Others	**18.81**	25.70
TOTAL:	**689.46**	**746.66**

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT (TOWNSHIP) FOR THE YEAR ENDED March 31, 2021

(₹ in Crore)

Particulars	Gross Block As at April 1, 2020	Additions during the year	Transfers from Capital work-in-progress	Disposals/ Deductions/ Transfers/ Reclassifications	Gross Block As at March 31, 2021	Depreciation & Amortisation During the Year	Deprereciation & Amortisation As at March 31, 2021	NET DEPRECIATED BLOCK	
								As at March 31, 2021	As at March 31, 2020
LAND FREEHOLD	138.01	1.78	-	(0.32)	**139.47**	-	-	**139.47**	138.01
LAND-LEASEHOLD	11.96	0.71	-	3.84	**16.51**	0.66	**1.01**	**15.50**	11.20
BUILDINGS, ROADS etc.	994.16	23.23	6.04	(16.73)	**1,006.70**	29.11	**205.84**	**800.86**	816.27
PLANT AND EQUIPMENT	69.39	2.76	3.66	0.36	**76.17**	4.53	**22.55**	**53.62**	51.54
OFFICE EQUIPMENTS	22.56	3.17	3.17	(1.01)	**27.89**	4.65	**17.62**	**10.27**	10.40
FURNITURE & FIXTURES	16.62	1.69	0.03	0.29	**18.63**	1.89	**8.48**	**10.15**	10.04
DRAINAGE, SEWAGE & WATER SUPPLY SYSTEMS	0.92	-	-	-	**0.92**	0.02	**0.10**	**0.82**	0.83
TRANSPORT EQUIPMENT	1.35	0.51	-	-	**1.86**	0.56	**1.08**	**0.78**	0.83
TOTAL:	**1,254.97**	**33.85**	**12.90**	**(13.57)**	**1,288.15**	**41.42**	**256.68**	**1,031.47**	**1,039.12**
PREVIOUS YEAR:	**1,172.64**	**36.83**	**64.47**	**(18.97)**	**1,254.97**	**46.97**	**215.85**	**1,039.12**	

Consolidated Financial Statements

G. S. MATHUR & CO.
Chartered Accountants
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Chartered Accountants
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SINGHI & CO.
Chartered Accountants
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Kolkata - 700026

V. SINGHI & ASSOCIATES
Chartered Accountants
Four Mangoe Lane,
Surendra Mohan Ghosh Sarani,
Kolkata - 700001

INDEPENDENT AUDITORS' REPORT

To
The Members of Indian Oil Corporation Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Indian Oil Corporation Limited (hereinafter referred to as "the Holding Company") and its Subsidiaries (collectively referred to as "the Group"), its Joint Ventures and Associates, which comprise of the Consolidated Balance Sheet as at March 31, 2021, 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 ended on that date, and notes to the consolidated financial statements including, a summary of the 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 as referred to in the "Other Matters" Paragraphs 2 and 3, 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 Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended 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, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its cash flows for the year ended on that date.

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 Auditors' 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 (ICAI), 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 ICAI's 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 in to paragraphs 2 and 3 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	Auditors' response to Key Audit Matters
Property, Plant & Equipment and Intangible Assets	
There are areas where management judgement impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation/amortisation rates. These include the decision to capitalise or expense costs; the annual asset life review; the timeliness of the capitalisation of assets and the use of management assumptions and estimates	We assessed the controls in place over the fixed asset cycle, evaluated the appropriateness of capitalisation process, performed tests of details on costs capitalised, the timeliness of the capitalisation of the assets and the de-recognition criteria for assets retired from active use.

Key Audit Matters	Auditors' response to Key Audit Matters
for the determination or the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the Balance Sheet of the Company and the level of judgement and estimates required, we consider this to be as area of significance.	In performing these procedures, we reviewed the judgements made by management including the nature of underlying costs capitalised; determination of realisable value of the asset retired from active use; the appropriateness of asset lives applied in the calculation of depreciation; the useful lives of assets prescribed in Schedule II to the Act and the useful lives of certain assets as per the technical assessment of the management. We observed that the management has regularly reviewed the aforesaid judgements and there are no material changes.
Capital Work-in-Progress	
The Company is in the process of executing various projects like expansion of refineries, installation of new plants, depots, LPG bottling plants, terminals, pipelines, etc. Since these projects take a substantial period of time to get ready for intended use and due to their materiality in the context of the Balance Sheet of the Company, this is considered to be an area which had the significant effect on the overall audit strategy and allocation of resources in planning and completing our audit.	We performed an understanding and evaluation of the system of internal control over the capital work in progress, with reference to identification and testing of key controls. We assessed the progress of the project and the intention and ability of the management to carry forward and bring the asset to its state of intended use.
Provision for Direct Taxes	
The Company has uncertain direct tax positions including matters under dispute which involves significant judgment relating to the possible outcome of these disputes in estimation of the provision for income tax. Because of the judgement required, the area is a key audit matter for our audit.	Our audit procedures involved assessment of the management's underlying assumptions in estimating the tax provision (as confirmed by the Company's tax consultants) and the possible outcome of the disputes taking into account the legal precedence, jurisprudence and other rulings in evaluating management's position on these uncertain direct tax positions. We observed that the provision for tax estimated as above including the deferred tax, has not resulted in material deviation from the applicable rate of tax after considering the exemptions, deductions and disallowances as per the provisions of the Income Tax Act, 1961.
Provisions and Contingent Liabilities	
The Company is involved in various taxes and other disputes for which final outcome cannot be easily predicted and which could potentially result in significant liabilities. The assessment of the risks associated with the litigations is based on complex assumptions, which require the use of judgement and such judgement relates, primarily, to the assessment of the uncertainties connected to the prediction of the outcome of the proceedings and to the adequacy of the disclosures in the consolidated financial statements. Because of the judgement required, the materiality of such litigations and the complexity of the assessment process, the area is a key matter for our audit.	Our audit procedures in response to this Key Audit Matter included, among others, • Assessment of the process and relevant controls implemented to identify legal and tax litigations, and pending administrative proceedings. • Assessment of assumptions used in the evaluation of potential legal and tax risks performed by the legal and tax department of the Company considering the legal precedence and other rulings in similar cases. • Inquiry with the legal and tax departments regarding the status of the most significant disputes and inspection of the key relevant documentation. • Analysis of opinion received from the experts wherever available. • Review of the adequacy of the disclosures in the notes to the consolidated financial statements.
Impairment of Investments in Joint Ventures and Associates	
Investments in joint ventures and associates are valued at cost adjusted for impairment losses. In line with "Ind AS 36 Impairment of assets", in case there is an indication of possible impairment, the Company carries out an impairment test by comparing the recoverable amount of the investments	With reference to this key audit matter, we considered the following: • Book value of the investments in joint venture and associates as compared to the carrying amount. • Market capitalisation in case of listed entities in which investments have been made

Key Audit Matters	Auditors' response to Key Audit Matters
determined according to the value in use method and their carrying amount. The valuation process adopted by management is complex and is based on a series of assumptions, such as the forecast cash flows, the appropriate discounting rate and the growth rate. These assumptions are, by nature, influenced by future expectations regarding the evolution of external market. Since judgement of the management is required to determine whether there is indication of possible impairment and considering the subjectivity of the estimates relating to the determination of the cash flows and the key assumptions of the impairment test, the area is considered a key audit matter for our audit.	• Some of the entities are still in the construction stage and have not begun commercial operations Based on the information and explanations obtained as above, we concluded that the Management's judgement regarding indication of impairment in certain investments during the year is appropriate. Where there is indication of impairment, we examined the approach taken by management to determine the value of the investments, analysed the methods and assumptions applied by management to carry out the impairment test and the reports obtained from the experts in valuation. The following audit procedures were adopted: • identification and understanding of the significant controls implemented by the Company over the impairment testing process; analysis of the reasonableness of the principal assumptions made to estimate their cash flows, and obtaining other information from management that we deemed to be significant; • analysis of actual data of the year and previous years in comparison with the original plan, in order to assess the nature of variances and the reliability of the planning process; • assessment of the reasonableness of the discount rate and growth rate; • Verification of the mathematical accuracy of the model used to determine the value in use of the investments. We also examined the adequacy of the information provided by the Company about the impairment test and its consistency with the requirements of Ind AS 36.

Information Other than the Consolidated Financial Statements and Auditors' 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 Financial Performance highlights, Board's Report including Annexures to Board's Report, Management Discussions and Analysis, Business Responsibility Report, Report on Corporate Governance, Shareholders Information and other information in the Integrated Annual Report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 and 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 auditor 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.

If, based on the work we have performed, and report of the other auditors as furnished to us (refer paragraphs 2 and 3 of other matters para below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, which we will obtain after the date of auditors' report and if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income, consolidated Statement of Changes in Equity and consolidated Statement of 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 specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group, of its Joint Ventures and Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its Joint Ventures and Associates 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 the 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 responsible for overseeing the financial reporting process of the Group, its Joint Ventures and Associates.

Auditors' Responsibilities for the Audit of the 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 skepticism 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 financial controls 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, its Joint Ventures and Associates which are companies incorporated in India, has adequate internal financial controls with reference to consolidated 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 controlled entities 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 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

Other Matters

1. The consolidated financial statements include the Holding Company's proportionate share (relating to Jointly controlled operations of E&P activities) in assets **₹ 649.97 Crore** and liabilities **₹ 122.38 Crore** as at March 31, 2021 and total revenue of **₹ 101.08 Crore** and total net profit of **₹ 15.93 Crore** for the year ended on that date and in items of the statement of cash flow and related disclosures contained in the enclosed consolidated financial statements. Our observations thereon are based on unaudited statements from the operators to the extent available with the Holding Company in respect of 21 Blocks (out of which 11 Blocks are relinquished) and have been certified by the management.

2. We did not audit the financial statements of 8 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of **₹ 35,976.13 Crore** and net assets of **₹ 15,464.65 Crore** as at March 31, 2021, total revenues of ₹ 47,747.20 Crore and net cash outflows amounting to ₹ 425.00 Crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 619.31 Crore for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of 23 joint ventures and associates, whose financial statements/ information have not been audited by us.

3. These financial statements except one associate and five joint ventures, 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 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 subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors. The financial statements/ information of one associate and five joint ventures as referred above are unaudited and have been furnished to us by the Holding Company's management duly certified.

4. Certain of these subsidiaries and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and joint venture located outside India from the accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These converted financial statements have been certified by Chartered Accountants in India appointed by the Company for the specific purpose and have been relied upon by us. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint venture located outside India is based on the reports of other Chartered Accountants as mentioned above.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, joint ventures and associates, as noted in "Other Matters" paragraph above, 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/ chartered accountants.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), 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.

e) On the basis of the reports of the statutory auditors of subsidiaries and joint ventures and associates incorporated in India, none of the directors of joint ventures and associates incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act. We are informed that the provisions of Section 164(2) of the Act are not applicable to the Holding Company and its subsidiary companies incorporated in India being Government companies in terms of notification no. G.S.R.463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, joint ventures and associates incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

We are informed that the provisions of section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Holding Company and its subsidiaries incorporated in India, being Government Companies in terms of Ministry of Corporate Affairs Notification no G.S.R. 463(E) dated 5th June, 2015. On the basis of the reports of the statutory auditors of the Joint Ventures and Associates incorporated in India, the remuneration paid by the Joint Ventures and Associates to its directors during the current year is in accordance with the Section 197 of the Act and the remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

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 and based on the consideration of the report of the other auditors on the financial statements of the subsidiary companies, joint ventures and associates and management certified financial statements/ information, as noted in other matters paragraph:

i) The consolidated financial statements discloses the impact of pending litigations on the consolidated financial position of the Group, its joint ventures and associates (Refer Note 33 B and 37 B to the consolidated financial statements).

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. Refer Note 17 to the consolidated financial statements.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, joint ventures and associates incorporated in India, during the year ended March 31, 2021.

For G. S. MATHUR & CO.	**For K. C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 008744N	Firm Regn. No. 106237W	Firm Regn. No. 302049E	Firm Regn. No. 311017E
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M. No. 091007	M. No. 101533	M. No. 050773	M. No. 060854
UDIN: 21091007AAAADO9347	UDIN: 21101533AAAABL2745	UDIN: 21050773AAAAAF3639	UDIN: 21060854AAAABD9293
New Delhi	Vadodara	Kolkata	Kolkata

Date: May 19, 2021

Annexure A to the Independent Auditors' Report

On the consolidated financial statements of even date to the members of Indian Oil Corporation Limited for the year ended March 31, 2021

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements')

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Indian Oil Corporation Limited (hereinafter referred to as "Holding Company") and its subsidiary companies (collectively referred to as "the Group"), 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 subsidiary companies, joint ventures and associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (" the ICAI"). 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 subsidiary companies, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls both issued by the ICAI. 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 auditors' judgement, 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 audit evidence obtained by other auditors in term of their reports is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries, its joint ventures and associates, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A group's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A group's internal financial control with reference to consolidated 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 group are being made only in accordance with authorisations 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 group's assets that could have a material effect on the consolidated 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 incorporated in India, have, in all material respects, 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, 2021, based on the internal control over financial reporting criteria established by the Group 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 Matter

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to consolidated financial statements in so far as it relates to 1 subsidiary, 22 joint ventures and associates 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 opinion is not modified in respect of this matter.

For G. S. MATHUR & CO.	**For K. C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
Firm Regn. No. 008744N	Firm Regn. No. 106237W	Firm Regn. No. 302049E	Firm Regn. No. 311017E
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M. No. 091007	M. No. 101533	M. No. 050773	M. No. 060854
UDIN: 21091007AAAADO9347	UDIN: 21101533AAAABL2745	UDIN: 21050773AAAAAF3639	UDIN: 21060854AAAABD9293
New Delhi	Vadodara	Kolkata	Kolkata

Date: May 19, 2021

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	March 31, 2021	March 31, 2020
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	2	**1,53,698.39**	1,44,076.30
b) Capital Work-in-Progress	2.1	**32,953.16**	29,628.86
c) Goodwill - On Consolidation		**1.04**	1.04
d) Intangible Assets	3	**3,385.36**	2,944.79
e) Intangible Assets Under Development	3.1	**3,337.38**	3,215.98
f) Equity Investment in Joint Ventures and Associates	4	**15,010.12**	13,572.23
g) Financial Assets			
i) Investments (Other than Investment in Joint Ventures and Associates)	4	**20,424.09**	13,707.46
ii) Loans	5	**2,615.24**	3,294.66
iii) Other Financial Assets	6	**1,952.50**	1,430.85
h) Income Tax Assets (Net)	7	**2,479.91**	4,236.20
i) Other Non-Current Assets	8	**2,850.04**	2,893.18
		2,38,707.23	**2,19,001.55**
Current Assets			
a) Inventories	9	**83,427.46**	67,010.76
b) Financial Assets			
i) Investments	4	**9,282.61**	8,291.18
ii) Trade Receivables	10	**13,800.28**	13,259.48
iii) Cash and Cash Equivalents	11	**781.24**	1,434.61
iv) Bank Balances other than above	12	**1,693.49**	861.37
v) Loans	5	**988.61**	1,089.64
vi) Other Financial Assets	6	**2,256.04**	14,340.19
c) Current Tax Assets (Net)	7	**-**	55.62
d) Other Current Assets	8	**3,786.06**	4,157.20
		1,16,015.79	**1,10,500.05**
Assets Held for Sale	13	**192.90**	**235.23**
		1,16,208.69	**1,10,735.28**
TOTAL ASSETS		**3,54,915.92**	**3,29,736.83**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	14	**9,181.04**	9,181.04
b) Other Equity	15	**1,02,657.01**	86,216.87
c) Non Controlling Interest		**975.94**	876.27
		1,12,813.99	**96,274.18**

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	March 31, 2021	March 31, 2020
LIABILITIES			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	16	**60,934.90**	56,070.61
ii) Other Financial Liabilities	17	**847.48**	789.58
b) Provisions	18	**1,596.83**	1,597.23
c) Deferred Tax Liabilities (Net)	19	**13,964.47**	11,439.29
d) Other Non-Current Liabilities	20	**2,583.36**	2,048.10
		79,927.04	**71,944.81**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	21	**47,580.01**	69,897.44
ii) Trade Payables	22		
A. Total outstanding dues of Micro and Small Enterprises		**324.28**	205.56
B. Total outstanding dues of creditors other than Micro and Small Enterprises		**36,923.69**	27,370.70
iii) Other Financial Liabilities	17	**50,169.10**	41,939.63
b) Other Current Liabilities	20	**17,072.96**	12,468.24
c) Provisions	18	**9,302.33**	9,636.27
d) Current Tax Liabilities (Net)	7	**802.52**	-
		1,62,174.89	**1,61,517.84**
TOTAL EQUITY AND LIABILITIES		**3,54,915.92**	**3,29,736.83**
Significant Accounting Policies, Estimates & Judgements	1A & 1B		
Accompanying Notes to Financial Statements	2 - 48		

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(S. M. Vaidya)	**(S. K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN- 06995642	DIN- 07570165	ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.	**For K.C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 008744N)	(Firm Regn. No. 106237W)	(Firm Regn. No. 302049E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M.No. 091007	M.No. 101533	M.No. 050773	M.No. 060854

Place: New Delhi
Dated: May 19, 2021

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	2020-2021	2019-2020
I. Revenue From Operations	23	**5,20,236.84**	5,75,989.70
II. Other Income	24	**3,499.54**	2,773.62
III. Total Income (I+II)		**5,23,736.38**	**5,78,763.32**
IV. Expenses:			
Cost of Material Consumed	25	**1,74,196.22**	2,81,080.13
Excise Duty		**1,56,287.17**	92,226.67
[Includes ₹ **1,49,430.59 Crore** (2020: ₹ 88,428.89 Crore) included in Revenue from Operations]			
Purchases of Stock-in-Trade		**1,07,444.28**	1,39,463.72
Changes in Inventories of Finished Goods, Stock-in-trade and Stock-In Process	26	**(6,181.61)**	(5,414.35)
Employee Benefits Expense	27	**11,308.78**	9,336.93
Finance Costs	28	**3,589.12**	6,578.74
Depreciation, Amortisation and Impairment on :			
a) Tangible Assets		**10,643.34**	9,586.70
b) Intangible Assets		**298.11**	686.69
		10,941.45	**10,273.39**
Impairment Loss on Financial Assets (Net)		**1,111.98**	(613.94)
Net Loss on de-recognition of financial assets at amortised cost		**7.69**	5.73
Other Expenses	29	**35,477.30**	43,064.76
Total Expenses (IV)		**4,94,182.38**	**5,76,001.78**
V. Profit / (Loss) before Share of profit/(loss) of an associate/ a joint venture and Exceptional Items (III-IV)		**29,554.00**	2,761.54
VI Share of profit/(loss) of associates/ joint ventures		**1,196.73**	1,366.09
VII. Profit / (Loss) before Exceptional Items and Tax (V+VI)		**30,750.73**	**4,127.63**
VIII. Exceptional Items (Refer Point No. 14 of Note - 48)		**-**	(11,304.64)
IX. Profit / (Loss) before Tax (VII+VIII)		**30,750.73**	**(7,177.01)**
X. Tax Expense (Refer Point No. 12& 13 of Note - 48):			
Current Tax		**6,868.47**	221.23
Deferred Tax		**2,120.04**	(5,521.92)
XI. Profit / (Loss) for the year (IX-X)		**21,762.22**	**(1,876.32)**
Profit / (Loss) for the Year attributable to :			
Equityholders of the Parent		**21,638.21**	(893.14)
Non-Controlling Interest		**124.01**	(983.18)
XII. Other Comprehensive Income:	30		
A (i) Items that will not be reclassified to profit or loss		**4,604.83**	(11,140.06)
A (ii) Income Tax relating to items that will not be reclassified to profit or loss		**(202.84)**	186.88
B (i) Items that will be reclassified to profit or loss		**121.17**	736.14
B (ii) Income Tax relating to items that will be reclassified to profit or loss		**(21.99)**	(166.35)
XIII. Total Comprehensive Income for the Year (XI+XII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)		**26,263.39**	**(12,259.71)**

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

Particulars	Note No.	2020-2021	2019-2020
Total Comprehensive Income for the Year (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year) attributable to:			
Equityholders of the Parent		**26,159.77**	(11,263.10)
Non-Controlling Interest		**103.62**	(996.61)
XIV. Earnings per Equity Share (₹):	32		
(1) Basic		**23.57**	(0.97)
(2) Diluted		**23.57**	(0.97)
Face Value Per Equity Share (₹)		**10**	10
Significant Accounting Policies, Estimates & Judgements	1A & 1B		
Accompanying Notes to Financial Statements	2 - 48		

For and on Behalf of Board of Directors

Sd/-
(S. M. Vaidya)
Chairman
DIN- 06995642

Sd/-
(S. K. Gupta)
Director (Finance)
DIN- 07570165

Sd/-
(Kamal Kumar Gwalani)
Company Secretary
ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.
Chartered Accountants
(Firm Regn. No. 008744N)

Sd/-
(Rajiv Kumar Wadhawan)
Partner
M.No. 091007

For K.C.MEHTA & CO.
Chartered Accountants
(Firm Regn. No. 106237W)

Sd/-
(Vishal P. Doshi)
Partner
M.No. 101533

For SINGHI & CO.
Chartered Accountants
(Firm Regn. No. 302049E)

Sd/-
(Pradeep Kumar Singhi)
Partner
M.No. 050773

For V. SINGHI & ASSOCIATES
Chartered Accountants
(Firm Regn. No. 311017E)

Sd/-
(Sunil Singhi)
Partner
M.No. 060854

Place: New Delhi
Dated: May 19, 2021

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

Particulars	2020-2021		2019-2020	
A Cash Flow from Operating Activities				
1 Profit / (Loss) Before Tax		**30,750.73**		**(7,177.01)**
2 Adjustments for :				
Share of Profit of Joint Ventures and Associates	**(1,196.73)**		(1,366.09)	
Depreciation, Amortisation and Impairment	**10,941.45**		10,273.39	
Loss/(Profit) on sale of Assets (net)	**136.50**		106.25	
Loss/(Profit) on sale of Investments (net)	**(4.12)**		-	
Amortisation of Capital Grants	**(171.46)**		(134.77)	
Provision for Probable Contingencies (net)	**(227.65)**		(1,353.49)	
MTM Loss/(gain) arising on financial assets/liabilities as at fair value through profit and loss	**27.64**		26.18	
Unclaimed / Unspent liabilities written back	**(371.90)**		(175.57)	
Bad Debts, Advances & Claims written off	**25.05**		15.14	
Provision for Doubtful Advances, Claims and Obsolescence of Stores (net)	**563.95**		2,120.35	
Impairment Loss on Financial Assets (Net)	**1,111.98**		(613.94)	
MTM Loss/(Gain) on Derivatives	**(140.87)**		170.58	
Foreign Currency Monetary Item Translation Difference Account	**-**		28.92	
Remeasurement of Defined Benefit Plans thru OCI	**15.08**		(217.69)	
Interest Income	**(1,833.65)**		(2,012.86)	
Dividend Income	**(260.87)**		(709.96)	
Finance costs	**4,392.58**		5,067.70	
Amortisation and Remeasurement of PMUY Assets	**1,056.60**		291.07	
		14,063.58		**11,515.21**
3 Operating Profit before Working Capital Changes (1+2)		**44,814.31**		**4,338.20**
4 Change in Working Capital (excluding Cash & Cash Equivalents):				
Trade Receivables & Other Assets	**8,794.70**		8,861.66	
Inventories	**(16,420.99)**		10,096.53	
Trade Payables & Other Liabilities	**16,741.70**		(13,999.63)	
Change in Working Capital		**9,115.41**		**4,958.56**
5 Cash Generated From Operations (3+4)		**53,929.72**		**9,296.76**
6 Less : Taxes paid		**4,067.99**		**2,150.51**
7 Net Cash Flow from Operating Activities (5-6)		**49,861.73**		**7,146.25**
B Cash Flow from Investing Activities:				
Proceeds from sale of Property, plant and equipment / Transfer of Assets	**792.85**		754.25	
Purchase of Property, Plant & Equipment and Intangible Assets	**(6,566.16)**		(12,337.43)	
Expenditure on Construction Work in Progress	**(17,267.02)**		(19,840.00)	

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crore)

	Particulars	2020-2021		2019-2020	
	Proceeds from sale of financial instruments (other than working capital)	**115.28**		-	
	Purchase of Other Investments	**(3,988.34)**		(535.08)	
	Receipt of government grants (Capital Grant)	**583.98**		21.51	
	Interest Income received	**1,823.65**		2,126.03	
	Dividend Income on Investments	**260.87**		709.96	
	Net Cash Generated/(Used) in Investing Activities:		**(24,244.89)**		**(29,100.76)**
C	**Net Cash Flow From Financing Activities:**				
	Proceeds from Long-Term Borrowings (Including Lease Obligation)	**14,682.65**		20,071.51	
	Repayments of Long-Term Borrowings (Including Lease Obligations)	**(5,745.94)**		(3,756.60)	
	Proceeds from/(Repayments of) Short-Term Borrowings	**(22,317.43)**		16,338.15	
	Interest paid	**(4,506.30)**		(4,393.85)	
	Dividend/Dividend Tax paid	**(8,383.19)**		(5,803.18)	
	Net Cash Generated/(Used) from Financing Activities:		**(26,270.21)**		**22,456.03**
D	**Net Change in Cash & Cash Equivalents (A+B+C)**		**(653.37)**		**501.52**
E1	Cash & Cash Equivalents as at end of the year		**781.24**		**1,434.61**
	Less:				
E2	Cash & Cash Equivalents as at the beginning of year		**1,434.61**		**933.09**
	NET CHANGE IN CASH & CASH EQUIVALENTS (E1 - E2)		**(653.37)**		**501.52**

Notes:

1. Net Cash Flow From Financing Activities includes following non-cash changes:

(₹ in Crore)

Particulars	2020-2021	2019-2020
(Gain)/ Loss due to changes in exchange rate	**(1,130.93)**	1,004.24
Increase in Lease liabilities due to new leases	**1,196.98**	4,941.38
Total	**66.05**	**5,945.62**

2. Statement of Cash Flows is prepared using Indirect Method as per Indian Accounting Standard-7: Statement of Cash Flows.
3. Figures for previous year have been regrouped wherever necessary for uniformity in presentation.

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(S. M. Vaidya)	**(S. K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN- 06995642	DIN- 07570165	ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.	**For K.C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 008744N)	(Firm Regn. No. 106237W)	(Firm Regn. No. 302049E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M.No. 091007	M.No. 101533	M.No. 050773	M.No. 060854

Place: New Delhi
Dated: May 19, 2021

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A Equity Share Capital

(₹ in Crore)

Particulars	2020-2021	2019-2020
Balance at the beginning of the year	**9,181.04**	9,181.04
Changes in during the year	**-**	-
Balance at the end of the year	**9,181.04**	**9,181.04**

B Other Equity

(₹ in Crore)

Particulars	Reserves and Surplus						
	Retained Earnings	Bond Redemption Reserve	Capital Reserve/ Capital Redemption Reserve	Securities Premium	Insurance Reserve	Export Profit Reserve	
Opening Balance as at April 01, 2019	**82,854.41**	**3,171.39**	**732.16**	**76.74**	**241.09**	**53.72**	
Opening Balance Adjustment	(15.04)	-	-	-	-	-	
Profit/(Loss) for the Year	(893.14)	-	-	-	-	-	
Other Comprehensive Income	(138.17)	-	-	-	-	-	
Total Comprehensive Income	**(1,031.31)**	**-**	**-**	**-**	**-**	**-**	
Appropriation towards Interim Dividend	(3,902.09)	-	-	-	-	-	
Appropriation towards Final Dividend	(918.25)	-	-	-	-	-	
Appropriation towards Dividend Distribution Tax	(986.58)	-	-	-	-	-	
Appropriation towards Insurance reserve (Net)	(20.00)	-	-	-	20.00	-	
Appropriation towards Corporate Social Responsibility Reserve (net)	(0.04)	-	-	-	-	-	
Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	-	-	-	-	-	
FCMITDA amortised during the year	-	-	-	-	-	-	
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-	-	-	
Closing Balance as at March 31, 2020	**75,981.10**	**3,171.39**	**732.16**	**76.74**	**261.09**	**53.72**	

(₹ in Crore)

	Reserves and Surplus		Items of Other Comrehensive Income						
	Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Cash Flow Hedge Reserve	Translation Reserve on Consolidation	Attributable to Equityholders of the Parent	Non-Controlling Interest	TOTAL
	0.82	**(35.78)**	**16,217.18**	**(43.95)**	**22.04**	**(1.62)**	**1,03,288.20**	**1,877.36**	**1,05,165.56**
	-	-	-	-	-	-	(15.04)	-	(15.04)
	-	-	-	-	-	-	(893.14)	(983.18)	(1,876.32)
	-	-	(10,800.30)	435.62	46.01	86.88	(10,369.96)	(13.43)	(10,383.39)
	-	**-**	**(10,800.30)**	**435.62**	**46.01**	**86.88**	**(11,263.10)**	**(996.61)**	**(12,259.71)**
	-	-	-	-	-	-	(3,902.09)	-	(3,902.09)
	-	-	-	-	-	-	(918.25)	(3.89)	(922.14)
	-	-	-	-	-	-	(986.58)	(0.59)	(987.17)
	-	-	-	-	-	-	-	-	-
	0.04	-	-	-	-	-	-	-	-
	-	6.86	-	-	-	-	6.86	-	6.86
	-	28.92	-	-	-	-	28.92	-	28.92
	-	-	-	-	(22.05)	-	(22.05)	-	(22.05)
	0.86	**-**	**5,416.88**	**391.67**	**46.00**	**85.26**	**86,216.87**	**876.27**	**87,093.14**

CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

B Other Equity (Contd..)

(₹ in Crore)

Particulars	Reserves and Surplus					
	Retained Earnings	Bond Redemption Reserve	Capital Reserve/ Capital Redemption Reserve	Securities Premium	Insurance Reserve	Export Profit Reserve
Opening Balance as at April 01, 2020	**75,981.10**	**3,171.39**	**732.16**	**76.74**	**261.09**	**53.72**
Opening Balance Adjustment	(28.20)	-	-	-	-	-
Profit/(Loss) for the Year	21,638.21	-	-	-	-	-
Other Comprehensive Income	13.98*	-	-	-	-	-
Total Comprehensive Income	**21,652.19**	**-**	**-**	**-**	**-**	**-**
Transfer from Export Profit Reserve	53.72	-	-	-	-	(53.72)
Appropriation towards Interim Dividend	(9,640.47)	-	-	-	-	-
Appropriation towards Final Dividend	-	-	-	-	-	-
Appropriation towards Insurance reserve (Net)	(11.05)	-	-	-	11.05	-
Appropriation towards Corporate Social Responsibility Reserve (net)	(0.24)	-	-	-	-	-
Transfer from fair Value of Debt Instruments (recycling)	-	-	-	-	-	-
Addition/Adjustment to Securities Premium During the year	-	-	-	-	-	-
Addition to Capital Reserve/ Capital Redemption Reserve during the year/Other adjustment in JVs	(1.08)	-	(1.59)	-	-	-
Transferred to Statement of Profit and Loss (recycling)	-	-	-	-	-	-
Closing Balance as at March 31, 2021	**88,005.97**	**3,171.39**	**730.57**	**76.74**	**272.14**	**-**

* Remeasurement of Defined Benefit Plan

(₹ in Crore)

Reserves and Surplus		Items of Other Comrehensive Income				Attributable to Equityholders of the Parent	Non-Controlling Interest	TOTAL
Corporate Social Responsibility Reserve	Foreign Currency Monetary Item Translation Difference Account (FCMITDA)	Fair value of Equity Instruments	Fair value of Debt Instruments	Cash Flow Hedge Reserve	Translation Reserve on Consolidation			
0.86	**-**	**5,416.88**	**391.67**	**46.00**	**85.26**	**86,216.87**	**876.27**	**87,093.14**
-	-	-	-	-	-	(28.20)	-	(28.20)
-	-	-	-	-	-	21,638.21	124.01	21,762.22
-	-	4,398.83	80.91	16.81	11.03	4,521.56	(20.39)	4,501.17
-	**-**	**4,398.83**	**80.91**	**16.81**	**11.03**	**26,159.77**	**103.62**	**26,263.39**
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(9,640.47)	-	(9,640.47)
-	-	-	-	-	-	-	(3.95)	(3.95)
-	-	-	-	-	-	-	-	-
0.24	-	-	-	-	-	-	-	-
-	-	-	(2.28)	-	-	(2.28)	-	(2.28)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(2.67)	-	(2.67)
-	-	-	-	(46.01)	-	(46.01)	-	(46.01)
1.10	**-**	**9,815.71**	**470.30**	**16.80**	**96.29**	**1,02,657.01**	**975.94**	**1,03,632.95**

For and on Behalf of Board of Directors

Sd/-	Sd/-	Sd/-
(S. M. Vaidya)	**(S. K. Gupta)**	**(Kamal Kumar Gwalani)**
Chairman	Director (Finance)	Company Secretary
DIN- 06995642	DIN- 07570165	ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO.	**For K.C.MEHTA & CO.**	**For SINGHI & CO.**	**For V. SINGHI & ASSOCIATES**
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(Firm Regn. No. 008744N)	(Firm Regn. No. 106237W)	(Firm Regn. No. 302049E)	(Firm Regn. No. 311017E)
Sd/-	Sd/-	Sd/-	Sd/-
(Rajiv Kumar Wadhawan)	**(Vishal P. Doshi)**	**(Pradeep Kumar Singhi)**	**(Sunil Singhi)**
Partner	Partner	Partner	Partner
M.No. 091007	M.No. 101533	M.No. 050773	M.No. 060854

Place: New Delhi
Dated: May 19, 2021

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note - 1A : SIGNIFICANT ACCOUNTING POLICIES

I. Corporate Information

The Financial Statements comprise Financial statements of "Indian Oil Corporation Limited" ("the Holding company" or "IOCL" or "Parent Company") and its subsidiaries (collectively, the Group) for the year ended March 31, 2021.

IOCL is a public limited company incorporated and domiciled in India. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The registered office of the Holding company is located at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai.

The Group has with business interests straddling the entire hydrocarbon value chain - from refining, pipeline transportation & marketing, to exploration & production of crude oil & gas, petrochemicals, gas marketing, alternative energy sources and globalisation of downstream operations.

The Financial Statements have been approved for issue in accordance with a resolution of the Board of directors passed in its meeting held on May 19, 2021.

II. Significant Accounting Policies

1. BASIS OF PREPARATION/ CONSOLIDATION AND STATEMENT OF COMPLIANCE

1.1 The financial statements have been prepared in accordance with the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules and other relevant provisions of the Act and Rules thereunder, as amended from time to time.

1.2 The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer serial no. 17 of accounting policies regarding financial instruments) and
- Plan assets related to employee benefits (refer serial no. 12 of accounting policies regarding employee benefits)

1.3 The financial statements are presented in Indian Rupees (₹) which is the presentation currency of the Group and all values are rounded to the nearest Crore (up to two decimals) except when otherwise indicated.

1.4 Basis of Consolidation:

1.4. 1 **Subsidiaries:**

The financial statements comprise the financial statements of the IOCL and its subsidiaries as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if it has:

- Power over the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. Following consolidation procedure is followed:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

NOTES TO FINANCIAL STATEMENTS

Note - 1A : SIGNIFICANT ACCOUNTING POLICIES (Contd..)

(b) Offset (eliminate) the carrying amount of the parent company's investment in each subsidiary and the parent company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Change in the Group's ownership interests in existing subsidiaries

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

1.4. 2 **Investment 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. Investments in associates are accounted for using the equity method of accounting.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. 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 considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of Profit and Loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the Statement of Profit and Loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

1.4. 3 **Interest in Joint operations:**

For the interest in joint operations, the Group recognises:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

2.1 Property, Plant and Equipment (PPE)

2.1. 1 Property, Plant & Equipment (PPE) comprises of tangible assets and capital work in progress. PPE are stated in the Balance Sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any), except freehold land which are carried at historical cost. The cost of an item of PPE comprises its purchase price/construction cost including applicable taxes (net of credits) after deducting any discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. These costs are capitalised until the asset is ready for use and includes borrowing cost capitalised in accordance with the Group's accounting policy.

2.1. 2 The cost of an item of PPE is recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

In accordance with the above criteria, subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate.

2.1. 3 Technical know-how / license fee relating to plants/ facilities and specific software that are integral part of the related hardware are capitalised as part of cost of the underlying asset.

2.1. 4 Spare parts are capitalised when they meet the definition of PPE, i.e., when the Group intends to use these for a period exceeding 12 months.

2.1. 5 The acquisition of some items of PPE although not directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Company to obtain the future economic benefits from its other assets. Such items of PPE are recognised as assets.

2.1. 6 Environment responsibility related obligations directly attributable to projects is recognised as project cost on the basis of progress of project or on actual incurrence, whichever is higher.

2.1. 7 On transition to Ind AS, the Group has elected to continue with the carrying value of all of its PPE recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.2 Capital Work in Progress (CWIP)

A. Construction Period Expenses

2.2. 1 Revenue expenses exclusively attributable to projects incurred during construction period are capitalised. However, such expenses in respect of capital facilities being executed along with the production/operations simultaneously and where the expenses are not attributable exclusively are charged to revenue.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

2.2. 2 Borrowing cost incurred during construction period on loans specifically borrowed and utilised for projects is capitalised on quarterly basis up to the date of capitalisation.

2.2. 3 Borrowing cost, if any, incurred on General Borrowings used for projects is capitalised at the weighted average cost. The amount of such borrowings is determined on quarterly basis after setting off the amount of internal accruals.

B. Capital Stores

2.2. 4 Capital Stores are valued at cost. Specific provision is made for likely diminution in value, wherever required.

2.3 Intangible Assets & Amortisation

2.3. 1 Technical know-how / license fee relating to production process and process design are recognised as Intangible Assets and amortised on a straight line basis over the life of the underlying plant/ facility.

2.3. 2 Expenditure incurred in research phase is charged to revenue and that in development phase, unless it is of capital nature, is also charged to revenue.

2.3. 3 Cost incurred on computer software/licenses purchased/ developed resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalised as Intangible Asset and amortised over a period of three years beginning from the quarter in which such software/ licenses are capitalised. However, where such computer software/ license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development"

2.3. 4 Right of ways with indefinite useful lives are not amortised but tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.3. 5 Intangible Assets acquired separately are measured on initial recognition at cost. The cost of Intangible Assets acquired in a business combination is based on its fair value at the date of acquisition. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and accumulated impairment losses. In case of Internally generated intangibles, development cost is recognised as an asset when all the recognition criteria are met. However, all other internally generated intangibles including research cost are not capitalised and the related expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

2.3. 6 The useful lives of Intangible Assets are assessed as either finite or indefinite. Intangible Assets with finite lives are amortised over the useful life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on Intangible Assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

2.3. 7 On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognised as at April 1, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

2.3. 8 Amortisation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/ sale, disposal/ or earmarked for disposal.

2.4 Depreciation

2.4. 1 Cost of PPE (net of residual value) excluding freehold land is depreciated on straight-line method as per the useful life prescribed in Schedule II to the Act except in case of the following assets:

a) Useful life of 15 years for Plant and Equipment relating to Retail Outlets (other than storage tanks and related equipment), LPG cylinders and pressure regulators considered based on technical assessment

b) Useful life of 25 years for solar power plant considered based on technical assessment,

c) In case of specific agreements e.g. enabling assets etc., useful life as per agreement or Schedule II to the Act, whichever is lower

d) In case of certain assets of R&D Centre useful life (15-25 years) is considered based on technical assessment

e) In case of immovable assets constructed on leasehold land, useful life as per Schedule-II to the Act or lease period of land (including renewable / likely renewable period), whichever is lower and

f) In case of certain assets of CGD business, useful life (Compressor / Booster Compressor and Dispenser - 10 years, Cascade – 20 years) is considered based on technical assessment.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

g) In case of Moulds used for the manufacturing of the packaging material for Lubricants, useful life of 5 years is considered based on technical assessment.

h) In other cases, like Spare Parts etc. useful life (2-30 years) is considered based on the technical assessment

Depreciation is charged pro-rata on quarterly basis on assets, from/upto the quarter of capitalisation/ sale, disposal/ or earmarked for disposal.

Residual value is determined considering past experience and generally the same is between 0 to 5% of cost of assets except

a. In case of Steel LPG cylinder and pressure regulator, residual value is considered maximum at 15% and in case of fibre composite LPG cylinder, residual value is considered at 10% based on estimated realisable value

b. in case of catalyst with noble metal content, residual value is considered based on the cost of metal content and

c. In few cases residual value is considered based on transfer value agreed in respective agreement.

The Group depreciates components of the main asset that are significant in value and have different useful lives as compared to the main asset separately. The Group depreciates spares over the life of the spare from the date it is available for use.

2.4. 2 PPE, other than LPG Cylinders and Pressure Regulators, costing upto ₹ 5,000/- per item are depreciated fully in the year of capitalisation. Further, spares, components like catalyst excluding noble metal content and major overhaul/ inspection are also depreciated fully over their respective useful life.

2.4. 3 The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.5 Derecognition

2.5. 1 PPE and Intangible Assets are derecognised 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 or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3. LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.1 Leases as Lessee (Assets taken on lease)

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.1. 1 Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract 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 for leases where the company has elected to use practical expedient not to separate non-lease payments from the calculation of the lease liability and ROU asset where the entire consideration is treated as lease component.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

3.1. 2 **Right-of-use Assets**

The Group recognises right-of-use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of use assets are subject to impairment. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset as per 2.4 above.

3.1. 3 Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the ROU asset. Any gain or loss on modification is recognised in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the stand-alone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and ROU assets is also suitably adjusted.

3.1. 4 **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of Property, Plant and Equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value and is not intended for sublease.. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

3.2 Leases as Lessor (assets given on lease)

3.2. 1 When the Group acts as lessor, it determines at the commencement of the lease whether it is a finance lease or an operating lease.

3.2. 2 Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern of the benefit derived from the asset given on lease.

3.2. 3 All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Principal component of the lease receipts is adjusted against outstanding receivables and interest income is accounted by applying the interest rate implicit in the lease to the net investment. If an arrangement contains lease and non-lease components, the Company applies principles enunciated in Ind AS 115 "Revenue from Contracts with Customers" to allocate the consideration in the contract.

3.2. 4 When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the short term lease exemption described above, then it classifies the sub-lease as an operating lease.

4. IMPAIRMENT OF NON-FINANCIAL ASSETS (also refer para 14 for impairment of E&P Assets)

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Impairment loss is recognised when the carrying amount of an asset exceeds recoverable amount.

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. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of 15 years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifteenth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

5. BORROWING COSTS

Borrowing cost consists of interest and other cost incurred in connection with the borrowing of funds.

Borrowing costs that are attributable to the acquisition or construction of the qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Capitalisation of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

6. FOREIGN CURRENCY TRANSACTIONS/ TRANSLATION

6.1 The Group's financial statements are presented in Indian Rupee (₹) which is also functional currency of the Holding Company.

6.2 Transactions in currencies other than the respective group entities' functional currencies (foreign currencies) are initially recorded at spot exchange rates prevailing on the date of transactions.

6.3 Monetary items denominated in foreign currencies (such as cash, receivables, payables etc) outstanding at the end of reporting period, are translated at exchange rates prevailing on that date.

6.4 Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, equity investments, capital/ revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction, other than those measured at fair value.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Statement of Profit and Loss are also recognised in OCI or the Statement of Profit and Loss, respectively).

6.5 Any gains or losses arising due to differences in exchange rates at the time of translation or settlement are accounted for in the Statement of Profit and Loss either under the head foreign exchange fluctuation or interest cost to the extent regarded as an adjustment to borrowing costs as the case may be, except those relating to loans mentioned below.

Exchange differences on long-term foreign currency loans obtained or re-financed on or before March 31, 2016 relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets and depreciated over the balance life of the assets.

6.6 Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2013 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the April 1, 2013, are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent company and no further translation differences occur.

7. INVENTORIES

7.1 Raw Materials & Stock-in-Process

7.1. 1 Raw materials including crude oil are valued at cost determined on weighted average basis or net realisable value, whichever is lower.

7.1. 2 Stock in Process is valued at raw material cost plus processing cost as applicable or net realisable value, whichever is lower.

7.1. 3 Crude oil in Transit is valued at cost or net realisable value, whichever is lower.

7.1. 4 Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

7.2 Finished Products and Stock-in-Trade

7.2. 1 Finished Products and Stock in Trade, other than lubricants, are valued at cost determined on 'First in First Out' basis or net realisable value, whichever is lower. Cost of Finished Products produced is determined based on raw material cost and processing cost.

7.2. 2 Lubricants are valued at cost on weighted average basis or net realisable value, whichever is lower. Cost of lubricants internally produced is determined based on cost of inputs and processing cost.

7.2. 3 Imported products in transit are valued at cost or net realisable value whichever is lower.

7.3 Stores and Spares

7.3. 1 Stores and Spares (including Packing Containers i.e. empty barrels, tins etc.) are valued at weighted average cost. Specific provision is made in respect of identified obsolete stores & spares and chemicals for likely diminution in value. Further, a provision @ 5% is also made on the balance stores and spares (excluding barrels, tins, stores in transit, chemicals/catalysts, crude oil and own products) towards likely diminution in the value.

7.3. 2 Stores and Spares in transit are valued at cost.

8. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

8.1 Provisions

8.1. 1 Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

8.1. 2 When the Group expects some or all of a provision to be recovered from a third party, a receivable is recognised as a separate asset but only when it is virtually certain and amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Statement of Profit and Loss net of reimbursement, if any.

8.1. 3 If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

8.1. 4 **Decommissioning Liability**

Decommissioning costs are provided at the present value of expected cost to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as a finance cost. The estimated future cost of decommissioning is reviewed annually and adjusted as appropriate. Changes in the estimated future cost or in the discount rate applied are adjusted in the cost of the asset.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

8.2 Contingent Liabilities and Contingent Assets

8.2. 1 Show-cause notices issued by various Government Authorities are generally not considered as obligations.

8.2. 2 When the demand notices are raised against such show cause notices and are disputed by the Group, these are classified as disputed obligations.

8.2. 3 The treatment in respect of disputed obligations are as under:

a) a provision is recognised in respect of present obligations where the outflow of resources is probable as per 8.1.1 above;

b) all other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

8.2. 4 Contingent Liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability. Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts and reviewed at each Balance Sheet date to reflect the current management estimate.

8.2. 5 Estimated amount of contracts remaining to be executed towards capital expenditure are considered for disclosure.

8.2. 6 A Contingent Asset is disclosed where an inflow of economic benefits is probable.

9. REVENUE

9.1 REVENUE FROM CONTRACTS WITH CUSTOMERS

9.1. 1 The Group is in the business of oil and gas operations and it earns revenue primarily from sale of petroleum products and petrochemical products. In addition, the Group also earns revenue from other businesses which comprises Gas, Exploration & Production and Others.

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group has generally concluded that it is the principal in its revenue arrangements, except a few agency services, because it typically controls the goods or services before transferring them to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., customer loyalty points). In determining the transaction price for the sale of products, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

9.1. 2 Revenue from the sale of petroleum products, petrochemical products, Crude and gas are recognised at a point in time, generally upon delivery of the products. The Group recognises revenue over time using input method (on the basis of time elapsed) in case of non-refundable deposits from dealers and service contracts. In case of construction contracts, revenue and cost are recognised by measuring the contract progress using input method by comparing the cost incurred and total contract cost. Contract modifications are accounted for as a part of existing contract or separate contract based on conditions prescribed in Ind AS 115.

9.1. 3 The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, Sales Tax/ Goods and Services Tax (GST) and Value Added Tax (VAT) is not received by the company on its own account. Rather, it is tax collected on value added to the product by the seller on behalf of the government. Accordingly, it is excluded from revenue.

9.1. 4 **Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved

The Group provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. The volume rebates/ Cash discount give rise to variable consideration. To estimate the variable consideration for the expected future rebates/ cash discount, the Group applies the most likely amount method for contracts with a single-volume threshold and

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract and accordingly, the Group recognises a refund liability for the expected future rebates.

9.1.5 **Loyalty Points**

The Group operates various loyalty point schemes. The transaction price allocated to customer loyalty points is based on their relative estimated standalone selling price and the same is reduced from revenue from sale of goods. While estimating standalone selling price of customer loyalty points, the likelihood of exercising the option is adjusted. Wherever the Group is acting as agent in this arrangement, the Company recognise the revenue on net basis.

9.2 Other claims are recognised when there is a reasonable certainty of recovery.

10. EXCISE DUTY

Excise duty is accounted on the basis of both, payments made in respect of goods cleared as also provision made for goods lying in stock. Value of stock includes excise duty payable / paid on finished goods wherever applicable.

11. TAXES ON INCOME

11.1 Current Income Tax

The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

11.2 Deferred Tax

11.2. 1 Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

(b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

(a) when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

11.2. 2 The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

11.2. 3 Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

11.2. 4 Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

12. EMPLOYEE BENEFITS

12.1 Short Term Benefits:

Short Term Employee Benefits are accounted for in the period during which the services have been rendered.

12.2 Post-Employment Benefits and Other Long Term Employee Benefits:

a) The Group's contribution to the Provident Fund is remitted to separate trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss/ CWIP. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, is made good by the Group and charged to the Statement of Profit and Loss/CWIP.

b) The Group operates defined benefit plans for Gratuity, Post-Retirement Medical Benefits, Resettlement, Felicitation Scheme Ex-gratia and AOD pension fund. The cost of providing such defined benefits is determined using the projected unit credit method of actuarial valuation made at the end of the year. Out of these plans, Gratuity, Post-Retirement Medical Benefits and AOD pension fund are administered through respective Trusts.

c) Obligations on other long-term employee benefits viz leave encashment and Long Service Awards are provided using the projected unit credit method of actuarial valuation made at the end of the year. Out of these obligations, leave encashment obligations are funded through qualifying insurance policies made with insurance companies/ corporation.

d) The Group also operates a defined contribution scheme for Pension benefits for its employees and the contribution is remitted to a separate Trust.

12.3 Termination Benefits:

Payments made under Voluntary Retirement Scheme are charged to the Statement of Profit and Loss on incurrence.

12.4 Remeasurements:

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which it occurs.. Remeasurements are not reclassified to profit or loss in subsequent periods. Remeasurements in respect of other long term benefits are recognised in the Statement of Profit and Loss.

Past service cost is recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service cost comprising current service cost, past-service cost, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

13. GRANTS

13.1 Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

13.2 Grant relating to Assets (Capital Grants)

In case of grants relating to depreciable assets, the cost of the asset is shown at gross value and grant thereon is treated as Deferred Income which are recognised as "Other Operating Revenues" usually in the Statement of Profit and Loss over the period and in the proportion in which depreciation is charged.

13.3 Grant related to Income (Revenue Grants)

Revenue grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related cost for which the grants are intended to compensate.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

Subsidy and budgetary support towards under recoveries are recognised in "Revenue from Operations" as per schemes notified by Government from time to time, subject to final adjustments, wherever applicable.

The Group has treated waiver of duty under EPCG Scheme as revenue grant as the condition of meeting the export obligations is a primary condition of availing the grant as per the EPCG Scheme. The above grant is set up by recording the assets at gross value and corresponding grant amount as deferred income. Such grant is recognised in "Other Operating Revenues" in proportion of export obligations actually fulfilled during the accounting period. In case of post export EPCG Scheme, revenue grant is recognised in "Other Operating Revenues" equivalent to the amount of Custom duty remission in proportion to export obligations actually fulfilled during the accounting period.

Revenue grants are generally recorded under "Other Operating Revenues" except some grants which mainly includes north east excise duty and entry tax exemption, which are netted off with the related expense.

13.4 When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate or Nil interest rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. Classification of the grant is made considering the terms and condition of the grant i.e. whether grants relates to assets or otherwise.

14. OIL & GAS EXPLORATION ACTIVITIES

14.1 Pre-acquisition Cost:

Expenditure incurred before obtaining the right(s) to explore, develop and produce oil and gas are expensed as and when incurred.

14.2 Exploration Stage:

Acquisition cost relating to projects under exploration are initially accounted as "Intangible Assets under Development". The expenses on oil and gas assets that is classified as intangible include:

- acquired rights to explore
- exploratory drilling 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

If the project is not viable based upon technical feasibility and commercial viability study, then all cost relating to Exploratory Wells are expensed in the year when determined to be dry.

If the project is proved to be viable, then all cost relating to drilling of Exploratory Wells shall be continued to be presented as "Intangible Assets under Development".

14.3 Development Stage:

Acquisition cost relating to projects under development stage are presented as "Capital Work-in-Progress".

When a well is ready to commence commercial production, the capitalised cost corresponding to proved developed oil and gas reserves is reclassified as 'Completed wells/ Producing wells' from "Capital Work-in-Progress/ Intangible Assets under Development" to the gross block of assets. Examples of Oil and Gas assets that might be classified as Tangible Assets include development drilling cost, piping and pumps and producing wells.

14.4 Production Phase

Production cost include pre-well head and post-well head expenses including depreciation and applicable operating costs of support equipment and facilities are expensed off.

Depletion is calculated using the Unit of Production method based upon proved and developed reserves.

14.5 Abandonment Phase

In case of development / production phase, abandonment / decommissioning amount is recognised at the present value of the estimated future expenditure. Any change in the present value of the estimated decommissioning expenditure other than the unwinding of discount is adjusted to the decommissioning provision and the carrying value of the corresponding asset. The unwinding of discount on provision is charged in the Statement of Profit and Loss as finance costs.

14.6 Impairment of E&P Assets

14.6. 1 **Impairment testing in case of Development and producing assets**

In case of E&P related development and producing assets, expected future cash flows are estimated using management's best estimate of future oil and natural gas prices, production volumes, proved & probable reserves volumes and discount rate. The expected future cash flows are estimated on the basis of value in use concept. The value in use is based on the cash flows expected to be generated by the projected oil or gas production profiles up to the expected dates of

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

cessation of production of each producing field, based on current estimates of proved and probable reserves and on reasonable & supportable fiscal assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Management takes a long-term view of the range of economic conditions over the remaining useful life of the asset and, are not based on the relatively short-term changes in the economic conditions. However, impairment of exploration and evaluation assets is to be done in line with para 14.6.2

14.6. 2 **Impairment in case of Exploration and Evaluation assets**

Exploration and Evaluation assets are tested for impairment where an indicator for impairment exists. In such cases, while calculating recoverable amount, in addition to the factors mentioned in 14.6.1, management' s best estimate of total current reserves and resources are considered (including possible and contingent reserve) after appropriately adjusting the associated inherent risks. Impairment loss is reversed subsequently, to the extent that conditions for impairment are no longer present.

14.6. 3 **Cash generating unit**

In case of E&P assets, the Group generally considers a project as cash generating unit. However, in case where the multiple fields are using common production/ transportation facilities and are sufficiently economically interdependent the same are considered to constitute a single cash generating unit (CGU).

15. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification as below.

15.1 An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

15.2 A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

16. NON-CURRENT ASSETS HELD FOR SALE

16.1 The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

16.2 For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

16.3 Non-current Assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the Balance Sheet.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

PPE and Intangible Assets once classified as held for sale are not depreciated or amortised.

17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

17.1 Financial Assets

Initial recognition and measurement

All Financial Assets are recognised initially at fair value plus, in the case of Financial Assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial assets. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Subsequent measurement

For the purpose of subsequent measurement, Financial Assets are classified in four categories:

- Financial Assets at amortised cost
- Debt Instruments at fair value through Other Comprehensive Income (FVTOCI)
- Equity Instruments at fair value through Other Comprehensive Income (FVTOCI)
- Financial Assets and derivatives at fair value through profit or loss (FVTPL)

17.1. 1 **Financial Assets at Amortised Cost**

A Financial Asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,

and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such Financial Assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. Apart from the same, any income or expense arising from remeasurement of financial assets measured at amortised cost, in accordance with Ind AS 109, is recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

17.1. 2 **Debt Instrument at FVTOCI**

A 'Debt Instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the Financial Assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest (SPPI).

Debt Instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair Value movements are recognised in the Other Comprehensive Income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI Debt Instrument is reported as interest income using the EIR method.

17.1. 3 **Equity Instrument at FVTOCI (Other than Subsidiaries, Joint Ventures and Associates)**

All equity investments in scope of Ind AS 109 are measured at fair value. The Group has made an irrevocable election to present subsequent changes in the fair value in Other Comprehensive Income. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Dividend income is recognised in the Statement of Profit and Loss when the Group's right to receive dividend is established.

17.1. 4 **Debt Instruments and Derivatives at FVTPL**

FVTPL is a residual category for Debt Instrument. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss. Interest income on such instruments has been presented under interest income.

17.1. 5 **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

17.1. 6 **Impairment of Financial Assets**

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following Financial Assets and credit risk exposure:

a) Financial Assets that are Debt Instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Lease Receivables under Ind AS 116

Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other Financial Assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Group estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense /income in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- Financial Assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

- Debt instruments measured at FVTOCI: Since Financial Assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

17.2 Financial Liabilities

17.2. 1 **Initial recognition and measurement.**

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortised cost, as appropriate.

All Financial Liabilities are recognised initially at fair value and, in the case of liabilities subsequently measured at amortised cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognised immediately in the Statement of Profit and Loss.

The Group's Financial Liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

17.2. 2 **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

A. Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through Statement of Profit or Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

B. Financial Liabilities at amortised cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

17.2. 3 **Derecognition**

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

17.3 Embedded Derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

17.4 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

17.5 Derivative Instrument- Initial recognition / subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non- designation of derivative as hedging instruments. Derivatives are carried as Financial Assets when the fair value is positive and as financial liabilities when the fair value is negative.

17.5. 1 **Derivative that are designated as Hedge Instrument**

The Company designates certain foreign exchange forward contracts commodity forward contracts and interest rates swap contracts for hedging foreign currency risks, commodity price risks and interest rate risks respectively. The Company generally designates the whole forward contract as hedging instrument. These hedges are accounted for as cash flow hedges. These hedging instruments are as per the policies approved by the Board of Directors.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognised hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting.

17.5. 2 **Derivatives that are not designated as hedge instrument**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through the Statement of Profit and Loss and are included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

17.6 Commodity Contracts

Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

18. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank overdraft (negative balance in Account) is shown under short term borrowings under Financial Liabilities & Positive balance in that account is shown in Cash & Cash Equivalents.

19. TREASURY SHARES

Pursuant to the Scheme of Amalgamation, IOC Shares Trust has been set up by IOCL for holding treasury shares in relation to IBP and BRPL mergers. The shares held by IOC Shares Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

20. FAIR VALUE MEASUREMENT

20.1 The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. 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.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

20.2 The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group.

20.3 The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

20.4 A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

20.5 The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

20.6 All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of Level 3 valuations, external valuers are also involved in some cases for valuation of assets and liabilities, such as unquoted Financial Assets, loans to related parties etc.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

21. EARNINGS PER SHARE

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the Equity Shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. The holding company did not have any potentially dilutive securities in the years presented.

22. BUSINESS COMBINATIONS AND GOODWILL

22.1 In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2013. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures.

22.2 Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- 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.

NOTES TO FINANCIAL STATEMENTS

Note - 1A: SIGNIFICANT ACCOUNTING POLICIES (Contd..)

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the Financial Assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

22.3 Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as Capital Reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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 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 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 recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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 through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

23. NON-CONTROLLING INTEREST

Non-controlling interest represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's shareholders. Non-controlling interest is initially measured at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of the interest at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

III. New Standards/ amendments and other changes effective April 1,2020

Ministry of Corporate Affairs notified amendments to the existing standards vide notification G.S.R. 463(E) dated 24th July 2020. The effect of those amendments is not material.

IV. Standards issued but not yet effective

Ministry of Corporate Affairs notifies new standard or amendments to the existing standards. During the year, no new standard or modifications in existing standards has been notified which will be applicable from April 1, 2021 or thereafter.

NOTES TO FINANCIAL STATEMENTS

Note - 1B: SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognised prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

A. JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the consolidated financial statements:

Materiality

Ind AS requires assessment of materiality for accounting and disclosure of various transactions in the financial statements. Accordingly, the Group assesses materiality limits for various items for accounting and disclosures and follows on a consistent basis. Overall materiality is also assessed based on various financial parameters such as Gross Block of assets, Net Block of Assets, Total Assets, Revenue and Profit Before Tax. The materiality limits are reviewed and approved by the Board of the Holding Company.

Oil & Gas Reserves

The determination of the group's estimated oil reserves requires significant judgements and estimates to be applied and these are regularly reviewed and updated. Reserves are estimated using independent reservoir engineering reports and factors such as the availability of geological and engineering data, reservoir performance data, acquisition and divestment activity, drilling of new wells, and commodity prices all impact on the determination of the group's estimates of its oil reserves. Independent reservoir engineers perform evaluations of the Corporation's oil and natural gas reserves on an annual basis The group determines its proved reserves estimates on the requirement of reasonable certainty with rigorous technical and commercial assessments based on conventional industry practice and regulatory requirements. Refer note-35 for related disclosure.

Intangible Asset under Development

Acquisition costs and drilling of exploratory well costs are capitalised as intangible asset under development and are reviewed at each reporting date to confirm that exploration drilling is still under way or work has been determined / under way to determine that the discovery is economically viable based on a range of technical & commercial considerations and for establishing development plans and timing , sufficient / reasonable progress is being made. If no future activity is planned on reasonable grounds / timeframes, Intangible asset under development and property acquisition costs is written off. Upon start of production from field and recognition of proved reserves, cost carried as intangible asset under development is transferred to producing properties. Also refer Note-35 for related disclosures.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events. Refer Note-37 for the related disclosures.

B. ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Defined benefit plans/ Other Long term employee benefits

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

NOTES TO FINANCIAL STATEMENTS

Note - 1B : SIGNIFICANT ACCOUNTING ESTIMATES & JUDGEMENTS (Contd..)

The parameter most subject to change is the discount rate. The management considers the interest rates of government securtities based on expected settlement period of various plans.

Further details about various employee benefit obligations are given in Note 36.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model based on level-2 and level-3 inputs. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as price estimates, volume estimates, rate estimates etc. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Also refer note 40 for further disclosures of estimates and assumptions.

Impairment of financial assets

The impairment provisions for trade receivables are made considering simplified approach based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period. In case of other financial assets, the Group applies general approach for recognition of impairment losses wherein the Group uses judgement in considering the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Also refer Note-41 for impairment analysis and provision.

Provision for decommissioning

At the end of the operating life of the Corporation's facilities and properties and upon retirement of its oil and natural gas assets, decommissioning costs will be incurred. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, related asset and expense are impacted by estimates with respect to the costs and timing of decommissioning. Refer note-18 for the provisions in respect of decommissioning cost.

Income Taxes

The Group uses estimates and judgements based on the relevant facts, circumstances, present and past experience, rulings, and new pronouncements while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO FINANCIAL STATEMENTS

Note - 2 PROPERTY PLANT AND EQUIPMENT

Current Year

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets (ROU)	Total
		(Refer A&F)	(Refer F)	(Refer B&F)								(Refer F&J)	
GROSS BLOCK	**Gross Block as at April 01, 2020**	**3,646.51**	**-**	**15,257.63**	**1,40,270.64**	**1,872.27**	**92.95**	**720.79**	**183.65**	**1,296.88**	**7,412.89**	**10,514.84**	**1,81,269.05**
	Additions during the year	206.95	-	153.05	3,673.08	248.28	10.39	31.52	14.60	(12.64)	272.30	1,558.29	6,155.82
	Transfers from construction work-in-progress	4.37	-	1,841.09	12,502.10	172.37	2.67	64.54	1.33	-	387.93	-	14,976.40
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	(76.86)	-	(136.78)	(989.09)	(104.79)	(1.80)	(14.83)	(0.56)	(0.12)	375.89	(480.32)	(1,429.26)
	Gross Block as at March 31, 2021 (Refer C)	**3,780.97**	**-**	**17,114.99**	**1,55,456.73**	**2,188.13**	**104.21**	**802.02**	**199.02**	**1,284.12**	**8,449.01**	**11,592.81**	**2,00,972.01**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at April 01, 2020**	**-**	**-**	**3,084.09**	**28,837.32**	**962.88**	**34.66**	**322.85**	**48.91**	**211.10**	**1,750.88**	**1,587.43**	**36,840.12**
	Depreciation & Amortisation during the year (Refer D)	-	-	806.41	7,613.39	335.31	9.38	76.30	14.71	50.42	457.57	1,201.23	10,564.72
	Disposals/ Deductions / Transfers/ Reclassifications/ FCTR	-	-	(16.46)	(216.24)	(84.13)	(1.05)	(8.14)	(0.02)	-	95.18	(370.44)	(601.30)
	Depreciation & Amortisation as at March 31, 2021	**-**	**-**	**3,874.04**	**36,234.47**	**1,214.06**	**42.99**	**391.01**	**63.60**	**261.52**	**2,303.63**	**2,418.22**	**46,803.54**
IMPAIRMENT	**Impairment Loss as at April 01, 2020**	**-**	**-**	**19.01**	**99.57**	**-**	**-**	**-**	**-**	**0.27**	**233.78**	**-**	**352.63**
	Impairment Loss during the year	-	-	-	3.70	-	-	-	-	-	93.25	-	96.95
	Impairment Loss reversed during the year/ FCTR	-	-	-	0.01	-	-	-	-	-	20.49	-	20.50
	Impairment Loss as at March 31, 2021	**-**	**-**	**19.01**	**103.28**	**-**	**-**	**-**	**-**	**0.27**	**347.52**	**-**	**470.08**
	Net Block as at March 31, 2021	**3,780.97**	**-**	**13,221.94**	**1,19,118.98**	**974.07**	**61.22**	**411.01**	**135.42**	**1,022.33**	**5,797.86**	**9,174.59**	**1,53,698.39**

Previous Year

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets (ROU)	Total
		(Refer A&F)	(Refer F)	(Refer B&F)								(Refer F&J)	
GROSS BLOCK	**Gross Block as at April 01, 2019**	**3,086.05**	**416.49**	**13,595.54**	**1,30,031.21**	**1,472.79**	**77.91**	**632.11**	**164.17**	**1,252.32**	**6,759.03**	**-**	**1,57,487.62**
	Additions during the year	661.73	-	194.19	4,379.77	228.07	8.22	47.49	5.96	44.15	476.90	6,128.85	12,175.33
	Transfers from construction work-in-progress	-	-	1,753.88	10,463.75	278.23	11.69	55.59	13.89	0.46	448.64	-	13,026.13
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	(101.27)	(416.49)	(285.98)	(4,604.09)	(106.82)	(4.87)	(14.40)	(0.37)	(0.05)	(271.68)	4,385.99	(1,420.03)
	Gross Block as at March 31, 2020	**3,646.51**	**-**	**15,257.63**	**1,40,270.64**	**1,872.27**	**92.95**	**720.79**	**183.65**	**1,296.88**	**7,412.89**	**10,514.84**	**1,81,269.05**
DEPRECIATION & AMORTISATION	**Depreciation & Amortisation as at April 01, 2019**	**-**	**14.17**	**2,364.45**	**22,680.44**	**746.29**	**28.37**	**256.01**	**35.43**	**161.28**	**1,261.44**	**-**	**27,547.88**
	Depreciation & Amortisation during the year	-	-	729.76	7,056.11	292.04	8.84	73.92	13.50	49.83	420.15	918.83	9,562.98
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	(14.17)	(10.12)	(899.23)	(75.45)	(2.55)	(7.08)	(0.02)	(0.01)	69.29	668.60	(270.74)
	Depreciation & Amortisation as at March 31, 2020	**-**	**-**	**3,084.09**	**28,837.32**	**962.88**	**34.66**	**322.85**	**48.91**	**211.10**	**1,750.88**	**1,587.43**	**36,840.12**

NOTES TO FINANCIAL STATEMENTS

Note - 2 PROPERTY PLANT AND EQUIPMENT (Contd..)

Previous Year (Contd..)

(₹ in Crore)

		Land - Freehold	Land - Leasehold	Buildings, Roads etc.	Plant And Equipment	Office Equipments	Transport Equipment	Furniture & Fixtures	Railway Sidings	Drainage, Sewage and Water Supply System	Producing Properties	Right of Use Assets (ROU)	Total
		(Refer A&F)	(Refer F)	(Refer B&F)								(Refer F&J)	
IMPAIRMENT	**Total Impairment as at April 01, 2019**	-	-	14.77	50.62	-	-	-	-	0.19	227.04	-	292.62
	Impairment Loss during the year	-	-	4.24	48.95	-	-	-	-	0.08	-	-	53.27
	Impairment Loss reversed during the year/ FCTR	-	-	-	-	-	-	-	-	-	6.74	-	6.74
	Total Impairment as at March 31, 2020	-	-	19.01	99.57	-	-	-	-	0.27	233.78	-	352.63
	Net Block as at March 31, 2020	3,646.51		12,154.53	1,11,333.75	909.39	58.29	397.94	134.74	1,085.51	5,428.23	8,927.41	1,44,076.30

A. i) Freehold land includes ₹ **1.61 Crore** (2020: ₹ 22.38 Crore) lying vacant due to title disputes/ litigation.

ii) Out of the Freehold land measuring 1364.01 acres at Mathura and Agra regions, land measuring 50 acres (approx) has been acquired by NHAI as a part of the NH2 widening project for which the determination of value of compensation is pending. Accordingly, the value of land amounting to ₹ 1.18 Crore is continued to be included in Freehold land.

iii) Freehold Land includes ₹ 41.75 Crore of compensation paid in respect of land at Panipat Refinery as per District and High court orders of earlier dates, which was later quashed by subsequent High Court order dated 18.12.2019. Since, the process of recovery, for compensation already paid, has been stayed by Honble Supreme Court vide order dated 21.09.2020, necessary adjustment shall be made in the cost of the land upon actual recovery, if any.

B. i) Buildings include ₹ **0.01 Crore** (2020: ₹ 0.01 Crore) towards value of 1605 (2020: 1605) Shares in Co-operative Housing Societies towards membership of such societies for purchase of flats.

ii) Includes Roads, Bridges etc. (i.e. Assets other than Building) of Gross block amounting to ₹ **4,219.39 Crore** (2020: ₹ 3,547.27 Crore) and net block amounting to ₹ **2,390.91 Crore** (2020: ₹ 2,072.21 Crore) .

C. The cost of assets are net of GST ITC, wherever applicable.

D. Depreciation and amortisation for the year includes ₹ **18.33 Crore** (2020: ₹ 29.55 Crore) relating to construction period expenses shown in Note-2.2

E. Railways have claimed transfer of ownership in respect of certain assets provided by the Company at railway premises which has not been accepted by the Company and continue to be part of fixed to be part of Plant, Property & Equipment of the Company, WDV of such assets is ₹ **49.28 Crore** (2020: ₹ 51.14 Crore). This includes WDV of assets worth ₹ **17.91 Crore** (2020: ₹ 7.82 Crore) which are being used by other oil companies based on award of tender by Railways. However, considering the right on the assets and future commercial interest of the company, these assets are continued to be reflected as Property, Plant & Equipment.

F. Land and Buildings (Including ROU Asset) include ₹ **1,282.96 Crore** (2020: ₹ 1,020.61 Crore) in respect of which Title/ Lease Deeds are pending for execution or renewal.

G. For details regarding hypothecation/ pledge of assets, refer Note-16.

H. In accordance with the requirements prescribed under Schedule II to Companies Act, 2013, the Company has adopted useful lives as prescribed in that schedule except in some cases as per point no. 2.4.1 of significant accounting policies (Note-1).

I. The estimated residual value of movable assets provided at the residence of employees for official use under various approved schemes has been revised from 1% of original cost to Nil effective from April, 01, 2020. The impact on account of above change is increase in depreciation by ₹ 1.57 Crore during current year. Overall future impact on the assets existing as on 31.03.2021 will be ₹ 2.58 Crore by way of increase in depreciation over the remaining useful life of these assets, which will be offset by profit/ loss on sale of assets.

J. Leasehold Land (included in ROU Assets) includes an amount of ₹ **716.47 Crore** (2020: ₹ 716.41 Crore) for land Development Cost.

NOTES TO FINANCIAL STATEMENTS

Note - 2 : PROPERTY PLANT AND EQUIPMENT (Contd..)

Details of assets given on operating lease included in the above

(₹ in Crore)

Asset Particulars	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31-03-2021	W.D.V. as at 31-03-2020
Land - Freehold	16.23	-	-	**16.23**	11.42
ROU Asset (Land - Leasehold)	71.02	6.60	-	**64.42**	12.36
Buildings	159.14	15.12	0.17	**143.85**	31.08
Plant and Equipment	287.51	17.39	-	**270.12**	61.76
Office Equipment	11.04	2.18	-	**8.86**	1.80
Furniture	1.34	0.22	-	**1.12**	0.43
Drainage, Sewage & Water Supply	1.60	0.05	-	**1.55**	-

Details of Company's share of Jointly Owned Assets included above:

(₹ in Crore)

Assets Particulars	Name of Joint Owner*	Gross Block	Accumulated Depreciation & Amortisation	Accumulated Impairment Loss	W.D.V. as at 31.03.21	W.D.V. as at 31.03.20
Land - Freehold	HPCL, BPCL	1.59	-	-	**1.59**	1.49
ROU Asset (Land - Leasehold)	BPCL	0.07	0.01	-	**0.06**	0.07
Buildings	HPCL, BPCL, Others	49.89	13.36	-	**36.53**	37.91
Plant and Equipment	HPCL, BPCL, RIL, Others	64.26	19.16	-	**45.10**	45.88
Office Equipments	BPCL	0.51	0.20	-	**0.31**	0.45
Railway Sidings	HPCL, BPCL	15.50	5.99	-	**9.51**	9.83
Drainage,Sewage & Water Supply	HPCL, BPCL, GSFC	0.45	0.08	-	**0.37**	1.69
Total		**132.27**	**38.80**	**-**	**93.47**	**97.32**

*HPCL: Hindustan Petroleum Corporation Ltd., BPCL: Bharat Petroleum Corporation Ltd., GSFC: Gujarat State Fertilizers & Chemicals Ltd., RIL: Reliance Industries Ltd.

Additions to Gross Block Includes:

(₹ in Crore)

Asset Particulars	Exchange Fluctuation		Borrowing Cost	
	31.03.21	31.03.20	31.03.21	31.03.20
Buildings	**(5.30)**	17.65	**3.11**	0.79
Plant and Equipment	**(252.84)**	832.09	**213.90**	26.12
Office Equipments	**(0.04)**	-	**-**	0.06
Drainage,Sewage & Water Supply	**(12.64)**	42.17	**-**	0.01
Total	**(270.82)**	**891.91**	**217.01**	**26.98**

NOTES TO FINANCIAL STATEMENTS

Note - 2.1 : CAPITAL WORK IN PROGRESS

Current Year

(₹ in Crore)

Particulars	Construction Work in Progress - Tangible Assets	Capital Stores	Capital Goods in Transit	Construction Period Expenses pending allocation	Total
	Refer-A	Refer-B			
Balance as at beginning of the year	**22,003.77**	**5,630.15**	**620.03**	**1,418.40**	**29,672.35**
Additions during the year	**17,133.31**	**2,979.08**	**862.38**	**-**	**20,974.77**
Net expenditure during the year (Note - 2.2)	**-**	**-**	**-**	**1,400.36**	**1,400.36**
Transfer to Property, Plant and Equipment (Note 2)	**(14,976.40)**	**-**	**-**	**-**	**(14,976.40)**
Transfer to Property, Plant and Equipment - Direct Addition (Note 2)	**-**	**-**	**(26.73)**	**-**	**(26.73)**
Transfer to Statement of Profit and Loss	**(1.56)**	**(0.26)**	**-**	**-**	**(1.82)**
Other Allocation/ Adjustment during the year	**1,673.30**	**(4,202.60)**	**(701.40)**	**(649.65)**	**(3,880.35)**
	25,832.42	**4,406.37**	**754.28**	**2,169.11**	**33,162.18**
Provision for Capital Losses	**(185.15)**	**(23.87)**	**-**	**-**	**(209.02)**
Closing Balance	**25,647.27**	**4,382.50**	**754.28**	**2,169.11**	**32,953.16**

Previous Year

(₹ in Crore)

Particulars	Construction Work in Progress - Tangible Assets	Capital Stores	Capital Goods in Transit	Construction Period Expenses pending allocation	Total
	Refer-A	Refer-B			
Balance as at beginning of the year	**16,750.29**	**4,739.16**	**1,049.95**	**908.19**	**23,447.59**
Opening Balance Adjustment	-	-	-	60.34	60.34
Additions during the year	15,626.82	4,608.65	592.69	-	20,828.16
Net expenditure during the year (Note - 2.2)	-	-	-	970.32	970.32
Transfer to Property, Plant and Equipment (Note 2)	(13,026.13)	-	-	-	(13,026.13)
Transfer to Property, Plant and Equipment - Direct Addition (Note 2)	-	-	(14.45)	-	(14.45)
Transfer to Statement of Profit and Loss	(10.60)	(0.02)	-	(4.04)	(14.66)
Other Allocation/ Adjustment during the year	2,663.39	(3,717.64)	(1,008.16)	(516.41)	(2,578.82)
	22,003.77	**5,630.15**	**620.03**	**1,418.40**	**29,672.35**
Provision for Capital Losses	(27.74)	(15.75)	-	-	(43.49)
Closing Balance	**21,976.03**	**5,614.40**	**620.03**	**1,418.40**	**29,628.86**

A. Includes **₹ 345.06 Crore** (2020: ₹ 345.97 Crore) towards Capital Expenditure relating to ongoing Oil & Gas Exploration & Production activities

B. Includes **₹ 689 Crore** (2020: ₹ 466.13 Crore) towards Stock lying with Contractors

NOTES TO FINANCIAL STATEMENTS

Note - 2.2 : CONSTRUCTION PERIOD EXPENSES (NET) DURING THE YEAR

(₹ in Crore)

Particulars		March 31, 2021	March 31, 2020
Employee Benefit Expenses		**446.06**	399.41
Repairs and Maintenance		**5.82**	4.12
Consumption of Stores and Spares		**0.20**	-
Power & Fuel		**58.53**	163.09
Rent		**11.47**	8.36
Rates and Taxes		**2.69**	3.19
Travelling Expenses		**59.24**	57.49
Communication Expenses		**1.78**	1.63
Printing and Stationery		**0.81**	0.69
Electricity and Water Charges		**6.76**	25.94
Bank Charges		**0.06**	0.09
Technical Assistance Fees		**2.40**	0.62
Finance Costs	A	**724.96**	233.95
Depreciation, Amortisation and Impairment on :			
Tangible Assets		**18.33**	29.55
Intangible Assets		**0.30**	0.03
Start Up/ Trial Run Expenses (net of revenue)		**5.30**	(10.15)
Others		**70.36**	76.30
Total Expenses		**1,415.07**	**994.31**
Less : Recoveries		**14.71**	23.99
Net Expenditure during the year		**1,400.36**	**970.32**

A. Rate of Specific borrowing eligible for capitalisation is 1.08% to 8.12% (2020: 3.15% to 8.4%)

NOTES TO FINANCIAL STATEMENTS

Note - 3 : INTANGIBLE ASSETS

Current Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at April 01, 2020**	919.57	2,955.11	251.63	4,126.31
	Additions during the year	350.71	28.00	31.62	410.33
	Transfers from Intangible Assets under Development	-	276.21	90.99	367.20
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	0.02	(66.01)	0.12	(65.87)
	Gross Block as at March 31, 2021 (Refer C)	1,270.30	3,193.31	374.36	4,837.97
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Total Amortisation as at April 01, 2020**	14.37	608.01	169.01	791.39
	Amortisation during the year	5.01	206.56	86.83	298.40
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	(0.01)	(14.32)	0.16	(14.17)
	Total Amortisation as at March 31, 2021	19.37	800.25	256.00	1,075.62
	Total Impairment as at April 01, 2020	0.27	389.84	0.01	390.12
	Impairment Loss during the year	-	-	0.01	0.01
	Impairment Loss reversed during the year	-	(13.14)	-	(13.14)
	Total Impairment as at March 31, 2021	0.27	376.70	0.02	376.99
	Net Block as at March 31, 2021	1,250.66	2,016.36	118.34	3,385.36

Previous Year

(₹ in Crore)

		Right of Way	Licenses	Computer Software	Total
GROSS BLOCK	**Gross Block as at April 01, 2019**	613.18	2,479.53	196.75	3,289.46
	Additions during the year	306.39	8.36	40.55	355.30
	Transfers from Intangible Assets under Development	-	318.02	18.09	336.11
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	149.20	(3.76)	145.44
	Gross Block as at March 31, 2020	919.57	2,955.11	251.63	4,126.31
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**Amortisation as at April 01, 2019**	9.36	323.58	110.64	443.58
	Amortisation during the year	5.01	257.90	58.57	321.48
	Disposals/ Deductions / Transfers / Reclassifications/ FCTR	-	26.54	(0.20)	26.34
	Amortisation as at March 31, 2020	14.37	608.02	169.01	791.40
	Impairment Losss as at April 01, 2019	0.27	-	0.01	0.28
	Impairment Loss during the year	-	365.24	-	365.24
	Impairment Loss reversed during the year	-	24.60	-	24.60
	Impairment Loss as at March 31, 2020	0.27	389.84	0.01	390.12
	Net Block as at March 31, 2020	904.93	1,957.25	82.61	2,944.79

A. Amortisation for the year includes ₹ **0.30 Crore** (2020: ₹ 0.03 Crore) relating to construction period expenses taken to Note 2.2

B. Net Block of Intangible assets with indefinite useful life:

(₹ in Crore)

	March 31, 2021	March 31, 2020
Right of Way	1,243.77	893.04

Right of way for laying pipelines are acquired on a perpetual basis.

NOTES TO FINANCIAL STATEMENTS

Note - 3.1 : INTANGIBLE ASSETS UNDER DEVELOPMENT

Current Year

(₹ in Crore)

	Total
Balance as at beginning of the year	**5,552.44**
Net expenditure during the year	**558.05**
Transfer to Intangible Assets (Note 3)	**(367.20)**
Transfer to Statement of Profit and Loss	**(46.22)**
Other Allocation/ Adjustment during the year	**278.58**
	5,975.65
Provision for Loss	**(2,638.27)**
Closing Balance	**3,337.38**

Previous Year

(₹ in Crore)

	Total
Balance as at beginning of the year	**5,119.54**
Net expenditure during the year	726.47
Transfer to Intangible Assets (Note 3)	(336.11)
Transfer to Statement of Profit and Loss	(0.01)
Other Allocation/ Adjustment during the year	42.55
	5,552.44
Provision for Loss	(2,336.46)
Closing Balance	**3,215.98**

Intangible assets under development are mainly in the nature of Exploration & Production Blocks and Licences & Computer Softwares. Amount above Includes **₹1,858.78 Crore** (2020:₹1,637.35 Crore) towards Capital Expenditure (Net) relating to ongoing Oil & Gas Exploration & Production activities

Note - 4 : INVESTMENTS

	Investment Currency	Face Value/ Paid up Value	March 31,2021		March 31,2020	
			Number	Carrying/ Fair Value ₹ in Crore	Number	Carrying/ Fair Value ₹ in Crore
NON-CURRENT INVESTMENTS :						
A In Associates (Equity Method*):						
QUOTED:						
Petronet LNG Limited	Indian Rupees	10	**187500000**	**1,465.65**	187500000	1,418.66
UNQUOTED:						
Avi-Oil India Private Limited	Indian Rupees	10	**4500000**	**17.47**	4500000	16.62
Petronet India Limited (under liquidation)	Indian Rupees	0.10	**18000000**	**0.47**	18000000	0.47
Petronet VK Limited	Indian Rupees	10	**50000000**	**0.02**	50000000	0.02
Sub-total: (I)(A)				**1,483.61**		**1,435.77**

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

	Investment Currency	Face Value/ Paid up Value	March 31,2021		March 31,2020	
			Number	Carrying/ Fair Value ₹ in Crore	Number	Carrying/ Fair Value ₹ in Crore
B In Joint Ventures (Equity Method*):						
UNQUOTED:						
Indian Oiltanking Limited	Indian Rupees	10	**494828289**	**681.08**	494828289	628.37
Indian Oil Panipat Power Consortium Limited	Indian Rupees	10	**-**	**-**	840000	-
Lubrizol India Private Limited	Indian Rupees	100	**499200**	**179.69**	499200	175.35
Indian Oil Petronas Private Limited	Indian Rupees	10	**134000000**	**632.86**	134000000	650.64
Petronet CI Limited (under liquidation)	Indian Rupees	10	**3744000**	**-**	3744000	-
Green Gas Limited	Indian Rupees	10	**23042250**	**165.96**	23042250	141.37
IndianOil SkyTanking Private Limited	Indian Rupees	10	**25950000**	**84.90**	25950000	79.75
Suntera Nigeria 205 Limited	Naira	1	**2500000**	**-**	2500000	-
Delhi Aviation Fuel Facility Private Limited	Indian Rupees	10	**60680000**	**91.97**	60680000	100.52
Indian Synthetic Rubbers Private Limited	Indian Rupees	10	**222861375**	**199.30**	222861375	81.21
NPCIL-IndianOil Nuclear Energy Corporation Limited	Indian Rupees	10	**260000**	**0.37**	260000	0.35
GSPL India Gasnet Limited	Indian Rupees	10	**413925030**	**402.66**	244925030	229.39
GSPL India Transco Limited	Indian Rupees	10	**151320000**	**124.70**	127920000	118.19
Indian Oil Adani Gas Private Limited	Indian Rupees	10	**432245000**	**416.09**	291000000	284.01
Mumbai Aviation Fuel Farm Facility Private Limited	Indian Rupees	10	**48288750**	**87.62**	48288750	86.95
Kochi Salem Pipeline Private Limited	Indian Rupees	10	**202500000**	**192.94**	152500000	144.94
IndianOil LNG Private Limited	Indian Rupees	10	**5000**	**-**	5000	-
Hindustan Urvarak and Rasayan Limited	Indian Rupees	10	**1131765000**	**1,129.67**	751085000	753.83
Ratnagiri Refineries & Petrochemicals Limited	Indian Rupees	10	**100000000**	**63.82**	100000000	72.55
Indradhanush Gas Grid Limited	Indian Rupees	10	**61000000**	**57.92**	12000000	8.51
IHB Private Limited	Indian Rupees	10	**829000000**	**829.51**	52500000	49.90
IndianOil Total Private Limited	Indian Rupees	10	**7500000**	**6.39**	-	-
Indian Additives Ltd.	Indian Rupees	100	**1183401**	**198.51**	1183401	178.92
National Aromatics and Petrochemical Corporation Limited	Indian Rupees	10	**25000**	**-**	25000	-
VANKOR India Pte Ltd	USD	1	**568968589**	**4527.61**	568968589	4,885.13
TAAS India Pte Ltd	USD	1	**407941730**	**3296.87**	407941730	3,119.36
Urja Bharat Pte. Ltd.	USD	1	**32500100**	**110.61**	15000100	-
Falcon Oil & Gas BV	USD	1	**30**	**45.42**	30	347.22
Beximco IOC Petroleum & Energy Limited	Bangladeshi Taka	10	**500000**	**0.04**	-	-
Sub-total: (I)(B)				**13,526.51**		**12,136.46**
Total Investments in Associates & JVs [(I)(A)+(I)(B)]				**15,010.12**		**13,572.23**

*Investment in Joint Ventures/ Associates have been shown as per equity method of consolidation. Accordingly, carrying value of investments have been reduced by share of losses and wherever other long term interest in the entity exists, unadjusted losses,if any, have been set-off against such interest.

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2021		March 31, 2020	
			Number	Carrying/ Fair Value ₹ in Crore	Number	Carrying/ Fair Value ₹ in Crore
C. In Others						
Investments designated at fair value through OCI:						
QUOTED:						
Oil and Natural Gas Corporation Limited	Indian Rupees	5	**986885142**	**10,081.03**	986885142	6,740.43
GAIL (India) Limited	Indian Rupees	10	**108905460**	**1,475.67**	108905460	833.67
Oil India Limited	Indian Rupees	10	**53501100**	**656.99**	53501100	442.18
Phinergy Ltd	USD	148	**82770**	**118.39**	-	-
UNQUOTED:						
International Cooperative Petroleum Association, New York	USD	100	**350**	**0.02**	350	0.02
Haldia Petrochemical Limited	Indian Rupees	10	**150000000**	**855.40**	150000000	384.30
Vadodara Enviro Channel Limited[a]	Indian Rupees	10	**7151**	**-**	7151	-
Woodlands Multispeciality Hospital Limited	Indian Rupees	10	**101095**	**0.10**	101095	0.10
Shama Forge Co. Limited [b] (under liquidation)	Indian Rupees	10	**100000**	**-**	100000	-
BioTech Consortium India Ltd	Indian Rupees	10	**100000**	**0.10**	100000	0.10
Ceylon Petroleum Storage Terminal Limited	Sri Lankan Rupees	17.576	**250000000**	**261.31**	250000000	318.14
Lanzatech New Zealand Limited	USD	19.9294	**1204251**	**161.13**	1204251	151.90
Carabobo Ingenieria Y Construcciones S.A.	USD		**12.1% of Capital Stock**	**6.44**	12.1% of Capital Stock	6.61
Petrocarabobo S.A.	USD		**3.5% of Capital Stock**	**339.64**	3.5% of Capital Stock	438.44
Phinergy Ltd	USD	148	**-**	**-**	82770	92.24
Mer Rouge Oil Storage Terminal Co Ltd ("MOST")	Mauritian Rupees	1000	**5000**	**5.67**	5000	6.07
In Consumer Cooperative Societies:						
Barauni[c]	Indian Rupees	10	**250**	**-**	250	-
Guwahati[d]	Indian Rupees	10	**750**	**-**	750	-
Mathura[e]	Indian Rupees	10	**200**	**-**	200	-
Haldia[f]	Indian Rupees	10	**2190**	**-**	2190	-
In Indian Oil Cooperative Consumer Stores Limited, Delhi[g]	Indian Rupees	10	**375**	**-**	375	-
MRL Industrial Cooperative Service Society Ltd	Indian Rupees	10	**9000**	**0.01**	9000	0.01
Sub-total: (I)(C)				**13,961.90**		**9,414.21**
Sub-total: (I)=[(I)(A)+(I)(B)+(I)(C)]				**28,972.02**		**22,986.44**

NOTES TO FINANCIAL STATEMENTS

Note - 4: INVESTMENTS (Contd...)

Particulars	Investment Currency	Face Value/ Paid up Value	March 31, 2021		March 31, 2020	
			Number	Carrying/ Fair Value ₹ in Crore	Number	Carrying/ Fair Value ₹ in Crore
II In Preference Shares						
Investments at fair value through profit or loss						
UNQUOTED:						
Shama Forge Co. Limited[h] (under liquidation)	Indian Rupees	100	5000	-	5000	-
9.5% Cumulative Redeemable Preference Shares						
Sub-total: (II)				-		-
III In Government Securities						
Investments at fair value through OCI						
QUOTED:						
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	-	-	3000000	3,087.07
9.15% Govt Stock 2024	Indian Rupees	10000	1960000	2,263.75	6000	6.97
7.35% Govt Stock 2024	Indian Rupees	10000	695000	752.49	695000	751.38
Sub-total: (III)				3,016.24		3,845.42
IV In Debentures or Bonds						
(Investments in JV adjusted for equity method)						
UNQUOTED:						
IndianOil LNG Pvt Limited	Indian Rupees	1000000	36650	3,445.95	6,530	447.83
(7.45% Fully and Compulsorily Convertible Debentures)						
Sub-total: (IV)				3,445.95		447.83
Total Other Investments [(I)(C)+(II)+(III)+(IV)]				20,424.09		13,707.46
Total Non Current Investments (I+II+III+IV)				35,434.21		27,279.69
CURRENT INVESTMENTS :						
Unquoted: (at fair value through profit or loss)						
Unit Trust Investment (NAV)	Sri Lankan Rupees			289.02		173.93
Investment through portfolio management services	Sri Lankan Rupees			126.30		30.86
In Government Securities (at fair value through OCI)						
QUOTED:						
Oil Marketing Companies GOI Special Bonds	Indian Rupees	10000	8261020	8,867.29	5366020	5,818.99
9.15% Govt Stock 2024	Indian Rupees	10000	-	-	1954000	2,267.40
				9,282.61		8,291.18

NOTES TO FINANCIAL STATEMENTS

Note - 4 : INVESTMENTS (Contd...)

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Aggregate carrying value of quoted investments	**25,681.26**	21,366.75
Aggregate market value of quoted investments	**28,427.80**	23,692.47
Aggregate carrying value of unquoted investments	**19,035.56**	14,204.12
Aggregate amount of impairment in value of investments	**-**	-

Note: A

Investment in Oil Marketing Companies GOI Special Bonds consists of:

Nature of Bond	No. of Bonds	Face Value (₹ in Crore)	Fair value (₹ in Crore)
Current investment:			
8.13% GOI SPECIAL BONDS 2021	78,000	78.00	82.66
7.95% GOI SPECIAL BONDS 2025	4,57,250	457.25	498.71
8.20% GOI SPECIAL BONDS 2023	14,53,510	1,453.51	1,604.41
6.90% GOI SPECIAL BONDS 2026	29,77,930	2,977.93	3,109.44
8.00% GOI SPECIAL BONDS 2026	1,89,270	189.27	204.78
8.20% GOI SPECIAL BONDS 2024	31,05,060	3,105.06	3,367.29
Total Current Investments	**82,61,020**	**8,261.02**	**8,867.29**

Note: B - Other Disclosures

1 During the year, Oil Marketing Companies 6.90% special Bonds of investment value of ₹ 3,000 Crore is reclassified from non current investments to current investment and 9.15% Govt Stock 2024 of investment value of ₹ 2,236.07 Crore is reclassified from current investments to non current investment

2 Out of Government Securities classified as non-current, the following are pledged in favour of Clearing Corporation of India Ltd. (CCIL) for Loans through Tri-party Repo Segment (TREPS) of CCIL.

(₹ in Crore)

Nature of Bonds	March 31,2021		March 31,2020	
	Face Value	Carrying Value	Face Value	Carrying Value
9.15% GOVT.STOCK 2024	**1,960.00**	**2,263.75**	6.00	6.97
7.35% GOVT.STOCK 2024	**695.00**	**752.49**	695.00	751.38
Oil Marketing Companies GOI Special Bonds	**-**	**-**	3,000.00	3,087.07

3 Following are not reflecting above due to rounding off:-

(Amount in ₹)

Particulars	March 31, 2021	March 31, 2020
a Vadodara Enviro Channel Limited	**10**	10
b Shama Forge Co. Limited	**100**	100
c Barauni Consumer Cooperative Societies	**2,500**	2,500
d Guwahati Consumer Cooperative Societies	**2,500**	2,500
e Mathura Consumer Cooperative Societies	**2,000**	2,000
f Haldia Consumer Cooperative Societies	**16,630**	16,630
g Indian Oil Cooperative Consumer Stores Limited, Delhi	**3,750**	3,750
h Shama Forge Co. Limited	**100**	100

NOTES TO FINANCIAL STATEMENTS

Note - 5 : LOANS

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Security Deposits				
To Others				
Secured, Considered Good	**0.09**	0.08	**-**	-
Unsecured, Considered Good	**167.72**	151.99	**318.85**	321.88
Credit Impaired	**-**	0.10	**1.40**	1.40
	167.81	**152.17**	**320.25**	**323.28**
Less : Allowance for Doubtful Deposits	**-**	0.10	**1.40**	1.40
	167.81	**152.07**	**318.85**	**321.88**
Loans				
To Related Parties				
Secured, Considered Good	**0.17**	96.12	**104.69**	0.03
Unsecured, Considered Good	**15.11**	125.24	**162.03**	0.19
Credit Impaired	**-**	-	**2.25**	2.25
	15.28	**221.36**	**268.97**	**2.47**
Less : Allowance for Doubtful Loans	**-**	-	**2.25**	2.25
	15.28	**221.36**	**266.72**	**0.22**
To Others				
Secured, Considered Good	**940.68**	854.75	**115.95**	114.60
Unsecured, Considered Good	**1,747.97**	1,971.80	**321.46**	617.13
Which have significant increase in Credit Risk	**215.03**	422.58	**17.44**	134.71
Credit Impaired	**348.75**	74.86	**206.31**	52.75
	3,252.43	**3,323.99**	**661.16**	**919.19**
Less : Allowance for Doubtful Loans	**820.28**	402.76	**258.12**	151.65
	2,432.15	**2,921.23**	**403.04**	**767.54**
	2,447.43	**3,142.59**	**669.76**	**767.76**
TOTAL	**2,615.24**	**3,294.66**	**988.61**	**1,089.64**

Note - 6: OTHER FINANCIAL ASSETS(Unsecured, Considered Good at amortised cost unless otherwise stated)

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advances for Investments	A	**1,460.64**	1,314.94		
Amount Recoverable from Central/State Governments		**-**	-	**681.45**	13,297.82
Finance Lease Receivables		**1.93**	32.45	**2.13**	33.32
Deposits for Leave Encashment Fund		**111.08**	80.83	**-**	-

NOTES TO FINANCIAL STATEMENTS

Note - 6: OTHER FINANCIAL ASSETS(Unsecured, Considered Good at amortised cost unless otherwise stated) (Contd..)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Interest Accrued on Investments/ Bank Deposits/ Loans	-	-	0.77	1.72
Derivative Instruments at Fair Value	-	-	45.13	131.11
Advance to Employee Benefits Trusts/Funds	-	-	870.53	141.19
Bank Deposits (with more than 12 months maturity)	376.09	1.78	1.78	1.48
Claims Recoverable:				
From Related Parties				
Unsecured, Considered Good	-	-	-	0.09
Unsecured, Considered Doubtful	-	-	22.66	22.66
	-	-	22.66	22.75
From Others				
Unsecured, Considered Good	-	-	116.68	164.81
Unsecured, Considered Doubtful	-	-	118.58	61.84
	-	-	235.26	226.65
Less : Provision for Doubtful Claims	-	-	141.24	84.50
	-	-	94.02	142.15
	-	-	116.68	164.90
Others:				
Unsecured, Considered Good	2.76	0.85	206.59	568.65
Which have significant increase in Credit Risk	-	-	402.54	-
Credit Impaired	-	-	3.04	6.26
	2.76	0.85	612.17	574.91
Less: Allowance for doubtful asset	-	-	74.60	6.26
	2.76	0.85	537.57	568.65
TOTAL	1,952.50	1,430.85	2,256.04	14,340.19

A. Advances for equity pending allotment.

Note - 7 : INCOME TAX/CURRENT TAX ASSET/ (LIABILITY) - NET

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Income/Current Tax Asset/ (Liability) - Net				
Advance payments for Current Tax	21,340.87	23,864.04	4,703.29	66.28
Less : Provisions	18,860.96	19,627.84	5,505.81	10.66
Income/Current Tax Asset/ (Liability) - Net	2,479.91	4,236.20	(802.52)	55.62
TOTAL	2,479.91	4,236.20	(802.52)	55.62

NOTES TO FINANCIAL STATEMENTS

Note - 8: OTHER ASSETS (NON FINANCIAL) (Unsecured, Considered Good unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Advances for Capital Expenditure				
To Others				
Secured, Considered Good	**21.01**	10.42	**-**	-
Unsecured, Considered Good	**1,115.53**	1,280.98	**-**	-
Unsecured, Considered Doubtful	**9.36**	-	**-**	-
	1,145.90	**1,291.40**	**-**	**-**
Less: Provision for Doubtful Advances	**9.36**	**-**	**-**	**-**
	1,136.54	**1,291.40**	**-**	**-**
Advances Recoverable				
From Related Parties				
Unsecured, Considered Good	**719.76**	486.23	**22.69**	22.49
From Others				
Unsecured, Considered Good	**14.90**	15.81	**2,179.04**	2,560.41
Unsecured, Considered Doubtful	**-**	-	**292.62**	6.76
	14.90	**15.81**	**2,471.66**	**2,567.17**
Less : Provision for Doubtful Advances	**-**	**-**	**292.62**	**6.76**
	14.90	**15.81**	**2,179.04**	**2,560.41**
	734.66	**502.04**	**2,201.73**	**2,582.90**
Claims Recoverable:				
From Related Parties				
Unsecured, Considered Good	**-**	-	**7.12**	8.22
Unsecured, Considered Doubtful	**-**	-	**2.61**	2.61
	-	-	**9.73**	10.83
From Others				
Unsecured, Considered Good	**-**	-	**663.37**	722.08
Unsecured, Considered Doubtful	**-**	-	**99.01**	95.07
	-	**-**	**762.38**	**817.15**
Less : Provision for Doubtful Claims	**-**	-	**101.62**	97.68
	-	**-**	**660.76**	**719.47**
	-	-	**670.49**	730.30
Balance/ Deposits with Government Authorities				
Unsecured, Considered Good	**-**	-	**520.70**	453.25
Gold / Other Precious Metals	**-**	-	**71.31**	70.30
Less : Provision for Diminution in value	**-**	-	**-**	10.72
	-	**-**	**71.31**	**59.58**
Deferred Expenses	**948.88**	1,057.25	**116.88**	299.16
Prepaid Rentals	**29.96**	42.49	**63.62**	17.18
Pre-Spent Corporate Social Responsibility Expenses	**-**	-	**118.37**	-
Others	**-**	-	**22.96**	14.83
TOTAL	**2,850.04**	**2,893.18**	**3,786.06**	**4,157.20**

NOTES TO FINANCIAL STATEMENTS

Note - 9 : INVENTORIES

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
In Hand :		
Raw Materials	18,756.61	15,185.55
Stock in Process	6,263.12	5,713.98
Finished Products	31,473.92	27,537.00
Stock in Trade	6,703.39	6,474.69
Stores, Spares etc.	5,036.71	4,752.28
Less : Provision for Losses	229.17	224.88
	4,807.54	4,527.40
Barrels and Tins	106.30	63.18
	68,110.88	59,501.80
In Transit :		
Raw Materials	11,268.13	4,913.47
Finished Products	1,112.22	599.11
Stock in Trade	2,728.98	1,775.24
Stores, Spares etc.	207.25	221.14
	15,316.58	7,508.96
TOTAL	83,427.46	67,010.76

Amount of write down of inventories carried at NRV and recognised as Expense.	504.25	1,455.71
Amount of write down of inventories carried at NRV and recognised as Exceptional Item.	-	11,304.64

Valuation of inventories are done as per point no. 7 of significant accounting policies (Note - 1).

For hypothecation details refer Note-21.

Note - 10 : TRADE RECEIVABLES (At amortised cost)

(₹ in Crore)

Particulars		March 31, 2020	March 31, 2020
From Related Parties			
Unsecured, Considered Good		283.31	167.23
Credit Impaired		7.03	-
		290.34	167.23
From Others			
Secured Considered Good		21.40	13.64
Unsecured, Considered Good		11,534.02	13,091.48
Which have significant increase in Credit Risk		2,399.55	-
Credit Impaired		166.97	134.77
		14,121.94	13,239.89
Total		14,412.28	13,407.12
Less : Allowance for Doubtful Debts	A	612.00	147.64
		13,800.28	13,259.48
TOTAL		13,800.28	13,259.48

A. Includes provision of as per expected Credit Loss method as per accounting policy	13.22	12.87

NOTES TO FINANCIAL STATEMENTS

Note - 11 : CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Bank Balances with Scheduled Banks :		
In Current Account	**545.91**	931.22
In Fixed Deposit - Maturity within 3 months	**34.41**	407.89
	580.32	**1,339.11**
Bank Balances with Non-Scheduled Banks	**189.00**	93.27
Cheques, Drafts in hand	**11.54**	1.75
Cash in Hand, Including Imprest	**0.38**	0.48
TOTAL	**781.24**	**1,434.61**

Note - 12 : BANK BALANCES OTHER THAN ABOVE

(₹ in Crore)

Particulars		March 31, 2021	March 31, 2020
Fixed Deposits	A	**348.09**	812.31
Earmarked Balances	B	**1,344.67**	48.31
Blocked Account	C	**0.72**	0.74
Other Bank Balances	D	**0.01**	0.01
TOTAL		**1,693.49**	**861.37**
A) Earmarked in favour of Statutory Authorities.		**12.91**	8.17
B) Pertains to			
- Unpaid Dividend		**44.78**	48.29
- Fractional Share Warrants		**0.02**	0.02
- Interim Dividend Declared but not Disbursed (including TDS)		**1,299.87**	
C) There exists restrictions on banking transactions in Libya due to political unrest.			
D) There exists restrictions on repatriation from bank account in Myanmar.			

Note -13 : ASSETS HELD FOR SALE

(₹ in Crore)

Particulars	Note	March 31, 2021	March 31, 2020
Freehold land	A	**1.56**	1.56
Building		**0.17**	0.30
Plant and Equipment		**190.90**	232.73
Office Equipment	B	**0.23**	0.59
Transport Equipment		**0.02**	0.02
Furniture and Fixtures		**0.02**	0.03
Total		**192.90**	**235.23**

A. The Group has surplus land at various locations such as LPG Plant, Depots and RO's etc. which is under the process of disposal. The management intends to sell the land. No impairment was recognised on reclassification of land as held for sale as the Group expects that the fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than the carrying amount.

B. Includes non current assets retired from active use earlier used in various segments and held for disposal through tendering process within a year.

During the year, the Group has recognised impairment loss of **₹ 30.00 Crore** (2020: ₹ 42.39 Crore) on write-down of asset to fair value less costs to sell and the same has been shown in Provision/loss on Other Assets sold or written off under 'Other Expenses' in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS

Note - 14 : EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Authorised:		
15,00,00,00,000 Equity Shares of ₹ 10 each	**15,000.00**	**15,000.00**
Issued Subscribed and Paid Up:		
9,41,41,58,922 (2020: 9,41,41,58,922)	**9,414.16**	9,414.16
Equity Shares of ₹ 10 each fully paid up		
Less: Equity Shares held under IOC Shares Trust	**233.12**	233.12
23,31,18,456 (2020: 23,31,18,456)		
Equity Shares of ₹ 10 each fully paid up		
TOTAL	**9,181.04**	**9,181.04**
A. Reconciliation of No. of Equity Shares		
Opening Balance	**9,41,41,58,922**	9,41,41,58,922
Closing Balance	**9,41,41,58,922**	9,41,41,58,922

B. Terms/Rights attached to Equity Shares

The Holding Company has only one class of equity shares having par value of ₹ 10 each and is entitled to one vote per share. In the event of liquidation of the corporation, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

IOC Shares Trust (Shareholder) has waived its right to receive the dividend w.e.f. 02.03.2020.

C. Details of shareholders holdings more than 5% shares

Name of Shareholder	March 31, 2021		March 31, 2020	
	Number of shares held	Percentage of Holding	Number of shares held	Percentage of Holding
THE PRESIDENT OF INDIA	**4848133178**	**51.50**	4848133178	51.50
OIL AND NATURAL GAS CORPORATION LIMITED	**1337215256**	**14.20**	1337215256	14.20
LIFE INSURANCE CORPORATION OF INDIA	**722680547**	**7.68**	610467282	6.48
OIL INDIA LIMITED	**485590496**	**5.16**	485590496	5.16

D. For the period of preceding five years as on the Balance Sheet date, the:

(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
(b) Aggregate number of shares allotted as fully paid up by way of bonus shares:	
- During FY 2016-17 (October 2016) in ratio of 1:1	2427952482
- During FY 2017-18 (March 2018) in ratio of 1:1	4855904964
(c) Aggregate number and class of shares bought back - During FY 2018-19 (February 2019)	297651006

NOTES TO FINANCIAL STATEMENTS

Note - 15: OTHER EQUITY

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Retained Earnings		
General Reserve:		
Opening Balance	**74,381.17**	81,462.94
Add: Remeasurement of Defined Benefit Plans	**13.98**	(138.17)
Add : Transfer from Export profit Reserve	**53.72**	-
Add: Other Adjustment in JVs/Adj in Opening Balance	**(1.08)**	(0.16)
Add: Appropriation from Surplus	**11,845.00**	(6,943.44)
	86,292.79	**74,381.17**
Surplus (Balance in Statement of Profit and Loss):		
Opening Balance	**1,599.93**	1,391.47
Profit for the Year	**21,638.21**	(893.14)
Add: Opening Balance Adjustment	**(28.20)**	(14.88)
Less: Appropriations		
Interim Dividend	**9,640.47**	3,902.09
Final Dividend	**-**	918.25
Dividend Distribution Tax on:		
Interim Dividend	**-**	799.27
Final Dividend	**-**	187.31
Insurance Reserve (Net)	**11.05**	20.00
Corporate Social Responsibility Reserve (Net)	**0.24**	0.04
General Reserve	**11,845.00**	(6,943.44)
Balance carried forward to next year	**1,713.18**	**1,599.93**
	88,005.97	75,981.10
Other Reserves:		
Bond Redemption Reserve	**3,171.39**	3,171.39
Capital Redemption Reserve Account	**298.06**	298.06
Capital Reserve		
Opening Balance	**434.10**	434.10
Add: On Consolidation	**(1.59)**	-
	432.51	**434.10**
Securities Premium		
Opening Balance	**76.74**	76.74
Add: Adjustment in Opening Balance	**-**	-
Addition/Adjustment during the year	**-**	-
	76.74	**76.74**
Insurance Reserve		
Opening Balance	**261.09**	241.09
Less : Recoupment of uninsured fire loss	**8.95**	-
Add: Appropriation from Surplus	**20.00**	**20.00**
	272.14	**261.09**
Export Profit Reserve :		
Opening Balance	**53.72**	53.72
Less: Transfer To General Reserve	**53.72**	-
	-	**53.72**

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd..)

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Corporate Social Responsibility Reserve		
Opening Balance	0.86	0.82
Add: Appropriation from Surplus	2.43	560.16
Less: Utilised during the year	2.19	560.12
	1.10	0.86
Foreign Currency Monetary Item Translation Difference Account		
Opening Balance	-	(35.78)
Add: Foreign Currency Exchange Gain/ (Loss) on Long Term Monetary Items	-	6.86
Less: Amortised during the year	-	(28.92)
	-	-
Fair Value Through Other Comprehensive Income :		
Fair value of Equity Instruments		
Opening Balance	5,416.88	16,217.18
Add: Fair value during the year	4,398.83	(10,800.30)
	9,815.71	5,416.88
Fair value of Debt Instruments		
Opening Balance	391.67	(43.95)
Add: Fair value during the year	80.91	435.62
Less: Transferred to statement of profit and loss	2.28	-
	470.30	391.67
Cash Flow Hedge Reserve		
Opening Balance	46.00	22.04
Add: Fair value during the year	16.81	46.01
Less: Transferred during the year	46.01	22.05
	16.80	46.00
Translation Reserve on Consolidation		
Opening Balance	85.26	(1.62)
Add : Translation difference	11.03	86.88
	96.29	85.26
TOTAL	1,02,657.01	86,216.87

Nature and Purpose of Reserves

A. Retained Earnings

The retained earnings comprises of general reserve and surplus which is used from time to time to transfer profits by appropriations. Retained earnings is free reserve of the Company and is used for the purposes like issuing bonus shares, buy back of shares and other purposes (like declaring Dividend etc.) as per the approval of Board of Directors. It includes the re-measurement of defined benefit plan as per actuarial valuations which will not be re-classified to statement of profit and loss in subsequent periods.

B. Bond Redemption Reserve

As per the Companies Act 2013, a Bond Redemption Reserve was required to be created for all bonds/ debentures issued by the company at a specified percentage. This reserve is created out of appropriation of profits over the tenure of bonds and will be transferred back to general reserve on repayment of bonds for which it is created.

C. Capital Redemption Reserve

As per the Companies Act 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. Utilisation of this reserve is governed by the provisions of the Companies Act 2013.

NOTES TO FINANCIAL STATEMENTS

Note - 15 : OTHER EQUITY (Contd..)

D. Capital Reserve

Capital Reserve was created through business combinations and shall be utilised as per the provisions of the Companies Act 2013.

E. Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

F. Insurance Reserve

Insurance Reserve is created by the company with the approval of Board of Directors to mitigate risk of loss of assets not insured with external insurance agencies. ₹ 20.00 Crore is appropriated by the company every year to this reserve. The reserve is utilised to mitigate actual losses by way of net appropriation in case any uninsured loss is incurred. Amount of **₹ 8.95 Crore** (2020 : Nil) has been utilised for recoupment of uninsured losses.

G. Export Profit Reserve

Amount set aside out of profits from exports for availing income tax benefits u/s 80HHC of the Income Tax Act, 1961 for the assessments years 1986-87 to 1988-89. Creation of reserve for claiming deduction u/s 80HHC was dispensed from AY 1989-90 onwards. In view of settlement of tax dispute with respect to claim under section 80 HHC, Export Profit Reserve created in earlier years is no longer required and therefore the balance lying has been transferred to General Reserve.

H. Corporate Social Responsibility Reserve

Corporate Social Responsibility (CSR) Reserve is created for meeting expenses relating to CSR activities in line with CSR policy of respective group of companies.

I. Foreign Currency Monetary Item Translation Difference Account

This reserve is created to accumulate and amortise exchange fluctuations on Long-Term Monetary Items (other than those related to depreciable PP&E) over the remaining life of these items. This is as per the transition exemption taken by the company at the time of implementation of Ind-AS wherein the company has chosen to continue the old GAAP practice for items upto 31.03.2016.

J. Fair value of Equity Instruments

This reserve represents the cumulative effect of fair value fluctuations of investments made by the company in equity instruments of other entities. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. This will not be re-classified to the statement of profit and loss in subsequent periods.

K. Fair value of Debt Instruments

This reserve represents the cumulative effect of fair value fluctuations in debt investments made by the company which are classified as available for sale investments. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. This amount will be re-classified to the statement of profit and loss in subsequent periods on disposal of respective instruments.

L. Cash Flow Hedge Reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on such changes are recognised through Other Comprehensive Income (OCI) and accumulated under this reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged item occurs/ affects the statement of profit and loss.

M. Translation Reserve on Consolidation

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised thru Other Comprehensive Income (OCI) and is presented within equity in the foreign currency translation reserve.

NOTES TO FINANCIAL STATEMENTS

Note - 16: LONG TERM BORROWINGS (At amortised cost)

(₹ in Crore)

Particulars		Non Current		Current Maturities*	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
SECURED LOANS					
Term Loans:					
From Banks	A	-	500.00	-	3.34
From Oil Industry Development Board (OIDB)	B	**975.47**	489.52	**125.00**	177.81
		975.47	**989.52**	**125.00**	**181.15**
Other Loans:					
From Banks					
In Foreign Currency Loans	C	-	378.85	**365.79**	-
Total Secured Loans		**975.47**	**1,368.37**	**490.79**	**181.15**
UNSECURED LOANS					
Bonds/ Debentures:					
Foreign Currency Bonds	D	**12,402.76**	16,478.13	**3,853.59**	209.27
Rupee Bonds/ Debentures	E	**15,908.35**	7,994.02	**378.81**	135.14
		28,311.11	**24,472.15**	**4,232.40**	**344.41**
Debentures:					
Non-Convertible Debentures	F	**1,955.00**	1,145.00	**39.35**	6.64
		1,955.00	**1,145.00**	**39.35**	**6.64**
Term Loans:					
From Banks/ Financial Institutions					
In Foreign Currency Loans	G	**20,652.09**	21,780.65	**1,900.54**	1,894.94
In Rupees		**1,500.00**	-	**2.22**	-
From Government					
In Rupees	H	**1,291.34**	962.66	**-**	-
		23,443.43	**22,743.31**	**1,902.76**	**1,894.94**
Lease Obligations	I	**6,249.89**	6,341.78	**1,472.89**	1,395.14
Total Unsecured Loans		**59,959.43**	**54,702.24**	**7,647.40**	**3,641.13**
TOTAL LONG-TERM BORROWINGS		**60,934.90**	**56,070.61**	**8,138.19**	**3,822.28**

*Current maturities (including Finance Lease Obligations) are carried to Note - 17: Other Financial Liabilities.

NOTES TO FINANCIAL STATEMENTS

Note - 16: LONG TERM BORROWINGS (At amortised cost) (Contd..)

Secured Loans:

A. Term Loan from Banks

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Term Loan from Oil Industry Development Board - ₹ 50 Crore	March 18, 2019	7.22%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
2	Term Loan from Oil Industry Development Board - ₹ 50 Crore	May 17, 2019	7.46%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to RLNG project
3	Term Loan from Oil Industry Development Board - ₹ 150 Crore	October 30, 2019	6.52%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
4	Term Loan from Oil Industry Development Board - ₹ 100 Crore	March 31, 2019	6.16%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
5	Term Loan from Oil Industry Development Board - ₹ 100 Crore	June 30, 2020	5.68%	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
6	Term Loan from Oil Industry Development Board - ₹ 100 Crore	March 26, 2021	Floating rate based on month end (semi-annualised) interest rates for 5 year G-sec as per FIMMDA plus 50% of margins of AAA rated Bonds over G-sec as quoted in INCORP (qoute AAA INBMK) rest on a quaterly basis.	The loan will be for a period of 5 years with 1 year moratorium and repayable in 4 equal installments. Interest payable on Quarterly basis	First Mortgage and charge on Immovable properties, both present and future and First Charge by way of Hypothecation on Movables including movable machinery, machinery spares, tools and accessories, present and future, pertaining to BS-VI project
7	Term Loan from State Bank of India - ₹ 500 Crore	January 07, 2019	6 Months MCLR, reset at half yearly intervels	Principal repayable at the end of 5 years from date of availment. Interest payable monthly	Pari passu first charge by way of hypothecation of fixed assets along with the South Indian Bank Ltd (i.e., after excluding land and building of the entire Company & assets pertaining to BS-VI project and RLNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times.

NOTES TO FINANCIAL STATEMENTS

Note - 16: LONG TERM BORROWINGS (At amortised cost) (Contd..)

B. Term Loan from OIDB

1. Security Details for OIDB Loans:

a) First charge on the facilities at IndMax Unit, Bongaigaon Refinery, Assam.

2. Loan Repayment Schedule against loans from OIDB (Secured)-Term Loans

S. No.	Repayable During	Repayable Amount (₹ In Crore)	Range of Interest Rate
1	2021-22	37.50	6.51%
2	2022-23	146.75	5.31% - 6.51%
3	2023-24	146.75	5.31% - 6.51%
4	2024-25	146.75	5.31% - 6.51%
5	2025-26	109.25	5.31% - 5.51%
	Total	**587.00**	

C. Foreign Currency Loans

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Repayment	Security Details
1	Foreign Currency Term Loan from South Indian Bank -USD 50 Mn	13th December 2018	1) 6 Months LIBOR + 125 Bps for first 6 months, 2) 6 Months LIBOR + 175 Bps for next 30 months 3) Reset at half yearly intervals 4) Interest payable on monthly basis	Principal repayable at the end of 3 years from date of availment. Interest payable monthly.	Pari passu first charge on entire fixed assets of the Company (excluding Land and building & assets pertaining to BS-VI project and R-LNG projects) with a minimum Fixed Asset Coverage Ratio of 1.50 times and second pari passu charge on movable assets of BS-VI project and R-LNG project.

Unsecured Loans:

D. Repayment Schedule of Foreign Currency Bonds

Sl. No.	Particulars	Date of Issue	Date of Repayment
1	USD 900 Million Reg S Bonds	January 16, 2019	Payable after 5 years from the date of issue
2	USD 500 Million Reg S Bonds	August 01, 2013	Payable after 10 years from the date of issue
3	SGD 400 Million Reg S Bonds	October 15, 2012	On the same day, cross currency swap amounting to USD 325.57 Million. Payable after 10 years from the date of issue
4	USD 500 Million Reg S Bonds	August 02, 2011	Payable after 10 years from the date of issue

NOTES TO FINANCIAL STATEMENTS

Note - 16: LONG TERM BORROWINGS (At amortised cost) (Contd..)

E. Repayment Schedule of Rupee Bonds/ Debentures

Sl. No.	Particulars	Date of Allotment	Coupon Rate	Date of Redemption
1	Indian Oil-2029 (Series XIV) 30000 debenture of Face Value ₹ 10,00,000 each	October 22, 2019	7.41% p.a.payable annually on 22 October	10 years from the deemed date of allotment i.e. October 22, 2029
2	Indian Oil-2023 (Series XV) 20000 debenture of Face Value ₹ 10,00,000 each	January 14, 2020	6.44% p.a.payable annually on 14 January	3 years 3 months from the deemed date of allotment i.e. April 14, 2023
3	Indian Oil-2025 (Series XVI) 29950 debenture of Face Value ₹ 10,00,000 each	March 06, 2020	6.39% p.a.payable annually on 6 March	5 years from the deemed date of allotment i.e. March 6, 2025
4	Indian Oil-2022 (Series XVII) 30000 debenture of Face Value ₹ 10,00,000 each	May 27, 2020	5.05% p.a.payable annually on 27 May	2 years 6 months from the deemed date of allotment i.e. November 25, 2022
5	Indian Oil-2025 (Series XVIII) 16250 debenture of Face Value ₹ 10,00,000 each	August 03, 2020	5.40% p.a.payable annually on 03 August	4 years 8 months and 8 days from the deemed date of allotment i.e. April 11, 2025
6	Indian Oil-2025 (Series XIX) 20000 debenture of Face Value ₹ 10,00,000 each	October 20, 2020	5.50% p.a.payable annually on 20 October	5 years from the deemed date of allotment i.e. October 20, 2025
7	Indian Oil-2026 (Series XX) 12902 debenture of Face Value ₹ 10,00,000 each	January 25, 2021	5.60% p.a.payable annually on 25 January	4 years 11 months and 29 days from the deemed date of allotment i.e. January 23,2026.

F. Repayment Schedule of Non-Convertible Debentures

Sl. No.	Particulars	Availed Date	Rate of Interest	Date of Redemption
1	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2020	February 28, 2020	6.43%	Principal repayable at the end of 3 years from date of availment. Interest payable Annually
2	Unsecured Redeemable Non-Convertible Debentures of ₹ 10 Lakhs each redeemable at par - Series -I-2021	July 17, 2020	5.78%	Principal repayable at the end of 5 years from date of availment. Interest payable Annually

G. Repayment Schedule of loans from Banks and Financial Institutions in Foreign Currency

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	USD 100 Million Term Loan	March 12, 2021	Payable after 3 years & 3 months from the date of drawal
2	USD 300 Million Term loan	June 19, 2019	Payable after 3 years from the date of drawal

NOTES TO FINANCIAL STATEMENTS

Note - 16: LONG TERM BORROWINGS (At amortised cost) (Contd..)

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
3	USD 50 Million Syndication Loan	March 07, 2019	Payable after 5 years from the date of drawal
4	USD 200 Million Syndication Loan	March 05, 2019	
5	USD 150 Million Syndication Loan	February 28, 2019	
6	USD 100 Million Syndication Loan	December 31, 2018	
7	USD 100 Million Syndication Loan	December 28, 2018	
8	USD 200 Million Syndication Loan	December 24, 2018	
9	USD 100 Million Syndication Loan	December 20, 2018	
10	USD 250 Million Syndication Loan	December 18, 2018	
11	USD 100 Million Syndication Loan	December 12, 2018	
12	USD 450 Million Syndication Loan	December 11, 2018	
13	USD 300 Million syndication loan	September 29, 2017	

Sl. No.	Particulars of Loans	Date of Repayment
1	US$ 260 Million	5 years from the date of drawal (31.03.2017) i.e. 31.03.2022
2	CAD 580 Million Loan Consortium of banks	5 year from the date of drawal or 16th December 2025 which ever is earlier

H. Repayment Schedule of Term loans from Banks and Financial Institutions in Rupees

Sl. No.	Particulars of Loans	Date of drawal	Date of Repayment
1	HDFC ₹ 1,500 Crore Term Loan	March 20, 2021	Payable after 3 years from the date of drawal

I. Repayment Schedule of Unsecured Interest Free Loans from Govt of Odisha

Interest free loan given by Odisha Government for 15 years is to be disbursed in quarterly instalment of ₹ 175 Crore starting from April 01, 2016 repayble after 15 years. Total loan disbursed till now is ₹ 3,500 Crore which is repayable after 15 years from the quarter for which the same is given i.e. in quarterly instalments starting from last week of June, 2031 onwards. This loan being interest free loan is accounted at fair value and accordingly accounting for government grant is done.

I. Lease Obligations

The Lease Obligations are against Assets aquired on lease. The carrying value of the same is ₹ **7,950.66 Crore** (2020: ₹ 7,694.84 Crore).

NOTES TO FINANCIAL STATEMENTS

Note - 17: OTHER FINANCIAL LIABILITIES (At amortised cost unless otherwise stated)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current maturities of long-term debt (Refer Note - 16)	-	-	8,138.19	3,822.28
Liability for Capital Expenditure	-	-	6,273.32	5,172.79
Liability to Trusts and Other Funds	-	-	161.21	417.47
Employee Liabilities	-	-	2,591.55	1,118.45
Liability for Purchases on Agency Basis	-	-	-	-
Investor Education & Protection Fund to be credited on the due dates:				
- Unpaid Dividend	-	-	44.78	44.60
- Unpaid Matured Deposits	-	-	0.01	0.01
	-	-	44.79	44.61
Derivative Instruments at Fair Value	-	-	252.65	467.38
Security Deposits	847.48	789.58	29,674.56	29,001.52
Liability for Dividend	-	-	1,260.79	3.69
Others	-	-	1,772.04	1,891.44
TOTAL	847.48	789.58	50,169.10	41,939.63

Note - 18: PROVISIONS

(₹ in Crore)

Particulars		Non Current		Current	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for Employee Benefits		1,046.73	1,014.86	227.37	502.08
Decommissioning Liability	A	550.10	582.37	4.02	2.31
Contingencies for probable obligations	B	-	-	10,821.03	10,727.81
Less: Deposits		-	-	1,750.09	1,595.93
		-	-	9,070.94	9,131.88
TOTAL		1,596.83	1,597.23	9,302.33	9,636.27

A. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilisation during the year	Reversals during the year**	Unwinding of discount and changes in the discount rate	Closing Balance
Decommissioning Liability - E&P Blocks	584.68	13.29	-	8.01	(35.84)	554.12
Previous Year Total	1,077.88	26.93	-	(46.38)	(566.51)	584.68

Includes loss on account of transalation amounting to ₹ **0.03 Crore (2020: Gain of ₹ 54.91 Crore)

NOTES TO FINANCIAL STATEMENTS

Note - 18: PROVISIONS (Contd..)

B. In compliance of Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under :

(₹ in Crore)

Particulars	Opening Balance	Addition during the year	Utilisation during the year	Reversals during the year**	Closing Balance*
Excise	15.45	0.05	-	-	15.50
Sales Tax / GST	1,813.32	166.09	-	-	1,979.41
Entry Tax	5,614.66	-	-	2.90	5,611.76
Others	3,284.38	598.91	434.37	234.56	3,214.36
TOTAL	**10,727.81**	**765.05**	**434.37**	**237.46**	**10,821.03**
Previous Year Total	11,710.85	1,045.21	586.25	1,442.00	10,727.81

(₹ in Crore)

	Addition includes	Reversal includes
- capitalised	0.79	
- included in Raw Material	55.80	
- included in Finance Cost	367.75	
- included in Employee Benefit Expenses	132.02	
- included in Other Expenses	204.80	9.81
- Amount transferred from Liabilities to Provisions	3.89	
- shown as provison for tax		
- Adjusted against Deposits/Paid		

*Expected timing of outflow is not ascertainable at this stage, the matters being under dispute/ contingent.

Note - 19: DEFERRED TAX LIABILITIES (NET)

(i) In compliance of Ind AS – 12 on "Income Taxes", the item wise details of Deferred Tax Liability (net) are as under:

(₹ in Crore)

Particulars	As on April 1, 2020	Provided during the year in Statement of Profit and Loss *	Provided during the year in OCI (net)	Balance as on March 31, 2021
Deferred Tax Liability:				
Related to Fixed Assets	17,969.01	(259.84)	-	**17,709.17**
Others	**-**	**3.24**	**-**	**3.24**
Total Deferred Tax Liability (A)	**17,969.01**	**(256.60)**	**-**	**17,712.41**
Deferred Tax Assets:				
Provision on Inventories, Debtors, Loans and Advance, Investments	860.36	438.04	-	**1,298.40**
Compensation for Voluntary Retirement Scheme	3.50	(2.49)	-	**1.01**
43B/40 (a)(ia)/other Disallowances etc.	2,673.88	130.17	1.92	**2,805.97**
Carry Forward Business Losses/ Unabsorbed Depreciation	3,297.67	(2,644.54)	-	**653.13**
Remeasurement of defined benefit plan	0.58	0.04	0.04	**0.66**
Fair valuation of Equity instruments	72.36	-	(199.12)	**(126.76)**

NOTES TO FINANCIAL STATEMENTS

Note - 19: DEFERRED TAX LIABILITIES (NET) (Contd..)

(₹ in Crore)

Particulars	As on April 1, 2020	Provided during the year in Statement of Profit and Loss *	Provided during the year in OCI (net)	Balance as on March 31, 2021
MTM on Hedging Instruments **	(15.48)	-	9.82	**(5.66)**
Fair value of debt instruments ***	(145.11)	-	(15.56)	**(160.67)**
Others	(818.03)	99.89	-	**(718.14)**
Total Deferred Tax Assets (B)	**5,929.73**	**(1,978.89)**	**(202.90)**	**3,747.94**
MAT/ ECS Credit Entitlement (C) Net #	599.99	(599.99)	-	**-**
Deferred Tax Liability net of MAT Credit (A-B-C)	**11,439.29**	**2,322.28**	**202.90**	**13,964.47**

Note: During FY 2020-21, on account of change in the tax liabilities pertaining to the past periods, MAT credit amounting to ₹ 228.15 Crore out of previously written off MAT balance has been recognised and utilised against such increased tax liability.

Includes ₹ 599.99 Crore towards MAT credit written off by Chennai Petroleum Corporation Limited upon movement to new Tax Regime.

* Includes translation reserve of ₹ (25.91) Crore due to translation of Opening Balance at Closing Exchange Rate.

** Net of amount recycled to Statement of Profit and Loss during the year.

*** Excludes the amount of tax on fair value of debt instrument sold during the year.

(₹ in Crore)

Particulars	As on April 1, 2020	Provided during the year in Statement of Profit and Loss *	Provided during the year in OCI (net)	Balance as on March 31, 2020
Deferred Tax Liability:				
Related to Fixed Assets	23,270.61	(5,301.60)	-	17,969.01
Foreign Currency gain on long term monetary item	12.50	(12.50)	-	-
Total Deferred Tax Liability (A)	**23,283.11**	**(5,314.10)**	**-**	**17,969.01**
Deferred Tax Assets:				
Provision on Inventories, Debtors, Loans and Advance, Investments	1,020.64	(160.28)	-	860.36
Compensation for Voluntary Retirement Scheme	9.38	(5.88)	-	3.50
43B/40 (a)(ia)/other Disallowances etc.	3,760.28	(1,107.72)	21.32	2,673.88
Carry Forward Business Losses/ Unabsorbed Depreciation	304.67	2,993.00	-	3,297.67
Remeasurement of defined benefit plan	0.58	-	-	0.58
Fair valuation of Equity instruments	(54.11)	-	126.47	72.36
MTM on Hedging Instruments	(11.85)	-	(3.63)	(15.48)
Fair value of debt instruments	5.76	-	(150.87)	(145.11)
Others	(455.37)	(362.66)	-	(818.03)
Total Deferred Tax Assets (B)	**4,579.98**	**1,356.46**	**(6.71)**	**5,929.73**
MAT/ ECS Credit Entitlement (C) Net #	**2,193.42**	**(1,593.43)**	**-**	**599.99**
Deferred Tax Liability net of MAT Credit (A-B-C)	**16,509.71**	**(5,077.13)**	**6.71**	**11,439.29**

#Includes generation of MAT Credit of ₹ 770.05 Crore due to alignment of tax provisions with ITR for earlier years and ₹ 1,921.13 Crore towards MAT credit written off upon movement of Parent Company to new Tax Regime

* Includes translation reserve of ₹ 41.30 Crore due to translation of Opening Balance at Closing Exchange Rate

NOTES TO FINANCIAL STATEMENTS

Note - 19: DEFERRED TAX LIABILITIES (NET) (Contd..)

(ii) Reconciliation between the average effective tax rate and the applicable tax rate is as below :

	2020-21		2019-20	
	%	(₹ in Crore)	%	(₹ in Crore)
Profit Before Tax		**30,750.73**		**(7,177.01)**
Tax as per applicable Tax Rate	**25.168**	**7,739.34**	**25.168**	**(1,806.31)**
Tax effect of:				
Income that are not taxable in determining taxable profit	**(1.35)**	**(414.45)**	6.12	(439.47)
Expenses that are not deductible in determining taxable profit	**0.63**	**192.47**	(4.11)	294.92
Recognition of previously unrecognised allowance/ disallowances	**(3.31)**	**(1,016.43)**	0.84	(59.98)
Expenses/income related to prior years	**5.16**	**1,588.23**	(10.08)	723.59
Difference in tax due to income chargeable to tax at special rates	**(0.03)**	**(10.00)**	1.48	(106.14)
Share of profit of JVs/ Associates added net of tax in PBT of Group	**0.46**	**141.24**	1.97	(141.09)
Different or Nil tax rates of Group Companies	**0.15**	**46.82**	(3.24)	232.37
Effect of Taxes in foreign jurisdiction	**0.09**	**26.86**	(5.65)	405.32
Difference due to change in Rate of Tax	**2.26**	**693.76**	61.35	(4,402.98)
Others	**-**	**0.67**	0.01	(0.92)
Average Effective Tax Rate/ Income Tax Expenses	**29.228**	**8,988.51**	**73.858**	**(5,300.69)**

Note - 20: OTHER LIABILITIES (NON FINANCIAL)

(₹ in Crore)

Particulars	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Deferred Income	**3.64**	4.41	**0.88**	1.20
Government Grants (Refer Note 43)	**2,272.45**	1,931.60	**202.90**	171.80
Statutory Liabilities	**-**	-	**11,374.69**	6,448.70
Advances from Customers	**306.74**	111.49	**4,430.54**	4,913.32
Others	**0.53**	0.60	**1,063.95**	933.22
TOTAL	**2,583.36**	**2,048.10**	**17,072.96**	**12,468.24**

Note - 21: BORROWINGS - CURRENT

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
SECURED LOANS		
Loans Repayable on Demand		
From Banks: A		
Working Capital Demand Loan	**7,825.58**	7,242.52
Cash Credit	**113.34**	641.88
Foreign Currency Loans	**84.61**	22.67
	8,023.53	**7,907.07**

NOTES TO FINANCIAL STATEMENTS

Note - 21: BORROWINGS - CURRENT (Contd..)

(₹ in Crore)

Particulars		March 31, 2021	March 31, 2020
From Others:			
Loans through Tri-Party Repo Segment (TREPS) of Clearing Corporation of India Ltd. (CCIL)	B	**319.97**	2,629.95
Other Loans	A	**2,011.42**	1,493.38
Total Secured Loans		**10,354.92**	**12,030.40**
UNSECURED LOANS			
Loans Repayable on Demand			
From Banks/ Financial Institutions			
In Foreign Currency		**11,355.78**	29,937.93
In Rupee		**9,454.19**	8,671.85
		20,809.97	**38,609.78**
From Others			
Commercial Papers		**16,415.12**	19,257.26
Total Unsecured Loans		**37,225.09**	**57,867.04**
TOTAL SHORT-TERM BORROWINGS		**47,580.01**	**69,897.44**

A. Against hypothecation by way of first pari passu charge on Raw Materials, Finished Goods, Stock-in Trade, Sundry Debtors, Outstanding monies, Receivables, Claims, Contracts, Engagements to SBI and HDFC Banks.

B. Against pledging of the following to CCIL:

Government Securities (Including OMC GOI Special Bonds)	**2,655.00**	3,701.00
Bank Guarantees	**1,650.00**	1,650.00

Note - 22: TRADE PAYABLES

(At amortised cost)

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Dues to Micro and Small Enterprises	**324.28**	205.56
Dues to Related Parties	**911.33**	835.99
Dues to Others	**36,012.36**	26,534.71
TOTAL	**37,247.97**	**27,576.26**

Note - 23: REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	2020-2021	2019-2020
Sales (Net of Discounts)	**5,15,852.94**	5,70,082.73
Sale of Services	**279.87**	135.53
Other Operating Revenues (Note "23.1")	**3,136.94**	4,213.39
	5,19,269.75	5,74,431.65
Net Claim/(Surrender) of SSC and other claims	**891.49**	100.20
Subsidy From Central/State Government	**75.60**	161.68
Grant from Government of India	**-**	1,296.17
TOTAL	**5,20,236.84**	**5,75,989.70**

NOTES TO FINANCIAL STATEMENTS

Note - 23.1: OTHER OPERATING REVENUES

(₹ in Crore)

Particulars	2020-2021	2019-2020
Sale of Power and Water	255.68	338.15
Revenue from Construction Contracts	3.91	8.11
Unclaimed / Unspent liabilities written back	371.90	175.57
Provision for Doubtful Advances, Claims, and Stores written back	10.51	17.73
Provision for Contingencies written back	227.65	1,353.49
Recoveries from Employees	14.79	16.53
Retail Outlet License Fees	999.52	1,117.06
Income from Non Fuel Business	136.16	173.23
Commission and Discount Received	1.01	1.25
Sale of Scrap	258.56	225.27
Income from Finance Leases	0.13	5.03
Amortisation of Capital Grants	171.46	134.77
Revenue Grants	47.68	46.76
Terminalling Charges	59.07	56.84
Other Miscellaneous Income	578.91	543.60
TOTAL	3,136.94	4,213.39

Particulars relating to Revenue Grants are given in Note - 43.

Note - 24: OTHER INCOME

(₹ in Crore)

Particulars		2020-2021	2019-2020
Interest on:	A		
Financial items:			
Deposits with Banks		65.16	75.83
Customers Outstandings		341.74	348.56
Oil Companies GOI SPL Bonds/ Other Investment		912.69	825.50
Other Financial Items		466.71	643.11
Total interest on Financial items		1,786.30	1,893.00
Non-Financial items		47.35	119.86
		1,833.65	2,012.86
Dividend	B	260.87	709.96
Profit on Sale of Investments (Net)		1.84	-
Exchange Fluctuations (Net)		1,257.62	-
Gain on Derivatives		140.87	-
Other Non Operating Income		4.69	50.80
TOTAL		3,499.54	2,773.62
A 1. Includes Tax Deducted at Source		8.55	8.43
A 2. Includes interest received under section 244A of the Income Tax Act.		24.15	45.75
A 3. Include interest on:			
Current Investments		638.32	516.93
Non-Current Investments		274.37	308.57

NOTES TO FINANCIAL STATEMENTS

Note - 24: OTHER INCOME (Contd..)

(₹ in Crore)

Particulars	2020-2021	2019-2020
A 4. Total interest income (calculated using the effective interest method) for financial assets:		
In relation to Financial assets classified at amortised cost	**873.61**	1,067.50
In relation to Financial assets classified at FVOCI	**912.69**	825.50
B Dividend Income consists of Dividend on:		
Current Investments	**1.69**	5.65
Non-Current Investments	**259.18**	704.31

Note - 25: COST OF MATERIALS CONSUMED

(₹ in Crore)

Particulars	2020-2021	2019-2020
Opening Stock	**20,099.02**	30,528.07
Add: Purchases	**1,84,121.94**	2,76,368.22
	2,04,220.96	**3,06,896.29**
Less: Closing Stock	**30,024.74**	20,099.02
Less: Transfer to Exceptional Items	**-**	5,717.14
TOTAL	**1,74,196.22**	**2,81,080.13**

Note - 26: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND STOCK IN PROCESS

(₹ in Crore)

Particulars	2020-2021	2019-2020
Closing Stock		
Finished Products	**32,586.14**	28,136.11
Stock in Process	**6,263.12**	5,713.98
Stock-in-trade	**9,432.37**	8,249.93
	48,281.63	**42,100.02**
Less:		
Opening Stock		
Finished Products	**28,136.11**	25,953.37
Stock in Process	**5,713.98**	6,366.96
Stock-in-Trade	**8,249.93**	9,952.84
	42,100.02	**42,273.17**
Add: Transfer to Exceptional Items	**-**	5,587.50
NET INCREASE / (DECREASE)	**6,181.61**	**5,414.35**

NOTES TO FINANCIAL STATEMENTS

Note - 27: EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	2020-2021	2019-2020
Salaries, Wages, Bonus etc	**8,621.45**	6,936.84
Contribution to Provident & Other Funds	**1,502.06**	1,281.42
Voluntary Retirement Compensation	**2.60**	1.75
Staff Welfare Expenses	**1,182.67**	1,116.92
TOTAL	**11,308.78**	**9,336.93**

A. Excludes ₹ **446.06 Crore** (2020: ₹ 432.45 Crore) included in capital work in progress (construction period expenses - Note-2.2) / intangible assets under development (Note - 3.1) and ₹ **15.08 Crore** (2020: ₹ 24.63 Crore) included in CSR expenses (Note - 29.1).

B. Disclosure in compliance with Indian Accounting Standard-19 on “Employee Benefits” is given in Note - 36.

Note - 28: FINANCE COSTS

(₹ in Crore)

Particulars		2020-2021	2019-2020
Interest Payments on Financial items:			
Working Capital Loans:			
Bank Borrowings		**565.53**	862.66
Bonds/Debentures		**434.03**	325.13
Others		**787.52**	1,379.05
		1,787.08	**2,566.84**
Other Loans:			
Bank Borrowings		**427.82**	689.18
Bonds/Debentures		**673.44**	568.34
Lease Obligations		**765.92**	756.53
Others		**2.09**	2.24
		1,869.27	**2,016.29**
Unwinding of Discount		**97.13**	73.79
Others		**6.17**	5.59
		3,759.65	**4,662.51**
Interest Payments on Non Financial items:			
Unwinding of Discount		**16.67**	16.98
Others		**581.98**	343.77
		598.65	**360.75**
		4,358.30	**5,023.26**
Other Borrowing Cost	A	**34.28**	44.44
Applicable Net (Gain) / Loss on Foreign Currency Transactions and Translation	B	**(803.46)**	1,511.04
TOTAL		**3,589.12**	**6,578.74**

A. Mainly pertains to franking charges, service charges & other indirect expenses on borrowings.

B. Net adjustment pertaining to current year's exchange gain considering unrealised exchange losses treated as finance cost in earlier years in line with Ind AS 23

Total interest expense (calculated using the effective interest method) for financial liabilities that are not at fair value through profit or loss	3,759.65	4,662.51

NOTES TO FINANCIAL STATEMENTS

Note - 29: OTHER EXPENSES

(₹ in Crore)

Particulars	2020-2021	2019-2020
Consumption:		
a) Stores, Spares and Consumables	**1,792.39**	1,952.43
b) Packages & Drum Sheets	**422.15**	439.94
	2,214.54	**2,392.37**
Power & Fuel	**19,397.52**	24,574.13
Less : Fuel from own production	**14,979.47**	19,318.55
	4,418.05	**5,255.58**
Throughput, Processing & Blending Fees, Royalty and Other Charges	**1,036.80**	1,467.90
Octroi, Other Levies and Irrecoverable taxes	**1,789.15**	1,864.98
Repairs and Maintenance		
i) Plant & Equipment	**3,301.17**	3,810.04
ii) Buildings	**340.33**	371.43
iii) Others	**578.87**	569.71
	4,220.37	**4,751.18**
Freight, Transportation Charges and Demurrage	**14,252.47**	14,172.77
Office Administration, Selling and Other Expenses (Note "29.1")	**8,234.89**	13,997.76
TOTAL	**36,166.27**	**43,902.54**
Less: Company's use of own Products and Crude	**688.97**	837.78
TOTAL (Net)	**35,477.30**	43,064.76

Note - 29.1: OFFICE,ADMINISTRATION,SELLING AND OTHER EXPENSES

(₹ in Crore)

Particulars	2020-2021	2019-2020
Rent	**609.74**	488.90
Insurance	**286.49**	171.72
Rates & Taxes	**146.90**	151.12
Donation	**1.00**	0.01
Payment to auditors		
As Auditors	**4.83**	4.67
For Taxation Matters	**0.50**	0.48
Other Services(for issuing other certificates etc.)	**1.56**	1.48
For reimbursement of expenses	**0.14**	0.35
	7.03	**6.98**
Travelling & Conveyance	**485.40**	741.36
Communication Expenses	**61.60**	57.41
Printing & Stationery	**32.89**	42.86
Electricity & Water	**378.56**	392.23
Bank Charges	**32.61**	51.00
Advances & Claims written off	**17.36**	9.41
Provision/ Loss on Assets sold or written off (Net)	**136.50**	106.25

NOTES TO FINANCIAL STATEMENTS

Note - 29.1: OFFICE,ADMINISTRATION,SELLING AND OTHER EXPENSES (Contd..)

(₹ in Crore)

Particulars	2020-2021	2019-2020
Technical Assistance Fees	**108.63**	57.98
Exchange Fluctuation (net)	**-**	4,145.53
Provision for Doubtful Advances, Claims, CWIP, Stores etc.	**574.46**	2,138.08
Security Force Expenses	**889.56**	861.73
Sales Promotion Expenses (Including Commission)	**344.68**	448.50
Handling Expenses	**641.67**	632.91
Terminalling Charges	**11.52**	3.68
Exploration & Production Cost	**1,216.46**	1,515.40
Loss on Derivatives	**-**	170.58
Fair value Loss on Financial instruments classified as FVTPL	**27.64**	26.18
Amortisation of FC Monetary Item Translation	**-**	28.92
Expenses on Construction Contracts	**3.65**	7.08
Expenses on CSR Activities	**344.19**	560.12
Training Expenses	**60.62**	99.30
Legal Expenses / Payment To Consultants	**160.18**	181.34
Notices and Announcement	**10.59**	21.06
Advertisement and Publicity	**65.47**	63.09
Pollution Control Expenses	**115.75**	98.60
Amortisation and Remeasurement of PMUY Assets	**1,056.60**	291.07
Miscellaneous Expenses	**407.14**	427.36
TOTAL	**8,234.89**	**13,997.76**

Note - 30: OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars	2020-2021	2019-2020
Items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	**14.95**	(215.52)
Fair value of Equity Instruments	**4,589.75**	(10,922.37)
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**0.13**	(2.17)
	4,604.83	**(11,140.06)**
Income Tax relating to items that will not be reclassified to profit or loss:		
Remeasurement of Defined Benefit Plans	**(3.64)**	60.19
Fair value of Equity Instruments	**(199.12)**	126.47
Share of Joint Ventures and associates in Remeasurement of Defined Benefit Plans	**(0.08)**	0.22
	(202.84)	**186.88**
Items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	**97.24**	586.49
Gain/(Loss) on Hedging Instruments	**22.47**	61.49
Translation Reserve on Consolidation	**(4.05)**	100.81
Share of Joint Ventures and associates in Translation Reserve on Consolidation	**5.51**	(12.65)
	121.17	**736.14**

NOTES TO FINANCIAL STATEMENTS

Note - 30: OTHER COMPREHENSIVE INCOME (Contd..)

(₹ in Crore)

Particulars	2020-2021	2019-2020
Income Tax relating to items that will be reclassified to profit or loss:		
Fair value of Debt Instruments	**(16.33)**	(150.87)
Gain/(Loss) on Hedging Instruments	**(5.66)**	(15.48)
	(21.99)	**(166.35)**
TOTAL	**4,501.17**	**(10,383.39)**

Note–31: DISTRIBUTIONS MADE AND PROPOSED

(₹ in Crore)

	March 31, 2021	March 31, 2020
Cash Dividends on Equity Shares declared:		
Final Dividend		
Total Final Dividend during the current year for previous financial year: ₹ **Nil per share** (2020: ₹ 1.00 per share for previous financial year)	**-**	941.42
Less: Final Dividend pertaining to IOC Share trust (Refer Note-1)	**-**	23.31
Final dividend net of IOC share trust	**-**	**918.11**
Dividend Distribution Tax on final dividend	**-**	186.67
Interim Dividend		
Total Interim Dividend for current financial year: ₹ **10.50 per share** (2020: ₹ 4.25 per share).	**9,640.09**	3,901.94
Less: Interim Dividend pertaining to IOC Share trust (Refer Note-1)	**-**	-
Interim dividend net of IOC share trust	**9,640.09**	**3,901.94**
Dividend Distribution Tax on interim dividend	**-**	799.27
Total	**9,640.09**	**5,805.99**
Proposed Dividend on Equity Shares		
Final proposed Dividend for current financial year: ₹ **1.50 per share** (2020: ₹ Nil per share)	**1,377.16**	-
Final proposed Dividend net of IOC share trust	**1,377.16**	**-**
Dividend Distribution Tax on proposed dividend	**-**	-
	1,377.16	**-**

Notes

1 233118456 Shares held under IOC Share Trust (Shareholder) of face value ₹ **233.12 Crore** (2020: ₹ 233.12 Crore) have been netted off from paid up capital. IOC Share Trust have waived its right to receive the dividend w.e.f. March 02, 2020 and therefore interim Dividend on shares held by IOC Share Trust was neither proposed in the last year nor during the current financial year.

2. The Company has also incurred expenses on distribution of final dividend amounting to **Nil** (2020: ₹ 0.14 Crore) and on distribution of interim dividend amounting to ₹ **0.38 Crore** (2020: ₹ 0.15 Crore) which have been debited to equity.

NOTES TO FINANCIAL STATEMENTS

Note–32: EARNINGS PER SHARE (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the parent by the weighted average number of Equity Shares outstanding during the year.

The following reflects the profit/ (loss) and number of shares used in the basic and diluted EPS computations:

Particulars	2020-21	2019-20
Profit/ (loss) attributable to Equity holders (₹ in Crore)	**21,638.21**	(893.14)
Weighted Average number of Equity Shares used for computing Earning Per Share (Basic) (Refer note-1)	**9181040466**	9181040466
Weighted Average number of Equity Shares used for computing Earning Per Share (Diluted) (Refer note-1)	**9181040466**	9181040466
Earnings Per Share (Basic) (₹)	**23.57**	(0.97)
Earnings Per Share (Diluted) (₹)	**23.57**	(0.97)
Face value per share (₹)	**10.00**	10.00

Notes

1. 233118456 Equity Shares held under IOC Share Trust of face value ₹ 233.12 Crore have been excluded from weighted average number of Equity Shares and EPS is computed accordingly.

Note – 33A: GROUP INFORMATION AND MATERIAL PARTLY-OWNED SUBSIDIARIES

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name	Principal Activities	Country of Incorporation	Equity Interest	
			Mar-2021	Mar-2020
Chennai Petroleum Corporation Limited	Refining of petroleum products	India	**51.89%**	51.89%
Indian Catalyst Private Limited #	Manufacturing of FCC catalyst / additive	India	**-**	100.00%
IndianOil (Mauritius) Limited	Terminalling, Retailing & Aviation refuelling	Mauritius	**100.00%**	100.00%
Lanka IOC PLC	Retailing, Terminalling & Bunkering	Sri Lanka	**75.12%**	75.12%
IOC Middle East FZE	Lube blending & marketing of lubricants	UAE	**100.00%**	100.00%
IOC Sweden AB	Investment company for E&P Project in Venezuela & Israel	Sweden	**100.00%**	100.00%
IOCL (USA) Inc.	Participation in Shale Gas Asset Project	USA	**100.00%**	100.00%
IndOil Global B.V.	Investment company for E&P Project in Canada	Netherlands	**100.00%**	100.00%
IOCL Singapore PTE Limited	Investment company for E&P Project in Russia, Oman & Abu Dhabi	Singapore	**100.00%**	100.00%

#Application has been submitted to RoC Ahmedabad on 30.12.20 for striking-off the company's name from the ROC's Register.

NOTES TO FINANCIAL STATEMENTS

Note – 33A: GROUP INFORMATION AND MATERIAL PARTLY-OWNED SUBSIDIARIES (Contd..)

The Holding Company

51.50% of total shares are held by President of India as at March 31, 2021 (31 March 2020: 51.50%)

Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

1. Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation	Mar-2021	Mar-2020
Chennai Petroleum Corporation Limited	India	**48.11%**	48.11%
Lanka IOC PLC	Sri Lanka	**24.88%**	24.88%

2. Information regarding non-controlling interest:

(₹ in Crore)

	Mar-2021	Mar-2020
Accumulated balances of material non-controlling interest:		
Chennai Petroleum Corporation Limited	**775.15**	653.92
Lanka IOC PLC	**200.81**	222.35
Profit/(loss) allocated to material non-controlling interest:		
Chennai Petroleum Corporation Limited	**123.77**	(989.33)
Lanka IOC PLC	**0.24**	6.15

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

1. Summarised Balance Sheet:

(₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	Mar-2021	Mar-2020	Mar-2021	Mar-2020
Current assets	**5,056.73**	2,862.16	**979.26**	1,206.88
Current liabilities	**9,361.18**	8,402.77	**971.09**	810.17
Non-current assets	**9,168.30**	9,973.76	**800.81**	499.98
Non-current liabilities	**3,252.65**	3,073.88	**1.90**	2.97
Net assets	**1,611.20**	**1,359.27**	**807.08**	**893.72**
Accumulated Non-Controlling Interests	**775.15**	653.92	**200.81**	222.35

NOTES TO FINANCIAL STATEMENTS

Note – 33A: GROUP INFORMATION AND MATERIAL PARTLY-OWNED SUBSIDIARIES (Contd..)

2. Summarised Statement of Profit and Loss:

(₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Revenue From Operations	**41,899.07**	48,650.22	**2,637.86**	3,243.48
Other Income	**100.97**	72.90	**86.49**	48.57
Cost of Material Consumed	**19,864.68**	35,793.34	**-**	-
Excise Duty	**19,454.31**	11,533.48	**-**	-
Purchases of Stock in trade	**39.94**	896.49	**2,364.95**	3,050.61
Changes in inventories of finished goods, stock-in-trade and work in progress	**(892.11)**	990.39	**178.59**	19.67
Employee Benefits Expense	**564.51**	511.63	**23.90**	24.38
Finance Costs	**375.04**	413.25	**49.00**	50.46
Depreciation and amortisation expense	**469.49**	521.45	**17.20**	17.06
Impairment Losses	**(1.13)**	-	**(13.93)**	0.40
Other Expenses	**854.63**	1,085.02	**99.34**	97.76
Profit before exceptional items and tax	**1,270.68**	(3,021.93)	**5.30**	31.71
Share of Profit of Joint Ventures/Associates	**25.56**	27.08	**-**	-
Profit/(loss) before tax	**1,296.24**	(2,994.85)	**5.30**	31.71
Tax expense	**1,038.98**	(938.45)	**4.34**	7.00
Profit (Loss) for the period	**257.26**	(2,056.40)	**0.96**	24.71
Other Comprehensive Income	**(5.33)**	(39.65)	**(71.66)**	22.68
Total comprehensive income	**251.93**	(2,096.05)	**(70.70)**	47.39
Profit Attributable to Non-Controlling Interests	**123.77**	(989.33)	**0.24**	6.15
Dividends paid to Non-Controlling Interests	**-**	-	**3.95**	3.89

3. Summarised Cash Flow Information:

(₹ in Crore)

	Chennai Petroleum Corporation Limited		Lanka IOC PLC	
	Mar-2021	**Mar-2020**	**Mar-2021**	**Mar-2020**
Operating Activities	**452.25**	(620.20)	**235.33**	(107.26)
Investing Activities	**(547.95)**	(963.02)	**(335.07)**	(444.78)
Financing Activities	**96.80**	1,583.10	**121.36**	543.32
Currency Translation Difference	**-**	-	**(1.68)**	0.06
Net increase/(decrease) in Cash and Cash Equivalents	**1.10**	(0.12)	**19.94**	(8.66)

NOTES TO FINANCIAL STATEMENTS

Note - 33 B: INTEREST IN JOINT VENTURE & ASSOCIATES

A. Details of Interest in Joint Venture & Associates is as under:

Name of entity	Place of Business	% of Ownership Interest	Carrying Amount (₹ in Crore)
Joint Venture			
Indian Oiltanking Limited	India	49.38%	681.08
Lubrizol India Private Limited	India	26.00%	179.69
Indian Oil Petronas Private Limited	India	50.00%	632.86
Green Gas Limited	India	49.97%	165.96
Indian Oil Skytanking Private Limited	India	50.00%	84.90
Suntera Nigeria 205 Ltd.	Nigeria	25.00%	-
Delhi Aviation Fuel Facility Private Limited	India	37.00%	91.97
Indian Synthetic Rubber Private Limited	India	50.00%	199.30
Indian Oil Ruchi Biofuels LLP@	India	50.00%	-
NPCIL - IndianOil Nuclear Energy Corporation Limited	India	26.00%	0.37
GSPL India Transco Limited	India	26.00%	124.70
GSPL India Gasnet Limited	India	26.00%	402.66
IndianOil Adani Gas Private Limited	India	50.00%	416.09
Mumbai Aviation Fuel Farm Facility Private Limited	India	25.00%	87.62
Kochi Salem Pipelines Private Limited	India	50.00%	192.94
IndianOil LNG Private Limited	India	50.00%	3,445.95
Petronet CI Limited @@	India	26.00%	-
Hinduatan Urvarak and Rasayan Limited	India	29.67%	1,129.67
Ratnagiri Refinery & Petrochemicals Limited	India	50.00%	63.82
Indradhanush Gas Grid Limited	India	20.00%	57.92
IHB Private Limited	India	50.00%	829.51
IndianOil Total Private Limited	India	50.00%	6.39
Associates			
Avi-Oil India Private Limited	India	25.00%	17.47
Petronet VK Limited	India	50.00%	0.02
Petronet LNG Limited	India	12.50%	1,465.65
Petronet India Limited@@@	India	18.00%	0.47

@IndianOil has exited the Joint Venture, IndianOil Ruchi Biofuels LLP (M/s IORB) by giving notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries Limited (M/s Ruchi) as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The time frame for completing exit formalities by M/s. Ruchi by filing requisite forms with ROC was within 30 days of notice expiry period (i.e., by February 24, 2019) but the same is still pending and Indian Oil name is appearing on ROC website as Partner in the said LLP. M/s. Ruchi was under Corporate Insolvency Resolution Process and has been taken over by Patanjali Ayurveda Limited. All necessary documents have been provided to M/s. Ruchi for completing formalities relating to exit of IndianOil from IORB LLP.

@@ Company is under winding up process and the appointed liquidator has submitted his report to the official liquidator who is still to submit its report to Tribunal for winding up of the company

@@@ Liquidator has been appointed for winding up of company w.e.f. 30.08.18.

Note:

1. The financials of Joint Operations as mentioned in Note 34 have been included in the financial statements of Indian Oil Corporation Ltd & Subsidiary Companies and in respect of other Joint Ventures/Associates of Subsidiary Companies, the same has been included in the financial statements of respective subsidiary company.
2. Ujjwala Plus Foundation is a joint venture of IOCL, BPCL and HPCL with fund contribution in the ratio of 50:25:25 which was incorporated as a limited by guarantee Company (without share capital) under section 8 of Companies Act, 2013.
3. IOC Phinergy Pvt. Limited is a joint venture of IOCL and Phinergy Limited, Israel and was incorporated on February 19, 2021 having shareholding in the ratio of 50:50 for development of indigenous batteries using locally available Aluminum to boost India's pursuit of e-mobility.

NOTES TO FINANCIAL STATEMENTS

Note - 33 B: INTEREST IN JOINT VENTURE & ASSOCIATES (Contd..)

B. Summarised Financials of Material Joint Venture:

I.A. Summarised Balance Sheet of M/s Indian Oiltanking Limited:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Current assets	1,126.97	987.53
Current liabilities	581.20	577.50
Non-current assets	2,803.73	3,052.28
Non-current liabilities	1,972.11	2,191.65
Net assets	1,377.39	1,270.66
Proportion of the Group's ownership	680.21	627.50
Carrying amount of the investment	681.08	628.37
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	49.07	90.36
Current Financial Liabilities	444.91	465.99
Non-current financial liabilities	1,874.48	2,099.74

I.B. Summarised Statement of Profit and Loss of M/s Indian Oiltanking Limited:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Revenue From Operations	507.89	531.31
Other Income	74.64	122.41
Revenue From Operations	582.53	653.72
Cost of Material/Service Consumed	2.00	11.53
Employee Benefits Expense	58.83	58.50
Finance Costs	200.10	220.55
Depreciation and amortisation expense	28.12	29.75
Other Expenses	137.54	204.45
Profit/(loss) Before tax	155.94	128.94
Tax expense:		
Current Tax	9.41	11.47
Deferred Tax	33.65	-16.39
Profit (Loss) for the year	112.88	133.86
Other Comprehensive Income	-0.75	1.72
Total comprehensive income	112.13	135.58
Group's Share in above:		
Profit (Loss) for the period	55.74	66.11
Other Comprehensive Income	-0.38	0.85
Total comprehensive income	55.36	66.96
Dividend received	-	-

NOTES TO FINANCIAL STATEMENTS

Note - 33 B: INTEREST IN JOINT VENTURE & ASSOCIATES (Contd..)

II.A. Summarised Balance Sheet of M/s Indian Oil Petronas Private Limited:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Current assets	888.65	900.98
Current liabilities	137.59	113.81
Non-current assets	955.30	876.87
Non-current liabilities	295.77	217.89
Net assets	1,410.59	1,446.15
Proportion of the Group's ownership	705.30	723.08
Carrying amount of the investment	632.86	650.64
The above amounts of assets and liabilities include the followings		
Cash and cash equivalents	41.39	153.54
Current Financial Liabilities	110.31	84.82
Non-current financial liabilities	215.98	137.69

II.B. Summarised Statement of Profit and Loss of M/s Indian Oil Petronas Private Limited:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Revenue From Operations	1,872.22	2,114.41
Other Income	27.58	52.82
Revenue From Operations	1,899.80	2,167.23
Cost of Material/Service Consumed	1,319.64	1,476.13
Employee Benefits Expense	17.38	17.42
Finance Costs	23.92	18.27
Depreciation and amortisation expense	68.48	48.73
Other Expenses	190.55	176.77
Profit/(loss) Before tax	279.83	429.91
Tax expense:		
Current Tax	75.01	108.68
Deferred Tax	-0.99	-27.93
Profit (Loss) for the year	205.81	349.16
Other Comprehensive Income	-0.18	-0.52
Total comprehensive income	205.63	348.64
Group's Share in above:		
Profit (Loss) for the period	102.91	174.58
Other Comprehensive Income	-0.09	-0.26
Total comprehensive income	102.82	174.32
Dividend received	120.60	107.20

NOTES TO FINANCIAL STATEMENTS

Note - 33 B: INTEREST IN JOINT VENTURE & ASSOCIATES (Contd..)

C. Details in respect of Immaterial Joint Venture & Associates:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Carrying Amount of Investments		
Joint Ventures	**7,479.46**	2,774.65
Associates	**1,483.61**	1,435.77
Aggregate amounts of the group's share of immaterial Joint Ventures:		
Share of Profits After Tax	**103.10**	-83.02
Other comprehensive income	**6.03**	-15.23
Total comprehensive income	**109.13**	**-98.25**
Aggregate amounts of the group's share of immaterial Associates:		
Share of Profits After Tax	**357.56**	367.47
Other comprehensive income	**0.08**	0.06
Total comprehensive income	**357.64**	**367.53**

D. Group's share in Capital Commitments and Contingent Liabilities in respect of Joint Venture & Associates is as under:

(₹ in Crore)

Particulars	31.03.2021	31.03.2020
Capital Commitments	**4,149.67**	4,343.12
Contingent Liabilities	**708.34**	428.49

Note–34: INTEREST IN JOINT OPERATIONS

(₹ in Crore)

Name		Principle place of business	Proportion of Ownership Interest	
			March 31, 2021	March 31, 2020
A. The Group's interest in Joint Operations are as under:				
E&P BLOCKS				
1) AA-ONN-2001/2	A	India	**20.00%**	20.00%
2) GK-OSN-2009/1		India	**25.00%**	25.00%
3) GK-OSN-2009/2	B	India	**-**	30.00%
4) CB-ONN-2010/6	B	India	**-**	20.00%
5) AAP-ON-94/1		India	**29.03%**	29.03%
6) AA/ONDSF/UMATARA/2018		India	**90.00%**	90.00%
7) BK-CBM-2001/1		India	**20.00%**	20.00%
8) NK-CBM-2001/1		India	**20.00%**	20.00%
9) FARSI BLOCK IRAN	C	Iran	**40.00%**	40.00%
10) LIBYA BLOCK 86	B	Libya	**-**	50.00%
11) LIBYA BLOCK 102/4	B	Libya	**-**	50.00%

NOTES TO FINANCIAL STATEMENTS

Note–34: INTEREST IN JOINT OPERATIONS (CONTD..)

(₹ in Crore)

Name		Principle place of business	Proportion of Ownership Interest	
			March 31, 2021	March 31, 2020
12) SHAKTHI GABON		Gabon	**50.00%**	50.00%
13) AREA 95-96	D	Libya	**25.00%**	25.00%
14) RJ-ONHP-2017/8		India	**30.00%**	30.00%
15) AA-ONHP-2017/12		India	**20.00%**	20.00%
16) Block-32	B	Israel	**-**	25.00%
17) North Montney Joint Venture		Canada	**10.00%**	10.00%
18) Niobrara Shale Project		USA	**10.00%**	10.00%
19) Mukhaizna Oil Field		Oman	**17.00%**	17.00%
OTHERS				
20) Petroleum India International (PII)	E	India	**-**	36.36%
21) INDOIL Netherlands B.V.	F	Netherlands	**50.00%**	50.00%

A. Exploration License expired on October 7, 2015. Consortium has requested Directorate General of Hydrocarbon (DGH) for Appraisal phase, however vide letter dated March 6, 2019, it was opined to carry out Exploration activity instead of Appraisal work. Accordingly, Operator requested DGH for extension of exploration period. Response from DGH is awaited.

B. Blocks relinquished during the year 2020-21 vide approval dated November 27, 2020.

C. The project 's exploration period ended on 24 June 2009. The contractual arrangement with respect to development of the block could not be finalised so far with Iranian Authorities.

D. Under Force Majeure since May 20, 2014

E. Members in Petroleum India International (AOP) are HPCL, BPCL, EIL, IOCL, CPCL, ONGC, OIL and Reliance Industries Ltd. During the current financial year, final communication is received from PII for bringing an end to the MOU (entered on 01/03/1986) vide letter dated March 31, 2021 as all the balance activities facilitating the dissolution mentioned in termination agreement dated March 18, 2020 ,for dissolution of AOP is completed.

F. IOC Sweden AB through its JV INDOIL Netherlends B.V has invested in Petrocarabobo project, the outcome of this investment may get delayed due to the political and economic situation in Venezuela.

B. The Group share of Financial position of Joint Operations are as under:

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Assets	**9,157.05**	**8,559.10**
PPE (including Producing Properties)	**5,871.14**	5,548.18
Capital Work in Progress	**271.19**	225.60
Intangible Asset under Development (Net of Provisions)	**1,858.77**	1,637.33
Other Assets (Net of Provisions)	**1,155.95**	1,147.99
Liabilities & Provisions	**4,786.66**	**4,108.20**
Liabilities	**4,232.53**	3,523.51
Provisions	**554.13**	584.69
Income	**1,742.68**	**2,596.53**
Sale of Products (Net of Own Consumption)	**1,740.24**	2,568.73
Other Income	**2.44**	27.80

NOTES TO FINANCIAL STATEMENTS

Note–34: INTEREST IN JOINT OPERATIONS (Contd..)

B. The Group share of Financial position of Joint Operations are as under:

(₹ in Crore)

Particulars	March 31, 2021	March 31, 2020
Expenditure	**1,911.12**	**4,688.68**
Expenditure written off (incl exploration related)	**45.64**	5.43
Other Costs (incl exploration related)	**1,865.48**	4,683.25
Net Results	**(168.44)**	**(2,092.15)**
Commitments	**766.60**	**837.16**
Contingent Liabilities	**-**	**-**

Note: Including financial position of relinquished blocks.

Note–35 A: DISCLOSURE RELATING EXPLORATION AND PRODUCTION ACTIVITIES

In compliance of Ind-AS-106 on "Exploration and Evaluation of Mineral Resources", the disclosure of financial information relating to activity associated with the exploration for and evaluation of mineral resources (crude oil, natural gas etc.) are as under:

(₹ in Crore)

Name	March 31, 2021	March 31, 2020
(i) Assets	**211.02**	**252.14**
- Intangible Assets under Development	**204.91**	247.31
- Capital Work in Progress	**0.79**	0.79
- Other Assets	**5.32**	4.04
(ii) Liabilities	**86.30**	**98.00**
- Provisions	**2.31**	2.31
- Other Liabilities	**83.99**	95.69
(iii) Income	**0.19**	**10.33**
- Other Income	**0.19**	10.33
(iv) Expenses	**68.71**	**28.98**
- Exploration expenditure written off	**45.64**	0.01
- Other exploration costs	**23.07**	28.97
(v) Cash Flow		
- Net Cash from/(used) in operating activities	**(35.85)**	**(37.71)**
- Net Cash from/(used) in investing activities	**(2.47)**	**(8.82)**

Note–35 B: IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER:

Net Proved Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas:

Assets		March 31, 2021		March 31, 2020	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves					
Niobrara Shale Project, USA	Beginning	**264.48**	**77.50**	245.25	72.32
	Addition	**-**	**-**	29.88	13.24

NOTES TO FINANCIAL STATEMENTS

Note–35 B: IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER: (Contd..)

Assets		March 31, 2021		March 31, 2020	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
	Deduction	90.82	22.86	-	-
	Production	7.12	5.85	10.65	8.06
	Balance	166.54	48.79	264.48	77.50
Pacific Northwest LNG, Canada	Beginning	1231.61	9065.39	987.96	8300.64
	Addition	212.62	1796.84	273.70	1198.43
	Deduction	-	-	-	-
	Production	59.26	489.53	30.05	433.69
	Balance	1384.97	10372.70	1231.61	9065.39
Oman	Beginning	8413.23	-	7978.65	-
	Addition	535.62	-	1370.41	-
	Deduction	3050.69	-	-	-
	Production	743.98	-	935.83	-
	Balance	5154.18	-	8413.23	-
Assam AAP-ON-94/1	Beginning	35.81	1137.21	69.46	1621.05
	Addition	-	-	-	-
	Deduction	-	-	24.91	396.25
	Production	9.66	106.67	8.74	87.59
	Balance	26.15	1030.54	35.81	1137.21
Total Proved Reserves		6731.84	11452.03	9945.13	10280.10
B) Proved developed Reserves					
Niobrara Shale Project, USA	Beginning	66.02	23.02	70.39	24.69
	Addition	-	2.74	6.28	6.38
	Deduction	2.84	-	-	-
	Production	7.12	5.85	10.65	8.05
	Balance	56.06	19.91	66.02	23.02
Pacific Northwest LNG, Canada	Beginning	218.04	2534.79	187.55	2815.26
	Addition	167.80	785.51	60.54	153.22
	Deduction	-	-	-	-
	Production	59.26	489.53	30.05	433.69
	Balance	326.58	2830.77	218.04	2534.79
Oman	Beginning	6869.93	-	7348.41	-
	Addition	-	-	457.35	-
	Deduction	1672.86	-	-	-
	Production	743.98	-	935.83	-
	Balance	4453.09	-	6869.93	-

NOTES TO FINANCIAL STATEMENTS

Note–35 B: IN COMPLIANCE OF REVISED GUIDANCE NOTE ON ACCOUNTING FOR OIL AND GAS PRODUCING ACTIVITIES, THE REQUIRED DISCLOSURES IN RESPECT OF RESERVES ARE AS UNDER: (Contd..)

Assets		March 31, 2021		March 31, 2020	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
Assam AAP-ON-94/1	Beginning	35.81	1137.21	69.46	1621.05
	Addition	-	-	-	-
	Deduction	-	-	24.91	396.25
	Production	9.66	106.67	8.74	87.59
	Balance	26.15	1030.54	35.81	1137.21
Total Proved developed Reserves		4861.88	3881.22	7189.80	3695.02

Net Proved Reserves & Proved developed Reserves of Crude Oil, Condensate, Natural Gas Liquids and Gas on Geographical Basis:

Details		March 31, 2021		March 31, 2020	
		Crude Oil, Condensate, NGLs	Natural Gas	Crude Oil, Condensate, NGLs	Natural Gas
		TMT	Million Cubic Meter	TMT	Million Cubic Meter
A) Proved Reserves					
U.S.		166.54	48.79	264.48	77.50
Canada		1384.97	10372.70	1231.61	9065.39
Oman		5154.18	-	8413.23	-
India		26.15	1030.54	35.81	1137.21
Total Proved Reserves		6731.84	11452.03	9945.13	10280.10
B) Proved developed Reserves					
U.S.		56.06	19.91	66.02	23.02
Canada		326.58	2830.77	218.04	2534.79
Oman		4453.09	-	6869.93	-
India		26.15	1030.54	35.81	1137.21
Total Proved developed Reserves		4861.88	3881.22	7189.80	3695.02

Frequency

The Group uses in house study as well as third party agency each year for reserves certification who adapt latest industry practices for reserve evaluation. For the purpose of estimation of Proved and Proved developed reserves, deterministic method is used by the company. The annual revision of estimates is based on the yearly exploratory and development activities and results thereof.

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS

Disclosures in compliance with Ind-As 19 on Employee Benefits is as under:

A. Defined Contribution Plans- General Description

Provident Fund (EPS-95)*

During the year, the Group has recognised ₹ **34.63 Crore** (2020: ₹ 37.00 Crore) as contribution to EPS-95 in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2) .

Pension Scheme*

During the year, the Group has recognised ₹ **470.93 Crore** (2020: ₹ 335.25 Crore) towards Defined Contributory Employees Pension Scheme (including contribution in corporate National Pension Scheme) in the Statement of Profit and Loss/ CWIP (included in Contribution to Provident and Other Funds in Note - 27/ Construction period expenses in Note-2.2).

B. Defined Benefit Plans- General Description

Provident Fund:*

The Group's contribution to the Provident Fund is remitted to separate provident fund trusts established for this purpose based on a fixed percentage of the eligible employee's salary and charged to the Statement of Profit and Loss. Shortfall, if any, in the fund assets, based on the Government specified minimum rate of return, will be made good by the Group. The Group has Provident Funds maintained by respective PF Trusts in respect of which actuarial valuation is carried out. Holding company has provided ₹ **136.36 Crore** (2020: ₹ 130.24 Crore) for current and future interest shortfall/ losses of PF trusts beyond available surplus at respective trust level.

Gratuity:*

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount based on completed tenure of service subject to maximum of ₹ 0.20 Crore at the time of separation from the group. Besides, the ceiling of gratuity increases by 25% whenever IDA rises by 50% with reference to January 01, 2017.

Post Retirement Medical Benefit Facility (PRMBF):*

PRMBF provides medical coverage to retired employees and their eligible dependant family members.

Resettlement Benefit:

Resettlement benefit is allowed to employees to facilitate them to settle down upon retirement.

Ex gratia Scheme:

Ex-gratia is payable to those employees who have retired before January 01, 2007 and either not drawing pension from superannuation benefit fund (as they superannuated prior to January 01, 1987, i.e. introduction of superannuation benefit fund scheme in IndianOil) or are drawing a pension lower than the ex gratia fixed for a Grade (in such case differential amount between pension and ex gratia is paid).

Employees Compensation for injuries arising out of or during the course of employment:

Employees covered under the Employees' Compensation Act, 1923 who meet with accidents, while on duty, are eligible for compensation under the said Act. Besides, a lumpsum monetary compensation equivalent to 100 months' Pay (BP+DA) is paid in the event of an employee suffering death or permanent total disablement due to an accident arising out of and in the course of his employment.

Felicitation of Retired Employees:

The Parent Company has a scheme to felicitate retired employees on attaining different age milestones with a token lumpsum amount.

* As per the DPE Guidelines on Pay Revision, the company can contribute upto 30% of Basic Pay plus Dearness Allowance towards Provident Fund, Gratuity, Post-Retirement Medical Benefits (PRMB) and Pension of its employees. The superannuation benefits expenditure charged to Statement of Profit and Loss / Other Comprehensive Income has been limited to 30% of Basic pay plus Dearness Allowance and the balance amount is shown as recoverable advance from the company's contribution towards superannuation benefits including pension schemes.

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

Accordingly, as per the actuarial valuation of Gratuity and PRMB, ₹ 369.01 Crore was charged to the Statement of Profit and Loss, ₹ (-) 28.87 Crore has been adjusted in Other Comprehensive income during the year and ₹ 648.80 Crore (i.e. ₹ 214.24 Crore and ₹ 434.56 Crore towards Gratuity and PRMBF respectively) has been shown as recoverable advance. This advance amount is included in Advance to Employee Benefits Trust / Funds of ₹ 870.53 Crore in Note 6.

C. Other Long-Term Employee Benefits - General Description

Leave Encashment:

Each employee is entitled to get 8 earned leaves for each completed quarter of service. Encashment of earned leaves is allowed during service leaving a minimum balance of 15 days subject to maximum accumulation of 300 days. In addition, each employee is entitled to get 5 sick leaves (in lieu of 10 HPL) at the end of every six months. The entire accumulation is permitted for encashment only at the time of retirement. DPE had clarified earlier that sick leave cannot be encashed, though Earned Leave (EL) and Half Pay Leave (HPL) could be considered for encashment on retirement subject to the overall limit of 300 days. MOP&NG has advised the company to comply with the said DPE Guidelines. However, in compliance to the DPE guidelines of 1987 which had allowed framing of own leave rules within broad parameters laid down by the Government and keeping in view operational complications and service agreements the company had requested concerned authorities to reconsider the matter. Subsequently, based on the recommendation of the 3rd PRC, DPE in its guidelines on pay revision, effective from January 01, 2017 has inter-alia allowed CPSEs to frame their own leave rules considering operational necessities and subject to conditions set therein. The requisite conditions are fully met by the group.

Long Service Award:

On completion of specified period of service with the group and also at the time of retirement, employees are rewarded with amounts based on the length of service completed. It is a mode of recognising long years of loyalty and faithful service in line with Bureau of Public Enterprises (currently DPE) advice vide its DO No. 7(3)/79-BPE (GM.I) dated February 14, 1983. On receipt of communication from MoPNG advising us that the issue of Long Service Award has been made into an audit para in the Annual Report of CAG of 2019, the Group has been clarifying its position to MoP&NG individually as well as on industry basis as to how Long Service Awards are not in the nature of Bonus or Ex-gratia or honorarium and is emanating from a settlement with the unions under the ID Act as well as with the approval of the Board in line with the DPE's advice of 1983. The matter is being pursued with MOP&NG for resolution. Pending this the provision is in line with Board approved policy.

The amount provided during the year on this account is **₹ 19.29 Crore** (2020: ₹ 29.12 Crore) and the payments made to employees during the year is **₹ 27.18 Crore** (2020: ₹ 28.16 Crore). The actuarial liability of ₹ 193.9 Crore in this respect as on 31.03.2021 is included under "Provision for Employees Benefit" in "Note 18 – Provisions".

Leave Fare Allowance (LFA) / Leave Travel Concession (LTC):

LTC is allowed once in a period of two calendar years (viz. two yearly block). An employee has, in any given block period of two years, an option of availing LTC or encashing the entilements of LFA.

D. The summarised position of various Defined Benefit Plans recognised in the Statement of Profit & Loss, Balance Sheet and Other Comprehensive Income are as under:

(Figures given in Unbold & Italic Font in the table are for previous year)

(i) Reconciliation of balance of Defined Benefit Plans

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Defined Obligation at the beginning	**16,724.32**	**2,935.92**	**6,133.72**	**133.63**	**246.72**	**444.67**
	14,870.94	*2,810.87*	*5,084.48*	*120.83*	*208.92*	*475.90*
Current Service Cost	**531.68**	**54.04**	**255.80**	**19.22**	**-**	**1.74**
	533.79	*50.52*	*219.40*	*19.24*	*-*	*1.42*
Past Service Cost	**-**	**16.83**	**-**	**-**	**-**	**-**
	-	*1.15*	*-*	*-*	*-*	*-*
Interest Cost	**1,391.01**	**201.48**	**417.71**	**9.17**	**14.90**	**30.37**
	1,280.81	*218.97*	*395.58*	*9.41*	*15.75*	*37.03*

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

(i) Reconciliation of balance of Defined Benefit Plans (Contd..)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Contribution by employees	**1,235.48**	**-**	**-**	**-**	**-**	**-**
	1,404.67	-	-	-	-	-
Net Liability transferred In / (Out)	**103.23**	**-**	**-**	**-**	**-**	**-**
	25.42	-	-	-	-	-
Benefits paid	**(1,999.36)**	**(325.34)**	**(232.62)**	**(6.89)**	**(36.40)**	**(13.70)**
	(1,521.55)	*(411.72)*	*(213.05)*	*(7.85)*	*(30.11)*	*(6.70)*
Actuarial (gain)/ loss on obligations due to Future Interest Shortfall	**137.72**	**24.29**	**211.14**	**(27.87)**	**11.01**	**23.31**
	130.24	*266.13*	*647.31*	*(8.00)*	*52.16*	*(62.98)*
Defined Benefit Obligation at the end of the year	**18,124.08**	**2,907.22**	**6,785.75**	**127.26**	**236.23**	**486.39**
	16,724.32	*2,935.92*	*6,133.72*	*133.63*	*246.72*	*444.67*

(ii) Reconciliation of balance of Fair Value of Plan Assets

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the beginning of the year	**16,647.25**	**2,481.21**	**5,547.42**	**-**	**-**	**-**
	15,192.58	*2,691.42*	*4,993.59*	-	-	-
Interest Income	**1,391.01**	**170.30**	**377.78**	**-**	**-**	**-**
	1,280.81	*209.66*	*388.50*	-	-	-
Contribution by employer	**531.68**	**543.60**	**788.24**	**-**	**-**	**-**
	533.79	*0.21*	*358.51*	-	-	-
Contribution by employees	**1,235.48**	**-**	**1.22**	**-**	**-**	**-**
	1,404.67	-	*1.23*	-	-	-
Net Liability transferred In / (Out)	**103.23**	**-**	**-**	**-**	**-**	**-**
	25.42	-	-	-	-	-
Benefit paid	**(1,999.36)**	**(325.34)**	**(228.48)**	**-**	**-**	**-**
	(1,521.55)	*(411.72)*	*(208.91)*	-	-	-
Provision for Stressed Assets	**-**	**-**	**-**	**-**	**-**	**-**
	(83.23)	-	-	-	-	-
Re-measurement (Return on plan assets excluding Interest Income)	**85.30**	**14.26**	**46.97**	**-**	**-**	**-**
	(185.24)	*(8.36)*	*14.50*	-	-	-
Fair value of plan assets at the end of the year	**17,994.59**	**2,884.03**	**6,533.15**	**-**	**-**	**-**
	16,647.25	*2,481.21*	*5,547.42*	-	-	-

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

(iii) Reconciliation of Fair Value of Plan Assets and Defined Benefit Obligation

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Fair Value of Plan Assets at the end of the year	**17,994.59**	**2,884.03**	**6,533.15**	**-**	**-**	**-**
	16,647.25	*2,481.21*	*5,547.42*	*-*	*-*	*-*
Defined Benefit Obligation at the end of the year (Net of Interest Shortfall)	**17,861.82**	**2,907.22**	**6,785.75**	**127.26**	**236.23**	**486.39**
	16,724.32	*2,935.92*	*6,133.72*	*133.63*	*246.72*	*444.67*
Amount not recognised in the Balance Sheet (as per para 64 of Ind-As 19)	**137.12**	**-**	**-**	**-**	**-**	**-**
	(53.17)	*-*	*-*	*-*	*-*	*-*
Amount recognised in the Balance Sheet	**266.61**	**23.19**	**252.60**	**127.26**	**236.23**	**486.39**
	130.24	*454.71*	*586.30*	*133.63*	*246.72*	*444.67*

(iv) Amount recognised in Statement of Profit and Loss / Construction Period Expenses

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Current Service Cost	**531.68**	**54.04**	**255.80**	**19.22**	**-**	**1.74**
	533.79	*50.52*	*219.40*	*19.24*	*-*	*1.42*
Past Service Cost	**-**	**16.83**	**-**	**-**	**-**	**-**
	-	*1.15*	*-*	*-*	*-*	*-*
Net Interest Cost	**-**	**31.18**	**39.93**	**9.17**	**14.90**	**30.37**
	-	*9.31*	*7.08*	*9.41*	*15.75*	*37.03*
Contribution by Employees	**-**	**-**	**(1.22)**	**-**	**-**	**-**
	-	*-*	*(1.23)*	*-*	*-*	*-*
Actuarial (gain)/ loss on obligations due to Future Interest Shortfall	**132.02**	**-**	**-**	**-**	**-**	**-**
	130.24	*-*	*-*	*-*	*-*	*-*
Expenses for the year	**663.70**	**102.05**	**294.51**	**28.39**	**14.90**	**32.11**
	664.03	*60.98*	*225.25*	*28.65*	*15.75*	*38.45*

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Actuarial (gain)/ loss on Obligations - Due to change in Demographic assumptions	**-**	**(0.36)**	**653.45**	**-**	**5.05**	**69.18**
	-	*0.04*	*-*	*-*	*-*	*-*
Actuarial (gain)/ loss on Obligations - Due to change in Financial assumptions	**5.70**	**(10.30)**	**(109.48)**	**(0.73)**	**(2.81)**	**(4.18)**
	-	*173.26*	*895.47*	*15.81*	*14.55*	*39.96*
Actuarial (gain)/ loss on Obligations - Due to Experience	**-**	**34.95**	**(332.83)**	**(27.14)**	**8.77**	**(41.69)**
	-	*92.83*	*(248.16)*	*(23.81)*	*37.61*	*(102.94)*

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

(v) Amount recognised in Other Comprehensive Income (OCI)

(₹ in Crore)

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Re-measurement (Return on plan assets excluding Interest Income)	**(1.76)**	**14.26**	**46.97**	**-**	**-**	**-**
	(8.80)	*(8.36)*	*14.50*	*-*	*-*	*-*
Amount recoverable from employee adjusted in OCI	**7.46**	**(13.68)**	**209.33**	**-**	**-**	**-**
	8.80	*214.24*	*521.69*	*-*	*-*	*-*
Net Loss / (Gain) recognised in OCI *#	**-**	**23.71**	**(45.16)**	**(27.87)**	**11.01**	**23.31**
	-	*60.25*	*111.12*	*(8.00)*	*52.16*	*(62.98)*

*OCI Gain of ₹ 62.98 Crore pertaining to felicitation was not recognised in OCI during FY 2019-20

#Net of Translation difference amounting to **₹ 0.05 Crore** (2020: (0.01) Crore)

(vi) Major Actuarial Assumptions*

	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Discount rate	**6.90%**	**6.90%**	**6.91%**	**6.90%**	**6.33%**	**6.91%**
	6.86%	*6.86%*	*6.81%*	*6.86%*	*6.04%*	*6.81%*
Salary escalation	**-**	**8.00%**	**-**	**-**	**-**	**-**
	-	*8.00%*	*-*	*-*	*-*	*-*
Inflation	**-**	**-**	**8.00%**	**6.00%**	**-**	**-**
	-	*-*	*8.00%*	*6.00%*	*-*	*-*
Average Expected Future Service/ Obligation (Years)	**-**	**16**	**30**	**16**	**9**	**30**
	-	*16*	*30*	*16*	*9*	*30*
Mortality rate during employment		**Indian Assured Lives Mortality (2006-08) Ult**				
		Indian Assured Lives Mortality (2006-08) Ult				

In case of funded schemes above, expected return on plan assets is same as that of respective discount rate.

*Assumptions considered in actuarial valuation of defined benefit obligations of the Holding Company.

(vii) Sensitivity on Actuarial Assumptions:

(₹ in Crore)

Loss / (Gain) for	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Change in Discounting Rate						
Increase by 1%	**-**	**(213.10)**	**(1,028.41)**	**(16.16)**	**(9.17)**	**(47.09)**
	-	*(184.24)*	*(920.04)*	*(16.87)*	*(9.92)*	*(41.87)*
Decrease by 1%	**-**	**250.76**	**1,369.80**	**20.45**	**10.03**	**57.68**
	-	*214.12*	*1,193.89*	*21.40*	*10.88*	*51.18*
Change in Salary Escalation						
Increase by 1%	**-**	**65.72**	**-**	**-**	**-**	**-**
	-	*42.81*	*-*	*-*	*-*	*-*

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

(₹ in Crore)

Loss / (Gain) for	Provident Fund	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Decrease by 1%	**-**	**(71.64)**	**-**	**-**	**-**	**-**
	-	*(49.44)*	*-*	*-*	*-*	*-*
Change in Inflation Rate						
Increase by 1%	**-**	**-**	**838.49**	**-**	**-**	**-**
	-	*-*	*708.39*	*-*	*-*	*-*
Decrease by 1%	**-**	**-**	**(682.71)**	**-**	**-**	**-**
	-	*-*	*(600.68)*	*-*	*-*	*-*

(viii) Investment details:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Investment with Insurer	**-**	**99.56%**	**88.52%**
	-	*99.53%*	*91.47%*
Self managed investments	**100.00%**	**0.44%**	**11.48%**
	100.00%	*0.47%*	*8.53%*

Details of the investment pattern for the above mentioned funded obligations are as under:

	Provident Fund	Gratuity	PRMS
	Funded	Funded	Funded
Government Securities (Central & State)	**50.49%**	**44.38%**	**23.42%**
	54.53%	*73.29%*	*73.74%*
Investment in Equity / Mutual Funds	**7.82%**	**3.13%**	**0.22%**
	4.32%	*5.43%*	*5.29%*
Investment in Debentures / Securities	**39.49%**	**50.29%**	**75.75%**
	40.46%	21.06%	*20.94%*
Other approved investments (incl. Cash)	**2.20%**	**2.20%**	**0.61%**
	0.69%	*0.22%*	*0.02%*

*In case of Holding Company, pending receipt of investment pattern from LIC, pattern above pertains to self managed funds & funds managed by other insurers and the actual investment pattern after considering the details from LIC shall vary.

(ix) The following payments are expected projections to the defined benefit plan in future years:

(₹ in Crore)

	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Within next 12 Months	**213.60**	**242.23**	**8.38**	**36.74**	**22.89**
	555.54	*229.66*	*9.01*	*41.63*	*23.08*

NOTES TO FINANCIAL STATEMENTS

Note – 36: EMPLOYEE BENEFITS (Contd..)

(₹ in Crore)

	Gratuity	PRMS	Resettlement Allowance	Ex-Gratia	Felicitation
	Funded	Funded	Non-Funded	Non-Funded	Non-Funded
Between 1 to 5 Years	**1,183.34**	**1,045.65**	**28.69**	**109.65**	**106.51**
	1,130.10	*991.34*	*30.80*	*131.35*	*97.36*
Between 6 to 10 Years	**1,191.03**	**1,455.47**	**34.38**	**72.48**	**162.23**
	1,097.50	*1,376.46*	*37.18*	*97.12*	*146.56*

Note:

General Description of the defined beenfit plans applicable to the Holding Company.

Note–37: COMMITMENTS AND CONTINGENCIES

A. Leases

(a) As Lessee

The Group has entered into various material lease arrangements (including in substance lease arrangements) such as lands and buildings for the purpose of its plants, facilities, offices, retail outlet etc., storage tankages facility for storing petroleum products, time charter arrangements for coastal transportation of crude and petroleum products, transportation agreement for dedicated tank trucks for road transportation of petroleum products, handling arrangement with CFA for providing dedicated storage facility and handling lubes, supply of utilities like Hydrogen, Oxygen, Nitrogen and Water, and port facilities among others.

There are no significant sale and lease back transactions and lease agreements entered by the Group do not contain any material restrictions or covenants imposed by the lessor upto the current reporting period.

Details of significant leases entered by the Group (including in substance leases) are as under;

1. BOOT Agreement in respect of Tankages facility for a period of 15 years. Lessor will transfer ownership to IOCL after 15 years at Nil value.
2. BOOT Agreement in respect of Water Intake facility for a period of 25 years. Lessor will transfer ownership to IOCL after 25 years at ₹ 0.01 Crore.
3. Leasehold lands from government for the purpose of plants, facilities and offices for the period 30 to 90 years.
4. Agreements with vessel owners for hiring of vessels for various tenures, these are classified as Transport Equipments.
5. BOO Agreement for supply of oxygen and nitrogen at Panipat Refinery. The land is owned by IOCL and the plant is being operated by contractor for supply of oxygen and nitrogen to IOCL.
6. BOO Agreement for leasing of Nitrogen & Hydrogen Plant at Paradip for 15 years .
7. BOOT Agreement for leasing of Quality Control Lab at Paradip for 10 years. Lessor will transfer the Assets after 10 years at ₹ 0.01 Crore.
8. Arrangements with Gujarat Adani Port Limited related to port facilities at Gujarat for a period of 25 years and 11 months.
9. Arrangement for lease of land for operating Retail Outlets for sale of Petroleum products, setting up terminals/Bottling plant/Lube Blending plant for storing petroleum products/bottling LPG/Manufacturing Lubes respectively.
10. CFA handling arrangement with CFAs for providing dedicated storage facility for handling lubes.
11. Arrangements with Tank truck operators for providing dedicated tank trucks for transportation of Group's petroleum products.
12. Arrangements for dedicated time charter vessels for coastal transportation of Group's petroleum products.
13. Arrangement for dedicated storage tanks for storing Group's petroleum products at various locations.
14. Employee Township at Cauvery Basin Refinery of CPCL (Subsidiary) has been constructed on land area of thirty four acres and forty nine cents leased from a trust on five year renewable basis.

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

Amount Recognised in the Statement of Profit and Loss or Carrying Amount of Another Asset

(₹ in Crore)

Particulars		2020-21		2019-20
Depreciation recognised		**1,201.23**		918.83
Interest on lease liabilities		**777.99**		760.88
Expenses relating to short-term leases (leases more than 30 days but less than 12 months)*		**1,428.79**		1,048.75
Expenses relating to leases of low-value assets, excluding short-term leases of Low-value assets		**13.56**		4.69
Variable lease payments not included in the measurement of lease liabilities		**8,959.41**		8,881.25
Income from sub-leasing right-of-use assets				
-As Rental income from Operating Lease	22.64		24.16	
-As Finance income from Finance Lease of RoU Asset	0.13	**22.77**	4.99	29.15
Total cash outflow for leases		**1,933.77**		1,354.02
Additions to ROU during the year		**1,449.93**		1,257.50
Gain or losses arising from sale and leaseback transactions		**-**		-
Net Carrying Amount of ROU at the end the year		**9,174.59**		8,927.41
Others including Disputed, Leave & License, Reversal of excess liability of previous year, exchange fluctuation on lease liability etc...		**172.93**		159.56

*Includes Leases for which agreement are yet to be entered or due for renewal.

The details of ROU Asset included in PPE (Note 2) held as lessee by class of underlying asset (excluding those covered in Investment property) is presented below :-

2020-21

(₹ in Crore)

Asset Class	Net Carrying value as at April 01, 2020	Additions to RoU Asset during the Year**	Depreciation Recognised During the Year**	Net Carrying value as at March 31, 2021
Leasehold Land	3,990.82	477.04	296.25	**4,171.61**
Buildings Roads etc.	100.66	282.39	32.21	**350.84**
Plant & Equipment	3,887.62	19.13	269.56	**3,637.19**
Transport Equipments	948.20	669.62	602.97	**1,014.85**
Railway Sidings	0.11	-	0.01	**0.10**
Total	**8,927.41**	**1,448.18**	**1,201.00**	**9,174.59**

2019-20

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on April 1, 2019	Additions to RoU Asset during the Year**	Depreciation Recognised During the Year**	Net Carrying value as at March 31, 2020
Leasehold Land	4,101.67	155.12	265.97	3,990.82
Buildings Roads etc.	110.78	18.79	28.91	100.66
Plant & Equipment	4,145.43	17.76	275.57	3,887.62

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

(₹ in Crore)

Asset Class	Items Added to RoU Asset as on April 1, 2019	Additions to RoU Asset during the Year**	Depreciation Recognised During the Year**	Net Carrying value as at March 31, 2020
Transport Equipments	230.88	1,065.70	348.38	948.20
Railway Sidings	0.12	-	0.01	0.11
Total	**8,588.88**	**1,257.37**	**918.84**	**8,927.41**

**Additions to RoU Asset does not include RoU Assets given on Sublease. Its asset class wise details have been shown under Note 2: Property, Plant and Equipment.

Includes ₹ **(1.75) Crore (2020: ₹ (0.13) Crore) on account of FCTR difference in Additions and ₹ **(0.23) Crore** (2020: ₹ 0.01 Crore) under Depreciation.

As per requirement of the standard, maturity analysis of Lease Liabilities have been shown separately from the maturity analysis of other financial liabilities under **Liquidity Risk-Note 41: Financial Instruments & Risk Factors.**

Details of items of future cash outflows which the Group is exposed as lessee but are not reflected in the measurement of lease liabilities are as under;

(i) Variable Lease Payments

Variable lease payments that depend on an index or a rate are to be included in the measurement of lease liability although not paid at the commencement date. As per general industry practice, the Group incurs various variable lease payments which are not based any index or rate (variable based on kms covered or % of sales etc..) and are recognised in profit or loss and not included in the measurement of lease liability. Details of some of the arrangements entered by the Group which contain variable lease payments are as under;

1. Transportation arrangement based on number of kms covered for dedicated tank trucks with different operators for road transportation of petroleum, petrochemical and gas products.
2. Leases of Land of Retail Outlets based on Sales volume.
3. Rent for storage tanks for petroleum products on per day basis.
4. Payment of VTS software and VSAT equipment based on performance of equipment.
5. DG Set charges based on usage.

(ii) Extension and Termination Options

The Group lease arrangements includes extension options only to provide operational flexibility.Group assesses at every lease commencement whether it is reasonably certain to exercise the extension options and further reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. However, where Group has the sole discretion to extend the contract such lease term is included for the purpose of calculation of lease liabilities.

The Group has the sole discretion to terminate the lease in case of lease agreement for Retail Outlets. However, Group is reasonably certain not to exercise the option in view of significant improvement and prominent importance of Retail to the entity's operations. Accordingly, such lease term without any effect of termination is considered for the purpose of calculation of lease liabilities.

(iii) Residual Value Guarantees

The Group have entered into various BOOT agreements wherein at the end of lease term the leased assets will be transferred to the Group at Nominal value which has no significant impact on measurement of lease liabilities.

(iv) Committed leases which are yet to commence

1. Parent Company has entered into lease agreement on BOO basis for supply of oxygen and nitrogen gas to IOCL Ethylene Glycol Project at Paradip Refinery for a period of 20 years. IOCL has sub leased the land for the construction of the plant. Lease will commence once plant is commissioned.

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

2. Parent Company has entered into lease agreement with VSAT providers (Highes,Nelco and Airtel) for VSAT equipment at ₹ 1175/month upto Sep/Oct 2024 for subleasing to Retail outlet to ensure seamless connectivity of automated and online data from them. Out of total contracts, 499 no's are pending as at March 31, 2021. However, payment is in the nature of variable lease payment.

3. Parent Company has paid Advance upfront premium to Greater Noida Developement Authority for leasing of land for the period of 90 years for New Retail Outlet of ₹ 7.58 Crore at Greater Noida. The agreement is yet to be executed and therefore the amount is lying as Capital advance and shall form part of ROU once lease is commenced.

4. Parent Company has entered into lease agreement for 1 Nos of Retail Outlet at Rajkot for a period of 20 years at an annual rental of ₹ 420000/- with an increment of 10% in every 5 years. Lease for such case will commence once RO is commisioned.

5. Parent Company has entered into lease agreement with various lessors for 3 no's of Retail outlet at Ahmedabad for a period of 19 years 11 months at an annual rental of ₹ 90000/-, ₹ 108000/-, ₹ 240000/- respectively with an increment of 10% in every 5 years. Leases for all such cases will commence once RO is commissioned.

6. Parent Company has entered into lease agreement for providing e-locks from various vendors for a period of 3 years (with an option to extend at the option of IOCL) at rate ranging from ₹ 1050-1300/month and for 1 vendor ₹ 2450/month. As at March 31, 2021, 8897 no's are yet to be supplied. However, the same are low value items.

7. Parent Company has entered into lease agreement with Andhra Pradesh State Civil Supplies for 1 Nos of Retail Outlet at Vizag for a period of 20 years at an monthly rental of ₹ 20000/- with an increment of 10% in every 3 years. The possession of land is not given and the matter is pending in the court.

8. Parent Company has entered into centralised lease agreement with M/s Trimble for rent payment of ₹ 373/month for VTS software for POL trucks customised to IOCL requirement for a period of 5 years. As at March 31, 2021 total 1776 Nos are yet to be installed. However, payment is in the nature of variable lease payment.

9. Parent Company has entered into lease agreement with M/s Geovista for VTS software for 2800 Nos of LPG trucks for a period of 5 years. As at March 31, 2021 lease pending to be commence for all 2800 Nos.

(b) As Lessor

(i) Operating Lease

The lease rentals recognised as income in these statements as per the rentals stated in the respective agreements:

(₹ in Crore)

	2020-21	2019-20
A. Lease rentals recognised as income during the year	**103.06**	44.76
- Variable Lease	**45.62**	4.20
- Others	**57.44**	40.56

These relate to Land/Buildings subleased for non fuel business, storage tankage facilities for petroleum products, Leave and License model, machinery and office equipments given on lease. Asset class wise details have been presented under Note 2: Property, Plant and Equipments.

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

	March 31, 2021	March 31, 2020
Less than one year	**61.94**	19.76
One to two years	**56.42**	15.24
Two to three year	**45.26**	12.65
Three to four years	**40.64**	10.30
Four to five years	**13.81**	8.01
More than five years	**1.22**	4.67
Total	**219.29**	**70.63**

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

(ii) **Finance Lease**

The Group has entered into the following material finance lease arrangements:

(i) Parent Company has entered into Lease Agreement with Indian Railways in respect of BTPN Tank Wagons for a minimum period of 20 years. The lease rentals from the date of formation of rake are @ 16% for the first 10 years and thereafter at the nominal rate of 1% of the cost.

(ii) Parent Company has subleased Telematics Equipments to its Fleet Customers. The same has been classified the sub lease as a finance lease, because the sub-lease is for the whole of the remaining term of the head lease.

(iii) Parent Company has entered into sublease arrangement of Office Space to PCRA for a period of 3 years. The same has been classified as finance lease as the sub-lease is for the whole of the remaining term of the head lease.

(iv) Parent Company has entered into arrangement with Chandigarh administration for subleasing LPG Godowns to LPG Distributors for a period of 15 years. The same has been classified as finance lease as the sub-lease is for the whole of the remaining term of the head lease.

(v) Parent Company has entered into a lease agreement with Indian Synthetic Rubber Private Limited in which the Company has leased out land for one time upfront payment of ₹ 16.65 Crore.

(vi) Parent Company has subleased certain Office Premises to IHB Private Limited.

Lease income from lease contracts in which the Group acts as a lessor is as below:-

(₹ in Crore)

	2020-21	2019-20
Selling Profit and Loss	**0.13**	3.07
Finance income on the net investment in the lease	**0.13**	5.03

(₹ in Crore)

	March 31, 2021	March 31, 2020
Gross Investments in Finance Lease	**120.51**	224.94
Less: Unearned Finance Income	**0.27**	5.20
Less: Finance Income Received	**40.36**	47.59
Less: Minimum Lease payment received	**75.82**	106.38
Net Investment in Finance Lease as on Date	**4.06**	**65.77**
Opening Net Investment in Finance Lease	**65.77**	**59.97**
Add: New Leases added during the year	**4.44**	33.10
Less: PV of Minimum Lease payment received during the year	**1.41**	27.30
Less: Adjustments during the year	**64.74**	-
Closing Net Investment in Finance Lease	**4.06**	**65.77**

Maturity Analysis of Undiscounted Lease Payments to be received after the reporting date

(₹ in Crore)

	March 31, 2021	March 31, 2020
Less than one year	**2.30**	37.04
One to two years	**1.55**	29.40
Two to three year	**0.48**	4.53
Three to four years	**-**	-
Four to five years	**-**	-

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

(₹ in Crore)

	March 31, 2021	March 31, 2020
More than five years	-	-
Total Undiscounted Lease Payment	**4.33**	**70.97**
Less: Unearned finance Income	**0.27**	5.20
Net Investment in Finance Lease as on date	**4.06**	**65.77**

B. Contingent Liabilities

B.1 Claims against the Group not acknowledged as debt

Claims against the Group not acknowledged as debt amounting to ₹ **8,587.36 Crore** (2020: ₹ 9,523.46 Crore) are as under:

B.1.1 ₹ **75.76 Crore** (2020: ₹ 71.15 Crore) being the demands raised by the Central Excise /Customs/ Service Tax Authorities including interest of ₹ **33.43 Crore** (2020: ₹ 30.61 Crore.)

B.1.2 ₹ **42.81 Crore** (2020: ₹ 52.39 Crore) in respect of demands for Entry Tax from State Governments including interest of ₹ **8.61 Crore** (2020: ₹ 11.69 Crore).

B.1.3 ₹ **2,415.13 Crore** (2020: ₹ 2,555.62 Crore) being the demands raised by the VAT/ Sales Tax Authorities including interest of ₹ **848.96 Crore** (2020: ₹ 841.17 Crore).

B.1.4 ₹ **1,885.91 Crore** (2020: ₹ 2,669.04 Crore) in respect of Income Tax demands including interest of ₹ **80.15 Crore** (2020: Nil).

B.1.5 ₹ **3,808.20 Crore** (2020: ₹ 3,004.52 Crore) including ₹ **3,198.35 Crore** (2020: ₹ 2,427.84 Crore) on account of Projects for which suits have been filed in the Courts or cases are lying with Arbitrator. This includes interest of ₹ **118.30 Crore** (2020: ₹ 218.13 Crore).

B.1.6 ₹ **359.55 Crore** (2020: ₹ 1,170.74 Crore) in respect of other claims including interest of ₹ **26.39 Crore** (2020: ₹ 547.05 Crore).

The Group has not considered those disputed demands/claims as contingent liabilities, for which, the outflow of resources has been considered as remote. Contingent liabilities in respect of joint operations are disclosed in Note 34.

B.2 Other money for which the Group is Contingently Liable

Pending decision of the Government, no liability could be determined and provided for in respect of additional compensation, if any, payable to the land owners and the Government for certain lands acquired.

C. Commitments

C.1 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ **31,131.78 Crore** (2020: ₹ 27,481.97 Crore) inclusive of taxes."Capital Commitments in respect of Joint Operations are disclosed in Note 34.

C.2 Other Commitments

C.2.1 The Group has an export obligation to the extent of ₹ **147.02 Crore** (2020: ₹ 616.86 Crore) on account of concessional rate of duty availed under EPCG license scheme on procurement of capital goods and the same is expected to be fulfilled by way of exports.

C.2.2 IndianOil LNG Private Limited (IOLPL), the JV Company, entered into Debenture Subscription Agreement with ICICI Bank (ICICI), in which, the Company (IOCL), as promoter of IOLPL, provided put option under certain conditions in which ICICI has option to sell Compulsory Convertible Debenture (CCD) to the Company. During the year, ICICI Bank has exercised put option and the Company (IOCL) has paid ₹ 787.00 Crore and its share of obligation is **Nil** as on March 31, 2021 (2020: ₹ 808.44 Crore).

C.2.3 The Group has issued Corporate Guarantee, on behalf of IndianOil Adani Gas Private Limited (IOAGPL), to the extent of obligations of later company under Performance Bank Guarantee Facility provided to IOAGPL by State Bank of India, Canara Bank, Bank of Baroda, Indian Bank, IndusInd Bank, Jammu and Kashmir Bank, Axis Bank and ICICI Bank'. The Group share of such obligation is estimated at ₹ **3,533.46 Crore** (2020: ₹ 3,533.46 Crore).

NOTES TO FINANCIAL STATEMENTS

Note–37: COMMITMENTS AND CONTINGENCIES (Contd..)

C.2.4 The Group has issued Parent Company Guarantee in favour of Abu Dhabi National Oil Company, on behalf of Urja Bharat Pte Limited, Singapore (a joint venture company of Company's subsidiary i.e IOCL Singapore Pte Limited) to fulfill the joint venture company's future obligations of payment and performance of Minimum Work Programme. The total amount sanctioned by the Board of Directors is USD 89.70 Million. The estimated amount of such obligation (net of amount paid) is ₹ **418.22 Crore** - **USD 57.20 Million** (2020: ₹ 565.22 Crore - USD 74.70 Million).

C.2.5 The Group has issued Corporate Guarantee, on behalf of IndianOil LNG Private Limited (IOLPL), to the extent of obligations of IOLPL under Performance Bank Guarantee Facility provided to IOLPL by State Bank of India. The estimated amount of such obligation is at **Nil** (2020: ₹ 11.40 Crore).

C.2.6 The Group has entered into Signature Bonus Agreement with Republic of Venezuela payable on achievement of various project timelines. The estimated amount of such obligation is at ₹ **416.10 Crore** (2020: ₹ 426.62 Crore).

D. Contingent assets

(₹ in Crore)

	March 31, 2021	March 31, 2020
a. In respect of M/s Khazana Projects and Industries (P) Ltd. for the amount of risk & cost claim along with 15% supervision charges admitted by the Arbitrator in favor of the Parent Company.	**3.85**	3.73
b. In respect of M/s Metro Builders for the amount of risk & cost claim along with 15% supervision charges, price discount and interest admitted by the Arbitrator in favor of the Parent Company.	**7.16**	6.26
Total	**11.01**	**9.99**

Note – 38: RELATED PARTY DISCLOSURES

As required by Ind-AS -24 "Related Party Disclosures", are given below :

1. Relationship with Entities

A) Details of Joint Ventures (JV) / Associate Entities to IOCL & its subsidiaries

1) Indian Oiltanking Limited
2) Lubrizol India Private Limited
3) Petronet VK Limited
4) IndianOil Petronas Private Limited
5) Avi-Oil India Private Limited
6) Petronet India Limited *
7) Petronet LNG Limited
8) Green Gas Limited
9) IndianOil Panipat Power Consortium Limited @@
10) Petronet CI Limited @
11) IndianOil LNG Private Limited
12) IndianOil SkyTanking Private Limited
13) Suntera Nigeria 205 Limited
14) Delhi Aviation Fuel Facility Private Limited
15) Indian Synthetic Rubber Private Limited
16) Indian Oil Ruchi Biofuels LLP #
17) NPCIL- IndianOil Nuclear Energy Corporation Limited
20) IndianOil - Adani Gas Private Limited
21) Mumbai Aviation Fuel Farm Facility Private Limited
22) Kochi Salem Pipeline Private Limited
23) Hindustan Urvarak & Rasayan Limited
24) Ratnagiri Refinery & Petrochemicals Limited
25) Indradhanush Gas Grid Limited
26) Indian Additives Limited
27) National Aromatics & Petrochemicals Corporation Limited
28) INDOIL Netherlands B.V.
29) Taas India PTE Limited
30) Vankor India PTE Limited
31) Ceylon Petroleum Storage Terminals Limited
32) Falcon Oil & Gas B.V.
33) Urja Bharat PTE Limited
34) IHB Private Limited
35) Ujjwala Plus Foundation
36) Beximco IOC Petroleum and Energy Limited (Incorporated on 28.09.20)

NOTES TO FINANCIAL STATEMENTS

Note – 38: RELATED PARTY DISCLOSURES (Contd..)

A) Details of Joint Ventures (JV) / Associate Entities to IOCL & its subsidiaries

18) GSPL India Transco Limited	37) IndianOil Total Private Limited (Incorporated on 07.10.20)
19) GSPL India Gasnet Limited	38) IOC Phinergy Private Limited (Incorporated on 19.02.21)

B) Details of Subsidiaries to JV's of IOCL

1) IOT Engineering & Construction Services Ltd.	7) Indian Oiltanking Engineering & Construction Services LLC Oman
2) Stewarts and Lloyds of India Limited	8) JSC KazakhstanCaspishelf
3) IOT Infrastructures Private Limited	9) IOT VITO MUHENDISLIK INSAAT VE TAAHUT A.S.
4) IOT Utkal Energy Services Limited	10) IndianOil Skytanking Delhi Private Limited
5) PT IOT EPC Indonesia	11) IOT Biogas Private Limited
6) IOT Engineering Projects Limited	12) Petronet LNG Foundation
	13) Petronet Energy Limited (Incorporated on 26.02.2021)

C) The following transactions were carried out with the related parties in the ordinary course of business:

(₹ in Crore)

		March 31, 2021	March 31, 2020
1	Sales of Products / Services	2,004.13	1,626.45
	[Includes sales to IndianOil Petronas Private Limited ₹ **1,325.16 Crore** (2020: ₹ 1,083.75 Crore) and Indian Synthetic Rubber Private Limited ₹ **322.55 Crore** (2020: ₹ 350.95 Crore)]		
2	Interest received	93.17	66.98
	[Includes interest received from IndianOil LNG Private Limited ₹ **81.88 Crore** (2020: ₹ 54.77 Crore) and Petronet VK Limited ₹ **9.64 Crore** (2020: ₹ 9.49 Crore)]		
3	Other Operating Revenue/ Other Income	872.53	207.66
	[Includes Other Operating Revenue / Other Income from Petronet LNG Limited ₹ **287.33 Crore** (2020: ₹ 192.60 Crore), IndianOil Petronas Private Limited ₹ **141.52 Crore** (2020: ₹ 107.22 Crore) , Vankor India PTE Limited ₹ **447.55 Crore** (2020: ₹ 59.37 Crore) and Falcon Oil & Gas BV ₹ **182.51 Crore** (2020: Nil)]		
4	Purchase of Products	5,160.37	8,306.65
	[Includes Purchase of Products from Petronet LNG Limited ₹ **3,963.39 Crore** (2020: ₹ 5,686.10 Crore) and Falcon Oil & Gas BV ₹ **685.66 Crore** (2020: ₹ 2129.14 Crore)]		
5	Purchase of Raw Materials/ Others	3,980.99	5,402.30
	[Includes Purchase of Raw Materials/Others from Petronet LNG Limited ₹ **3,638.75 Crore** (2020: ₹ 5,027.29 Crore)]		
6	Interest paid	249.97	268.25
	[Includes Interest paid to IOT Utkal Energy Services Limited ₹ **249.97 Crore** (2020: ₹ 268.25 Crore)]		
7	Expenses Paid/ (Recovered) (Net)	712.19	906.72
	[Includes Expenses Paid to/ (Recovered) from IndianOil Petronas Private Limited ₹ **355.17 Crore** (2020: ₹ 316.90 Crore), IndianOil Sky Tanking Private Limited ₹ **141.42 Crore** (2020: ₹ 346.19 Crore) and Indian Oiltanking Ltd ₹ **110.15 Crore** (2020: ₹ 105.51 Crore)]		
8	Investments made/ (sold) during the year (Incl. Advance for Investment)	4,629.97	735.67
	[Includes Investment made in IndianOil LNG Private Limited ₹ **3,012.00 Crore** (2020: Nil), IHB Private Limited ₹ **776.50 Crore** (2020: ₹ 52.50 Crore) and Hindustan Urvarak and Rasayan Limited ₹ **380.68 Crore** (2020: ₹ 310.76 Crore)]		

NOTES TO FINANCIAL STATEMENTS

Note – 38: RELATED PARTY DISCLOSURES (Contd..)

(₹ in Crore)

		March 31, 2021	March 31, 2020
9	**Purchase/(Sale)/Acquisition of Fixed Assets (Incl. CWIP/ Leases)**	**(1.56)**	3.91
	[Includes Purchase/ (Sale)/ Acquisition/ (Recovered) of Fixed Assets incl. CWIP/ Leases from Indian Oiltanking Ltd- **Nil** (2020: ₹ 3.50 Crore), IHB Private Limited: ₹ **(1.34 Crore)** (2020: Nil) and IOT Engineering & Construction Services Limited: ₹ **(0.28 Crore)** (2020: Nil)]		
10	**Provisions made/ (write back) during the year**	**5.93**	(316.66)
	[Includes Provision made / (written back) in INDOIL Netherlands B.V. ₹ **7.03 Crore** (2020: Nil) and Indian Oiltanking Ltd- **Nil** (2020: ₹ (316.66) Crore)]		
11	**Outstanding Receivables/ Loans**	**1,381.85**	966.51
	[Includes Outstanding Receivables/ Loans from IndianOil LNG Private Limited ₹ **500.66 Crore** (2020: ₹ 251.32 Crore), Petronet LNG Limited ₹ 297.15 Crore 2020: ₹ 265.58 Crore) and Suntera Nigeria 205 Limited ₹ **158.23 Crore** (2020: ₹ 163.76 Crore)]		
12	**Outstanding Payables (Incl. Lease Obligation)**	**3,183.23**	3,312.23
	[Includes Outstanding payable to IOT Utkal Energy Services Limited ₹ **2,321.57 Crore** (2020: ₹ 2,497.78 Crore) and Petronet LNG Limited ₹ **533.88 Crore** (2020: ₹ 420.86 Crore)]		
13	**Investments in JV/ Associates as on date**	**16,261.19**	11,592.78
14	**Guarantees**		
	Financial Guarantees	**217.51**	1,114.28
	[Includes Financial Guarantee given to Indian Synthetic Rubber Private Limited ₹ **217.51 Crore** (2020: ₹ 305.88 Crore) and IndianOil LNG Private Limited- **Nil** (2020: ₹ 808.40 Crore)]		

Note:

1) Transactions in excess of 10% of the total related party transactions for each type has been disclosed above.
2) In case of Joint Venture/ Subsidiary Companies constituted/acquired during the period, transactions w.e.f. date of constitution / acquisition is disclosed.
3) In case of Joint Venture / Subsidiary Companies which have been closed/divested during the period, transactions up to the date of closure / disinvestment only are disclosed.

2. Government related entities where significant transactions carried out

Apart from transactions reported above, the Group has transactions with other Government related entities, which includes but not limited to the following:

Name of Government: Government of India (Central and State Government)

Nature of Transactions:
- Sale of Products and Services
- Purchase of Products
- Purchase of Raw Materials
- Handling and Freight Charges, etc.

These transactions are conducted in the ordinary course of the Group's business on terms comparable to those with other entities that are not Government-related.

*Liquidator has been appointed for winding up of Company w.e.f. August 30, 2018.

@@IndianOil has exited the Joint Venture by selling its entire stake in IPPCL to SCION Exports Private Limited on March 5, 2021.

@The Company is under winding up process and the appointed liquidator has submitted his report to the official liquidator who is still to submit its report to Tribunal for winding up of the company.

#IndianOil has exited the Joint Venture, IndianOil Ruchi Biofuels LLP (M/s IORB) by giving notice of its exit from the LLP to the other JV partner viz. Ruchi Soya Industries Limited (M/s Ruchi) as well as to the LLP on December 26, 2018 stating that it will exit the LLP w.e.f. January 25, 2019. The time frame for completing exit formalities by M/s Ruchi by filing requisite forms with ROC was within 30 days of notice expiry period (i.e., by February 24, 2019) but the same is still pending and IndianOil name is appearing on ROC website as Partner in the said LLP. M/s Ruchi was under Corporate Insolvency Resolution Process and has been taken over by Patanjali Ayurveda Limited. All necessary documents have been provided to M/s Ruchi for completing formalities relating to exit of IndianOil from IORB LLP.

NOTES TO FINANCIAL STATEMENTS

Note – 38: RELATED PARTY DISCLOSURES (Contd..)

3) Key Managerial Personnel

A. Whole-time Directors/ Company Secretary	B. Independent Directors	C. Government Nominee Directors
1) Shri S. M. Vaidya (w.e.f. 14.10.2019)	1) Shri Rajendra Arlekar	1) Ms Indrani Kaushal
2) Shri G. K. Satish	2) Ms Lata Usendi	2) Dr Navneet Mohan Kothari
3) Dr S. S. V. Ramakumar	3) Shri Vinoo Mathur (upto 21.09.2020)	
4) Shri Ranjan Kumar Mohapatra	4) Shri Samirendra Chatterjee (upto 21.09.2020)	
5) Shri Gurmeet Singh	5) Shri Chitta Ranjan Biswal (upto 21.09.2020)	
6) Shri S. K. Gupta (w.e.f. 18.05.2019)	6) Dr Jagdish Kishwan (upto 21.09.2020)	
7) Shri Akshay Kumar Singh (upto 31.01.2021)	7) Shri Sankar Chakraborti (upto 21.09.2020)	
8) Shri Sanjiv Singh (upto 30.06.2020)	8) Shri Dharmendra Singh Shekhawat (upto 21.09.2020)	
9) Shri Kamal Kumar Gwalani		

D) Details relating to the personnel referred to in Item No. 3A & 3B above:

March 31, 2021

(₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole-time Directors/ Company Secretary						
1) Shri S. M. Vaidya	0.45	0.09	0.08	0.62	-	0.01
2) Shri G. K. Satish	0.47	0.09	0.16	0.72	-	-
3) Dr S. S. V. Ramakumar	0.55	0.09	0.08	0.72	-	0.01
4) Shri Ranjan Kumar Mohapatra	0.46	0.08	0.08	0.62	-	0.02
5) Shri Gurmeet Singh	0.61	0.73	0.09	1.43	-	-
6) Shri S. K. Gupta	0.47	0.08	0.08	0.63	-	-
7) Shri Akshay Kumar Singh	0.35	0.30	0.16	0.81	-	-
8) Shri Sanjiv Singh	0.37	0.70	0.18	1.25	-	-
9) Shri Kamal Kumar Gwalani	0.47	0.08	0.06	0.61	-	0.19
B. Independent Directors						
1) Shri Rajendra Arlekar	-	-	-	-	0.10	-
2) Ms Lata Usendi	-	-	-	-	0.07	-
3) Shri Vinoo Mathur	-	-	-	-	0.03	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.04	-
5) Shri Chitta Ranjan Biswal	-	-	-	-	0.02	-
6) Dr Jagdish Kishwan	-	-	-	-	0.03	-
7) Shri Sankar Chakraborti	-	-	-	-	0.04	-
8) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.03	-
TOTAL	4.20	2.24	0.97	7.41	0.36	0.23

NOTES TO FINANCIAL STATEMENTS

Note – 38: RELATED PARTY DISCLOSURES (Contd..)

March 31, 2020

(₹ in Crore)

Key Managerial Personnel	Short-Term Employee Benefits	Post Employment Benefits	Other Long Term Benefits	Total Remuneration	Sitting Fees	Outstanding Loans (Gross)/ Advance Receivables
A. Whole-time Directors/ Company Secretary						
1) Shri S. M. Vaidya	0.21	0.03	-	0.24	-	0.01
2) Shri G. K. Satish	0.59	0.07	-	0.66	-	-
3) Dr S. S. V. Ramakumar	0.63	0.08	0.04	0.75	-	0.02
4) Shri Ranjan Kumar Mohapatra	0.60	0.07	-	0.67	-	0.04
5) Shri Gurmeet Singh	0.61	0.07	-	0.68	-	-
6) Shri S. K. Gupta	0.47	0.06	-	0.53	-	0.11
7) Shri Akshay Kumar Singh	0.58	0.07	-	0.65	-	0.01
8) Shri Sanjiv Singh	0.60	0.07	-	0.67	-	-
9) Shri Kamal Kumar Gwalani	0.50	0.07	-	0.57	-	0.21
B. Independent Directors						
1) Shri Rajendra Arlekar	-	-	-	-	0.04	-
2) Ms Lata Usendi	-	-	-	-	0.02	-
3) Shri Vinoo Mathur	-	-	-	-	0.09	-
4) Shri Samirendra Chatterjee	-	-	-	-	0.09	-
5) Shri Chitta Ranjan Biswal	-	-	-	-	0.05	-
6) Dr Jagdish Kishwan	-	-	-	-	0.10	-
7) Shri Sankar Chakraborti	-	-	-	-	0.09	-
8) Shri Dharmendra Singh Shekhawat	-	-	-	-	0.09	-
TOTAL	**4.79**	**0.59**	**0.04**	**5.42**	**0.57**	**0.40**

Notes :

1) This does not include the impact of provision made on actuarial valuation of retirement benefit/ long term Schemes and provision made during the period towards Post Retirement Benefits as the same are not separately ascertainable for individual directors.

2) There were no Share Based Employee Benefits given to KMPs during the period.

3) In addition, whole-time Directors are also allowed the use of Corporation's car for private purposes up to 12,000 kms. per annum on a payment of ₹ 2,000/- per mensem.

NOTES TO FINANCIAL STATEMENTS

Note – 38: RELATED PARTY DISCLOSURES (Contd..)

4) Relatives of Key Managerial Personnel and nature of relation with whom transactions are undertaken during the year:

1) Shri Siddharth Shrikant Vaidya (Senior Production Engineer, Indian Oil Corporation Limited): Son of Key Managerial Personnel

(₹ in Crore)

Details relating to the parties referred above:	March 31, 2021	March 31, 2020
1 Remuneration		
Shri Siddharth Shrikant Vaidya ^	0.15	0.08
2 Outstanding Receivables/ Loans		
Shri Siddharth Shrikant Vaidya ^	-	-

^Remuneration and Loan balances for relative of KMP is reported for the period of tenure of KMP.

5) Trusts

Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

	Name of the Trust	Post Employment Benefit Plan	March 31, 2021		March 31, 2020	
			Contribution by employer	Outstanding Receivable/ (Payable)	Contribution by employer	Outstanding Receivable/ (Payable)
1	IOCL (Refinery Division) Employees Provident Fund*	Provident Fund	237.27	82.50	229.72	(7.40)
2	Indian Oil Corporation Limited (Assam Oil Division) Employees Provident Fund	Provident Fund	21.35	38.10	24.46	(7.52)
3	Provident Fund for the Employees of Indian Oil Corporation Limited (Marketing Division)*	Provident Fund	246.47	168.24	256.89	(59.90)
4	IOCL Employees Superannuation Benefit Fund	Pension Scheme	164.06	33.42	294.21	135.97
5	IOCL Employees Post Retirement Medical Benefit Fund	Post Retirement Medical Scheme	746.56	(241.05)	163.54	(544.63)
6	IOCL Employees Group Gratuity Trust	Gratuity	528.93	3.74	-	(432.38)
7	CPCL Employees Provident Fund	Provident Fund	28.25	2.00	22.74	0.55
8	CPCL Employees Superannuation Benefit Fund	Pension Scheme	11.05	-	22.71	-
9	CPCL Employees Group Gratuity Trust	Gratuity	14.28	26.43	0.30	21.90
10	CPCL Post Retirement Medical Benefit Trust	PRMB	41.68	11.55	195.00	41.67

Transactions with CPCL Educational Trust

(₹ in Crore)

Type of Transactions	March 31, 2021	March 31, 2020
1 CSR Expenses	0.30	0.50
2 Misc Expenses	-	0.01

*Includes ₹ 335.00 Crore advance given to PF trust in FY 20-21 as per actuarial valuation against interest shortfall in future years against which provision for probable contingencies to the tune of ₹ 262.26 Crore was provided for in books as Contingencies for Probable Obligation as on March 31, 2021 (Refer Note 36)

NOTES TO FINANCIAL STATEMENTS

Note - 39: SEGMENT INFORMATION

Primary Segment Reporting as per Ind-AS 108 for the period ended March 31, 2021 is as under:

(₹ in Crore)

	2020-2021					2019-2020				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Revenue										
External Revenue	4,88,313.68	19,149.78	12,773.38	-	5,20,236.84	5,44,610.78	15,702.53	15,676.39	-	5,75,989.70
Inter-segment Revenue	8,516.35	19.31	68.19	(8,603.85)	-	10,054.57	24.28	80.21	(10,159.06)	-
Total Revenue	4,96,830.03	19,169.09	12,841.57	(8,603.85)	5,20,236.84	5,54,665.35	15,726.81	15,756.60	(10,159.06)	5,75,989.70
Result										
Segment Results excluding Exchange Gain/(Loss)	24,904.18	5,218.82	(317.27)	-	29,805.73	10,232.85	2,029.99	(1,218.72)	-	11,044.12
Segmental Exchange Gain/(Loss)	666.56	(0.56)	23.09	-	689.09	(887.31)	(21.64)	8.08	-	(900.87)
Segment Results (Before Exceptional Items)	25,570.74	5,218.26	(294.18)	-	30,494.82	9,345.54	2,008.35	(1,210.64)	-	10,143.25
Less: Unallocable Expenditure										
- Finance Cost					3,589.12					6,578.74
- Provision for diminution in Investments (Net)					-					-
- Loss on sale and disposal of Assets					136.50					106.25
- Exchange Loss - (Net)					-					3,244.66
- Loss on Derivatives					-					170.58
- Fair value Loss on Financial instruments classified as FVTPL					27.64					26.18
- Amortisation of FC Monetary Item Translation					-					28.92
Add: Unallocable Income										
- Interest/Dividend Income					2,094.52					2,722.82
- Profit on Sale of Investments (Net)					1.84					-
- Provision for diminution in Investments written back (Net)					1.99					-
- Exchange Gain - (Net)					568.53					-
- Gain on Derivatives					140.87					-
- Other non operating income					4.69					50.80
- Share of Profit in Joint Venture and Associates					1,196.73					1,366.09
Profit before Exceptional items and Tax					30,750.73					4,127.63
Exceptional Items (Refer point no. 14 of Note-48)	-	-	-	-	-	(10,946.98)	(293.73)	(63.93)	-	(11,304.64)
Profit Before Tax					30,750.73					(7,177.01)
Less: Income Tax (including deferred tax)					8,988.51					(5,300.69)
Profit After Tax					21,762.22					(1,876.32)

1. The Company is engaged in the following business segments:
   a) Sale of Petroleum Products
   b) Sale of Petrochemicals
   c) Other operating segment of the Corporation comprises; Gas, Oil & Gas Exploration Activities, Explosives & Cryogenic Business and Wind Mill & Solar Power Generation.

Segments have been identified and reported taking into account, the nature of products and services and differing risks and returns.

2. Segment Revenue comprises of the following:
   a) Turnover (Inclusive of Excise Duties)
   b) Net Claim/(Surrender) of SSC
   c) Subsidy / Grants received from Governments
   d) Other Operating Revenue
3. Inter segment pricing are at Arm's length basis

NOTES TO FINANCIAL STATEMENTS

Note - 39: SEGMENT INFORMATION (Contd..)

Other Information

(₹ in Crore)

	March 31, 2021					March 31, 2020				
	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total	Petroleum Products	Petro-chemicals	Other Business	Eliminations	Total
Segment Assets	2,61,306.53	21,734.13	20,049.70		3,03,090.36	2,47,086.91	19,970.34	17,391.96		2,84,449.21
Corporate Assets										
Investments (Current and Non Current)					44,716.82					35,570.87
Advances For Investments					1,460.64					1,314.94
Advance Tax					2,479.91					4,291.82
Interest Accrued On Investments/ Bank Deposits					0.77					1.72
Loans					3,117.19					3,910.35
Derivative Asset					45.13					131.11
Finance Lease Receivables					4.06					65.77
Total Assets					3,54,914.88					3,29,735.79
Segment Liabilities	1,05,453.64	847.13	2,867.63		1,09,168.40	87,597.78	970.38	3,193.80		91,761.96
Corporate Liabilities										
Liability for Dividend					1,260.79					3.69
Provision For Taxation					802.52					-
Borrowings (Short Term and Long Term)					1,08,514.91					1,25,968.05
Current Maturities Of Long-Term Debt					8,138.19					3,822.28
Deferred Tax Liability					13,964.47					11,439.29
Derivative Liabiliies					252.65					467.38
Total Liabilities					2,42,101.93					2,33,462.65
Capital Employed										
Segment Wise	1,55,852.89	20,887.00	17,182.07		1,93,921.96	1,59,489.13	18,999.96	14,198.16		1,92,687.25
Corporate					(81,109.01)					(96,414.11)
Total Capital Employed					1,12,812.95					96,273.14
Capital Expenditure	21,055.86	2,071.48	2,695.46	-	25,822.80	29,160.04	3,259.98	(62.69)	-	32,357.33
Depreciation and Amortisation	9,273.44	918.02	749.99	-	10,941.45	8,324.14	898.09	1,051.16	-	10,273.39

Geographical information

(₹ in Crore)

	Revenue from external customers		Non-current assets	
	2020-2021	2019-2020	March 31, 2021	March 31, 2020
India	4,98,501.23	5,44,621.01	1,94,491.35	1,79,661.55
Outside India	21,735.61	31,368.69	16,744.14	16,670.83
Total	5,20,236.84	5,75,989.70	2,11,235.49	1,96,332.38

Revenue from major products and services

(₹ in Crore)

	2020-2021	2019-2020
Motor Spirit (MS)	1,12,706.72	1,14,313.03
High Speed Diesel (HSD)	2,60,139.23	2,83,897.33
Superior Kerosene Oil (SKO)	4,502.41	9,539.55
Liquified Petroleum Gas (LPG)	64,124.29	65,866.07
Aviation Turbine Fuel (ATF)	9,550.30	28,213.95
Others	69,213.90	74,159.77
Total External Revenue	5,20,236.84	5,75,989.70

NOTES TO FINANCIAL STATEMENTS

Note - 40: FAIR VALUE MEASUREMENT

I. Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, along with the fair value measurement hierarchy:

(₹ in Crore)

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
FINANCIAL ASSETS					
A. Fair Value through Other Comprehensive Income (FVTOCI):					
Quoted Equity Shares	**12,213.70**	8,016.28	**12,213.70**	8,016.28	Level 1
Quoted Equity Shares - Phinergy Limited (refer Note 2 below)	**118.38**	-	**118.38**	-	Level 1
Unquoted Equity Instrument	**1,629.82**	1,397.93	**1,629.82**	1,397.93	Level 3
Quoted Government Securities	**11,883.53**	11,931.81	**11,883.53**	11,931.81	Level 1
Hedging derivatives					
Foreign exchange forward contracts- Loans	**-**	18.67	**-**	18.67	Level 2
Foreign exchange forward contracts- Crude/ Product Liablities	**-**	3.23	**-**	3.23	Level 2
Commodity forward contracts- Margin Hedging	**17.12**	93.00	**17.12**	93.00	Level 2
Interest Rate Swap	**5.35**	-	**5.35**	-	Level 2
B. Fair Value through Profit and Loss (FVTPL):					
Derivative Instruments at fair value through profit or loss	**22.66**	16.21	**22.66**	16.21	Level 2
Unit Trust Investments	**289.02**	173.93	**289.02**	173.93	Level 1
Investment through PMS	**126.30**	30.86	**126.30**	30.86	Level 1
C. Amortised Cost:					
Loans to employees	**1,535.80**	1,447.99	**1,703.63**	1,567.68	Level 2
PMUY Loan (Refer point 1 of Note-48 for more details)	**1,058.43**	2,098.54	**1,108.88**	2,132.88	Level 3
FINANCIAL LIABILITIES					
A. Amortised Cost:					
Non-Convertible Redeemable Bonds/ Debentures	**18,242.16**	9,280.80	**18,242.41**	9,289.68	Level 2
Term Loans from Oil Industry Development Board (OIDB)	**916.37**	667.33	**915.82**	673.12	Level 2
Foreign Currency Bonds - US Dollars	**10,330.07**	14,510.96	**11,451.94**	14,077.15	Level 1
Foreign Currency Bonds - Singapore Dollars	**2,227.92**	2,176.44	**2,321.48**	2,065.38	Level 2
Loan from Odisha Government	**1,291.34**	962.66	**1,303.89**	1,000.53	Level 2
USD 100 Mn Term Loan	**731.59**	-	**731.50**	-	Level 2

NOTES TO FINANCIAL STATEMENTS

Note - 40: FAIR VALUE MEASUREMENT (Contd..)

(₹ in Crore)

	Carrying Value		Fair Value		Fair Value measurement hierarchy level
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
B. Fair Value through Profit and Loss (FVTPL):					
Derivative Instruments at fair value through profit or loss	**252.65**	435.87	**252.65**	435.87	Level 2
C. Fair Value through Other Comprehensive Income (FVTOCI):					
Hedging Derivatives					
Commodity forward contracts-Margin Hedging	-	31.51	-	31.51	Level 2

Notes:

1. The management assessed that fair value of Trade Receivables, Cash and Cash Equivalents, Bank Balances/ Deposits, Advances for Investment, Recoverable from Employee Benefits Trusts, Other Non-derivative Current Financial Assets, Finance Lease Receivable, B site RO modernisation loans, Security Deposits paid and received, Short-term Borrowings (including Current Maturities of Long term Borrowings), Trade Payables, Floating Rate Borrowings/ Receivables, Other Non-derivative Current Financial Liabilities and Liabilities towards financial guarantees approximate their carrying amounts.

2. Equity shares of Phinergy limited were listed on Israel stock exchange during the year. Hence, the quoted prices (unadjusted) in active markets are available for fair valuation. Accordingly, the fair value hierarchy level has been changed from Level 3 to Level 1 in current FY 2020-21. Earlier, it was being shown in unquoted equity instruments (being level 3 fair value hierarchy level). Last year figure (fair value ₹ 92.24 Crore) has not been reclassified into Level 1.

METHODS AND ASSUMPTIONS

The following methods and assumptions were used to estimate the fair values at the reporting date:

A. Level 1 Hierarchy:

(i) **Quoted Equity Shares:** Closing quoted price (unadjusted) in National Stock Exchange of India Limited and Tel Aviv Stock Exchange, Israel for shares of Phinergy Limited

(ii) **Quoted Government Securities:** Closing published price (unadjusted) in Clearing Corporation of India Limited

(iii) **Foreign Currency Bonds - US Dollars:** Closing price for the specific bond collected from Bank

(iv) **Unit Trust Investment/PMS:** Closing NAV for the specific investment available in Trust Bulletin/ Newspaper/PMS

B. Level 2 Hierarchy:

(i) **Derivative Instruments at FVTPL:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(ii) **Hedging Derivatives at FVTOCI:** Replacement cost quoted by institutions for similar instruments by employing use of market observable inputs.

(iii) **Loans to employees :** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities, adjusted for insignificant unobservable inputs specific to such loan like principal and interest repayments are such that employee get more flexibility in repayment as per the respective loan schemes.

NOTES TO FINANCIAL STATEMENTS

Note - 40: FAIR VALUE MEASUREMENT (Contd..)

(iv) **Non-Convertible Redeemable Bonds/ Debentures, Foreign Currency Bonds - Singapore Dollars , Loan from Odisha Government and USD 100 Mn Term Loan:** Discounting future cash flows using rates currently available for items on similar terms, credit risk and remaining maturities (Excluding floating rate borrowings).

(v) **Term Loans from Oil Industry Development Board (OIDB):** Discounting future cash flows using rates currently available for similar type of borrowings (OIDB Borrowing Rate) using exit model as per Ind AS 113.

C. Level 3 Hierarchy:

(i) **Unquoted Equity Instruments:** Fair values of the unquoted equity shares have been estimated using Market Approach & Income Approach of valuation techniques. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

(ii) **PMUY Loan:** Fair value of PMUY loans is estimated by discounting future cash flows using approximate interest rates applicable on loans given by Banks duly adjusted for significant use of unobservable inputs in estimating the cash flows comprising of specific qualitative and quantitative factors like consumption pattern, assumption of subsidy rate, deferment of loan etc.

The significant unobservable inputs used in fair value assessment categorised within Level 3 of the Fair Value Hierarchy together with a quantitative sensitivity analysis as on March 31, 2021 and March 31, 2020 are shown below:

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
I	**Lanzatech New Zealand Ltd.** (included under FVTOCI assets in unquoted equity instruments. Refer Note-4 for Carrying Value)	Income Approach - Option Pricing Model (OPM)	Equity Volatility	March 31, 2021: 55.9% - 59.9% (57.9%) March 31, 2020: 24.4% - 28.4% (26.4%)	1% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: March 31, 2021: ₹ (0.35) Crore/ ₹ 0.35 Crore March 31, 2020: ₹ (0.94) Crore/ ₹ 0.96 Crore
			Expected time to liquidity event	March 31, 2021: 2 Yrs - 4 Yrs (3 Yrs) March 31, 2020: 2 Yrs - 4 Yrs (3 Yrs)	Increase/ (decrease) in 1 year would result in (decrease)/ increase in fair value by: March 31, 2021: ₹ (0.88) Crore/ ₹ 1.59 Crore March 31, 2020: ₹ (7.43) Crore/ ₹ 10.51 Crore
II	**Haldia Petrochemical Limited** (included under FVTOCI assets in unquoted equity instruments. Refer Note-4 for Carrying Value)	Market Approach with equal weights to Revenue and EBITDA Multiple	Revenue Multiple	March 31, 2021: 1.02x - 1.06x (1.04x) March 31, 2020: 0.49x - 0.53x (0.51x)	0.01x increase/(decrease) in Revenue Multiple would result in increase/(decrease) in fair value by: March 31, 2021: ₹ 4.50 Crore/ ₹ (4.50) Crore March 31, 2020: ₹ 4.20 Crore/ ₹ (4.10) Crore
			EBITDA multiple	March 31, 2021: 4.8x - 5.2x (5.0x) March 31, 2020: 5.6x - 6.0x (5.8x)	0.1x increase/(decrease) in EBITDA Multiple would result in increase/(decrease) in fair value by: March 31, 2021: ₹ 10.0 Crore/ ₹ (10.0) Crore March 31, 2020: ₹ 4.30 Crore/ ₹ (4.20) Crore

NOTES TO FINANCIAL STATEMENTS

Note - 40: FAIR VALUE MEASUREMENT (Contd..)

	Description	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
III	**Ceylon Petroleum Storage** Terminals Limited (included under FVTOCI assets in unquoted equity instruments. Refer Note-4 for Carrying Value)	Market Approach with equal weights to Revenue and EBITDA Multiple	Revenue Multiple	March 31, 2021: 1.3x - 1.7x (1.5x) March 31, 2020: 1.2x - 1.6x (1.4x)	0.1x increase/(decrease) in Revenue Multiple would result in increase/(decrease) in fair value by: March 31, 2021: ₹ 8.26 Crore/ ₹ (8.22) Crore March 31, 2020: ₹ 10.74 Crore/ ₹ (10.70) Crore
			EBITDA multiple	March 31, 2021: 6.2x - 8.2x (7.2x) March 31, 2020: 4.3x - 6.3x (5.3x)	0.5x increase/(decrease) in EBITDA Multiple would result in increase/(decrease) in fair value by: March 31, 2021: ₹ 7.68 Crore/ ₹ (7.75) Crore March 31, 2020: ₹ 13.34 Crore/ ₹ (13.29) Crore
IV	**Petrocarababo S.A. and Carabobo Ingenieria Y Construcciones S.A.** (included under FVTOCI assets in unquoted equity instruments. Refer Note-4 for Carrying Value)	Income Approach - Present Value Measurement	Discount Rate	March 31, 2021: 22.5% - 26.5% (24.5%) March 31, 2020: 28.0% - 32.0% (30.0%)	1% increase/(decrease) in Discount Rate would result in (decrease)/increase in fair value by: March 31, 2021: ₹ (9.51) Crore/ ₹ 10.96 Crore March 31, 2020: ₹ (12.11) Crore/ ₹ 14.38 Crore

Unquoted Equity Instruments carried at FVTOCI includes following investments for which sensitivity disclosure is not disclosed:

	Carrying Value	
	March 31, 2021	**March 31, 2020**
Mer Rouge Oil Storage Terminal Company Limited	**5.67**	6.07
BioTech Consortium India Limited	**0.10**	0.10
MRL Industrial Cooperative Service Society	**0.01**	0.01
Woodlands Multispeciality Hospital Limited	**0.10**	0.10
International Cooperative Petroleum Association, New York	**0.02**	0.02

Reconciliation of fair value measurement of Assets and Liabilities under Level 3 hierarchy of Fair Value measurement:

Description	FVTOCI Assets Unquoted Equity Shares
Balance as at March 31 2020	1,397.93
Fair Value Changes	385.98
Exchange Difference	(35.71)
Transfer in	-
Transfer out (to Level 1)	(118.38)
Balance as at March 31 2021	1,629.82

NOTES TO FINANCIAL STATEMENTS

Note - 40: FAIR VALUE MEASUREMENT (Contd..)

II. Disclosures relating to recognition of differences between the fair value at initial recognition and the transaction price

In the following cases, the Group has not recognised gains/losses in profit or loss on initial recognition of financial assets/ financial liability, instead, such gains/losses are deferred and recognised as per the accounting policy mentioned below.

Financial Assets

1. Loan to Employees

As per the terms of service, the Group has given long term loan to its employees at concessional interest rate. Transaction price is not fair value because loans are not extended at market rates applicable to employees. Since implied benefit is on the basis of the services rendered by the employee, it is deferred and recognised as employee benefit expense over the loan period.

2. PMUY loan

The PMUY loan is the interest free loan given to PMUY beneficiaries towards cost of burner and 1st refill. The loan is interest free and therefore transaction price is not at fair value. The difference between fair value and transaction price is accumulated in Deferred expenses and amortised over the loan period on straight line basis in the Statement of Profit and Loss.

3. Security Deposits

The security deposit is paid to landlord in relation to lease of land. The security deposit is interest free and therefore transaction price is not fair value.The difference between fair value and transaction price is accumulated in Deferred expenses and amortised over the loan period on straight line basis in the statement of Profit and loss till March 31,2019 prior to introduction of IND AS 116.

Financial Liabilities

1. Security Deposits

In case certain deposits payable to deceased employees under R2 option and security deposits received in relation to some revenue expenses contracts, transaction price is not considered as fair value because deposits are interest free. The difference between fair value and transaction price is accumulated in Deferred income and amortised over the tenure of security deposit on straight line basis in the Statement of Profit and Loss.

Reconciliation of deferred gains/losses yet to be recognised in the Statement of Profit and Loss are as under:

(₹ in Crore)

Particulars	Opening Balance	Addition During the Year	Amortised During the Year	Adjusted During the Year	Closing Balance
2020-21					
Deferred Expenses (Refer Note 8)					
Loan to employees	**707.52**	28.85	48.42	-	**687.95**
PMUY Loan	**647.55**	-	209.52	61.53	**376.50**
Security Deposits	**1.34**	-	0.03	-	**1.31**
Deferred Income (Refer Note 20)					
Security Deposits	**5.61**	-	1.09	-	**4.52**
2019-20					
Deferred Expenses (Refer Note 8)					
Loan to employees	**659.88**	102.49	54.85	-	**707.52**
PMUY Loan	**247.03**	691.59	291.07	-	**647.55**
Security Deposits	**16.38**	-	0.14	14.90	**1.34**
Deferred Income (Refer Note 20)					
Security Deposits	**7.38**	-	1.35	0.42	**5.61**

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS

Financial Risk Factors

The Group's principal financial liabilities, other than derivatives, comprise Borrowings, trade and other payables, security deposits, employee liabilities and lease obligation. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans & advances, trade and other receivables, short-term deposits and cash / cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, commodity prices, foreign currency exchange rates and equity price, credit risk and liquidity risk.

The Risk Management Commitee comprised of senior management oversees the management of these risks. The Group's senior management is supported by a Risk Management Compliance Board that advises on financial risks and the appropriate financial risk governance framework for the Group. The Risk Management Committee provides assurance to the Board that the Group's risks are governed by appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Group's policies, risk objectives and risk appetite.

The Group's requirement of crude oil are managed through integrated function handled through its international trade and optimisation department. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. As per the Group's policy, derivatives contracts are taken only to hedge the various risks that the Group is exposed to and not for speculation purpose.

The Board of Directors oversee the risk management activities for managing each of these risks, which are summarised below:

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The major components of market risk are interest rate risk, foreign currency risk, commodity price risk and other price risk viz. equity shares etc. Financial instruments affected by market risk include Borrowings, Deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions, and other non-financial assets and liabilities of foreign operations.

1. Interest Rate Risk

The Group is exposed to interest rate risk from the possibiltiy that changes in interst rates will affect future cash flows of a financial instrument, principally financial debt. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages to maintian a mix between fixed and floating rates for rupee and foreign currency loans, based on liquidity, availability of cost effective instruments and considering the market/ regulatory constraints etc. The Group also use interest rate swap contracts for managing the interest rate risk of floating interest rate debt. As at March 31, 2021, approximately 65% of the Group's borrowings are at a fixed rate of interest (March 31, 2020: 57%).

Group is exposed to USD LIBOR interest rate benchmark reform with respect to floating rate debts raised by it and associated derivative contracts. Group is closely monitoring the market and the announcements from the various agencies managing the transition to new benchmark interest rates. Secured Overnight Financing Rate (SOFR) has been identified by the regulators as the replacement benchmark for USD LIBOR. This is applicable for both loans as well as interest rate derivatives contracts benchmarked to USD LIBOR. Based on announcements made in March 2021 by various agencies involved in USD LIBOR transition, the transition from USD LIBOR to SOFR will take effect immediately after 30 June 2023. The Group is not expecting any material financial impact of transition from USD LIBOR to SOFR on its floating rate loans linked to USD LIBOR and associated derivative contracts which are maturing beyond 30th June 2023.

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on INR and USD floating rate borrowings is per table below. The Group's exposure to interest rate changes for all other currency borrowings is not material.

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

Currency of Borrowings	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in basis points	Effect on profit before tax (₹ in Crore)
	March 31, 2021		March 31, 2020	
INR	**+50**	**(40.22)**	+50	(6.87)
US Dollar	**+50**	**(149.70)**	+50	(257.39)
INR	**-50**	**40.22**	-50	6.87
US Dollar	**-50**	**149.70**	-50	257.39

2. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Group manages its foreign currency risk through combination of natural hedge, mandatory hedging and hedging undertaken on occurence of pre-determined triggers. The hedging is mostly undertaken through forward contracts.

The Group has outstanding forward contract of Nil as at March 31, 2021 (March 31, 2020: ₹ 3,296.52 Crore) which has been undertaken to hedge its exposure to borrowings and other financial liabilities.

The sensitivity to a reasonably possible change in USD/INR exchange rates, with all other variables held constant, the impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Group's exposure to foreign currency changes for all other currencies other than below is not material.

Currency	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2021		March 31, 2020	
Forward Contract - US Dollar	**+5%**	**-**	+5%	164.83
	-5%	**-**	-5%	(164.83)
Other Exposures - US Dollar	**+5%**	**(3,478.19)**	+5%	(4,175.50)
	-5%	**3,478.19**	-5%	4,175.50
Other Exposures - SGD	**+5%**	**(111.40)**	+5%	(108.82)
	-5%	**111.40**	-5%	108.82
Cross Currency - USD vs. SGD	**+5%**	**(119.03)**	+5%	(123.18)
	-5%	**119.03**	-5%	123.18
Cross Currency - USD vs. INR	**+5%**	**(63.98)**	+5%	-
	-5%	**63.98**	-5%	-

The effects of most exchange rate fluctuations are absorbed in business operating results which are offset by changing cost competitiveness, lags in market adjustments to movements in rates to its other non-financial assets like inventory etc. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the Group's reported results.

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS (Contd..)

3. Commodity Price Risk

The Group is exposed to various commodity price related risk such as Refinery Margins i.e. Differential between the prices of petroleum products & crude oil, Crude Oil Price fluctuation on accounts of inventoty valuation fluctuation and crude oil imports etc. As per approved risk management policy, the Group can undertake refinery margin hedging, inventory hedging and crude oil price hedging through swaps, options and futures in the OTC market as well as domestic exchanges to mitigate the risk within the approved limits.

Category-wise quantitative data about commodity derivative transactions that are oustanding as at the end of the financial year is given below:

Quantity (in Lakhs bbls)

Particulars	March 31, 2021	March 31, 2020
Margin Hedging Forward contracts	**14.25**	50.50

The sensitivity to a reasonably possible change in Crude benchmark price difference/ refinery margin on the outstanding commodity hedging position as on March 31, 2021:

Particulars	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)	Increase/ Decrease in %	Effect on profit before tax (₹ in Crore)
	March 31, 2021		March 31, 2020	
Margin Hedging	**+10%**	**(2.88)**	+10%	(14.37)
Margin Hedging	**-10%**	**2.88**	-10%	14.37

4. Equity Price Risk

The Group's investment in listed and non-listed equity securities, other than its investments in Joint Ventures/ Associates and Subsidiaries, are susceptible to market price risk arising from uncertainties about future values of the investment securities.

At the reporting date, the exposure to unlisted equity securities at fair value was ₹ 1,629.82 Crore. Sensitivity analysis of these investments have been provided in Note 40.

The exposure to listed equity securities valued at fair value was ₹ 12,332.08 Crore. An increase / decrease of 5% on the market index could have an impact of approximately ₹ 616.60 Crore on the OCI and equity attributable to the Group. These changes would not have an effect on profit or loss.

5. Derivatives and Hedging

(i) Classification of derivatives

The Group is exposed to certain market risks relating to its ongoing business operations as explained above.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Group and outstanding as at the end of the financial year is provided below:

(₹ in Crore)

	March 31, 2021		March 31, 2020	
	Other Financial Assets	Other Financial Liabilities	Other Financial Assets	Other Financial Liabilities
Derivatives not designated as hedging instruments				
Foreign exchange forward contracts- Loans	**-**	**-**	16.21	-
Foreign Exchange currency swap	**22.66**	**252.65**	-	435.87

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

(₹ in Crore)

	March 31, 2021		March 31, 2020	
	Other Financial Assets	Other Financial Liabilities	Other Financial Assets	Other Financial Liabilities
Derivatives designated as hedging instruments				
Foreign exchange forward contracts- Loans	-	-	18.67	-
Foreign exchange forward contracts- Crude/ Product Liabilities	-	-	3.23	-
Interest Rate Swap	**5.35**	-	-	-
Commodity Forward Contracts - Margin Hedging	**17.12**	-	93.00	31.51

(ii) Hedging activities

The primary risks managed using derivative instruments are commodity price risk, foreign currency risk and interest rate risk.

Commodity Price Risk

Margin Hedging

IndianOil buys crude and sells petroleum products linked to international benchmark prices and these benchmark prices do not move in tandem. This exposes IndianOil to the risk of variation in refining margins.

The risk of fall in refining margins of petroleum products in highly probable forecast sale transactions is hedged by undertaking crack spread forward contracts. The Group wants to protect the realisation of margins and therefore to mitigate this risk, the Group is taking these forward contracts to hedge the margin on highly probable forecast sale in future. Risk management activities are undertaken in OTC market i.e. these are the bilateral contracts with registered counterparties.

All these hedges are accounted for as cash flow hedges.

Foreign Currency Risk

The Group is exposed to various foreign currency risks as explained in A.2 above. As per Group's Foreign Currency & Interest Rate Risk Management Policy , the Group is required to fully hedge the short term foreign currency loans (other than revolving lines and PCFC loans) and at least 50% of the long term foreign currency loans based on market conditions.

Apart from mandatory hedging of loans, the Group also undertakes foreign currency forward contracts for the management of currency purchase for repayment of crude/ product liabilities based on market conditions and requirements. The above hedgings are undertaken through delivery based forward contracts.

All these hedges are accounted for as cash flow hedges.

Interest Rate Risk

The Group is exposed to interest rate risks on floating rate borrowings as explained in A.1 above. Group hedges interest rate risk by taking interest rate swaps as per Group's Interest Rate Risk Management Policy based on market conditions. The Group uses interest rate derivatives to hedge exposure to interest payments for floating rate borrowings denominated in foreign currencies.

All these hedges are accounted for as cash flow hedges.

Hedge Effectiveness

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match the terms of hedge items. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange, interest rate and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. In case of interest rate swaps, as the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying interest rates.

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

Source of Hedge ineffetiveness

In case of commodity price risk, the Group has identified the following sources of ineffectiveness, which are not expected to be material:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

In case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty and the Group's own credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

Disclosures of effects of Cash Flow Hedge Accounting

Hedging instruments

The Group is holding the following hedging instruments:

(₹ in Crore)

As at March 31,2021	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	Total
Foreign exchange forward contracts- Loans						
Nominal amount	-	-	-	-	-	-
Average forward rate	-	-	-	-	-	
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	-	-	-	-	-	-
Average forward rate	-	-	-	-	-	
Interest Rate Swaps						
Nominal amount	-	-	-	-	1438.43	1438.43
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in Lakhs bbls)	0.75	1.50	6.00	6.00	-	14.25
Nominal amount (₹ Crore)	(0.91)	(1.82)	37.48	11.17	-	45.92
Average forward rate ($ /bbl)	(1.66)	(1.66)	8.55	2.55	-	-

(₹ in Crore)

As at March 31,2020	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	Total
Foreign exchange forward contracts- Loans						
Nominal amount	449.00	-	756.00	-	-	1,205.00
Average forward rate	74.76	-	75.62	-	-	

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

(₹ in Crore)

As at March 31,2020	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 12 Months	Total
Foreign exchange forward contracts- Crude/ Product Liabilities						
Nominal amount	1,131.99	-	-	-	-	1,131.99
Average forward rate	75.47	-	-	-	-	
Interest Rate Swaps						
Nominal amount	-	-	-	-	-	-
Commodity forward contracts- Margin Hedging						
Nominal volume (Quantity in Lakhs bbls)	8.75	12.50	17.25	12.00	-	50.50
Nominal amount (₹ Crore)	16.14	31.15	109.81	32.40	-	189.50
Average forward rate (US$ /bbl)	2.44	3.29	8.41	3.57	-	

The impact of the hedging instruments on the Balance Sheet is as under

(₹ in Crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Nominal amount	**-**	1205.00	**-**	1131.99	**1438.43**	-	**45.92**	189.50
Carrying amount	**-**	18.67	**-**	3.23	**5.35**	-	**17.12**	61.49
Line item in the Balance Sheet that's includes Hedging Instruments	Other Current Financial Assets / Other Current Financial Liabilities*							
Change in fair value used for measuring ineffectiveness for the period - Gain (Loss)	**(14.14)**	18.67	**(6.30)**	(6.61)	**5.35**	-	**136.67**	124.70

*Refer 5(i) above for further break-up.

Hedge Items

The impact of the Hedged Items on the Balance Sheet is as follows:

(₹ in Crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	**-**	-	**-**	-	**4.00**	-	**12.80**	46.00
Change in value of the hedged items used for measuring ineffectiveness for the period	**14.14**	(18.67)	**6.30**	6.61	**(5.35)**	-	**(136.67)**	(124.70)

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

(₹ in Crore)

	Foreign exchange forward contracts- Loans		Foreign exchange forward contracts- Crude/ Product Liablities		Interest Rate Swaps		Commodity forward contracts- Margin Hedging	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Cash flow Hedge Reserve at the beginning of the year	-	(1.08)	-	-	-	-	46.00	23.12
Total hedging gain/(loss) recognised in OCI	(14.14)	20.33	(6.30)	(6.61)	5.35	-	75.18	89.14
Income tax on above	3.56	(5.12)	1.59	1.66	(1.35)	-	(18.92)	(22.43)
Ineffectiveness recognised in profit or loss	-	-	-	-	-	-	-	-
Line item in the statement of profit or loss that includes the recognised ineffectiveness	NA	NA	NA	NA	NA	NA	NA	NA
Amount reclassified from OCI to profit or loss	(14.14)	18.67	(6.30)	(6.61)	-	-	119.55	63.21
Income tax on above	3.56	(4.54)	1.59	1.66	-	-	(30.09)	(19.38)
Cash flow Hedge Reserve at the end of the year	-	-	-	-	4.00	-	12.80	46.00
Line item in the statement of profit or loss that includes the reclassification adjustments	Other Income	Other Expenses	Other Income	Other Expenses	NA	NA	Revenue from Operations	Revenue from Operations

B. Credit risk

Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by Letters of Credit, Bank Guarantees or other forms of credit insurance, wherever required.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group applies Simplified approach for providing the expected credit losses on Trade Receivables as per the accounting policy of the Group. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(₹ in Crore)

	0 - 90 days	91 days to 6 months	Above 6 months to 1 Year	Above 1 Year to 3 Years	> 3 years	Total
Year ended March 31, 2021						
Gross Carrying amount	10,387.92	636.33	994.27	2,129.89	263.87	14,412.28
Expected loss rate	(10.11)	(0.28)	(0.75)	(1.98)	(0.10)	(13.22)
Specific Provision	(102.05)	(62.99)	(58.65)	(203.76)	(171.33)	(598.78)
Carrying amount	**10,275.76**	**573.06**	**934.87**	**1,924.15**	**92.44**	**13,800.28**
Year ended March 31, 2020						
Gross Carrying amount	7,236.33	3,205.09	2,392.84	358.36	214.50	13,407.12
Expected credit losses	(6.86)	(3.18)	(2.39)	(0.37)	(0.07)	(12.87)
Specific Provision	-	(0.09)	(1.24)	(1.93)	(131.51)	(134.77)
Carrying amount	**7,229.47**	**3,201.82**	**2,389.21**	**356.06**	**82.92**	**13,259.48**

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

Other Financial instruments and cash deposits

The Group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as provided in Note 4, 5, 6, 11 & 12.

The Group applies General approach for providing the expected credit losses on these items as per the accounting policy of the Group.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Group's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group has given loans to PMUY (Pradhan Mantri Ujjwala Yojana) customers which are shown under Loans in Note-5. PMUY loans are given to provide clean cooking fuel to BPL families as per GOI scheme wherein free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households. As per the scheme, OMCs are providing an option for interest free loan towards cost of burner and 1st refill to PMUY consumers which is to be recovered from the subsidy amount payable to customer when such customers book refill.

In case of certain PMUY loans, the Group has determined that there is significant increase in the credit risk. The Group considers the probability of default upon initial recognition of the loan and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. It considers past experience and time elapsed since the last refill for determining probability of default on collective basis. The Group has categorised the PMUY loans wherein credit risk has increased significantly under various categories considering the likelihood of default based on time gap since last refill. During the year, due to inactivity of a portion of PMUY consumers despite the efforts of Group and GOI, Group has changed the percentage of ECL provisioning. ECL is provided @80% (2020: @50%) in case of time gap since last refill is more than 12 months but not exceeding 18 months, @90% (2020: @70%) in case of time gap is more than 18 months but not exceeding 24 months and @100% (2020: @90%) for those consumers who have not taken any refill more than 24 months. ECL is provided for the loans where the refill is taken within last 12 months based on experience ratio of more than 12 months as above.

The PMUY loans are classified as credit impaired as on reporting date considering significant financial difficulty in case the customer has not taken any refill from past 24 months (2020: 30 months).

In case of other financial assets, there are certain credit impaired cases mainly due to breach of contract arising due to default or bankruptcy proceedings.

The movement in the loss allowance for impairment of financial assets at amortised cost during the year was as follows:

(₹ in Crore)

2020-21	Opening Balance	ECL created during the year	ECL write Back	ECL written off/ Reclassifications*	Closing Balance
	A	B	C	D	(A+B+C+D)
Trade Receivables					
Expected credit losses	12.87	2.39	(2.04)	-	13.22
Specific Provision	134.77	482.71	(2.14)	(16.56)	598.78
Total	147.64	485.10	(4.18)	(16.56)	612.00
Loans					
12 Months ECL	69.98	257.07	-	(0.02)	327.03
Life Time ECL- not credit impaired	126.39	69.92	-	-	196.31
Life Time ECL- credit impaired	360.29	197.25	(0.14)	(0.09)	557.31
Total	556.66	524.24	(0.14)	(0.11)	1,080.65
Security Deposits					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	-	-	-	-
Life Time ECL- credit impaired	1.50	-	(0.10)	-	1.40
Total	1.50	-	(0.10)	-	1.40

NOTES TO FINANCIAL STATEMENTS

Note – 41 FINANCIAL INSTRUMENTS AND RISK FACTORS(Contd..)

(₹ in Crore)

2020-21	Opening Balance	ECL created during the year	ECL write Back	ECL written off/ Reclassifications*	Closing Balance
Other Financial assets					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	71.56	-	-	71.56
Life Time ECL- credit impaired	90.76	58.00	(3.28)	(1.20)	144.28
Total	90.76	129.56	(3.28)	(1.20)	215.84

* Net of translation difference amounting to ₹ 0.64 Crore.

(₹ in Crore)

2019-20	Opening Balance	ECL created during the year	ECL write Back	ECL written off/ Reclassifications*	Closing Balance
	A	B	C	D	(A+B+C+D)
Trade Receivables					
Expected Credit Loss	15.49	-	(0.56)	(2.06)	12.87
Specific Provision	141.05	5.29	(0.49)	(11.08)	134.77
Total	**156.54**	**5.29**	**(1.05)**	**(13.14)**	**147.64**
Loans					
12 Months ECL	-	69.98	-	-	69.98
Life Time ECL- not credit impaired	1,141.71	-	(658.50)	(356.82)	126.39
Life Time ECL- credit impaired	3.63	-	-	356.66	360.29
Total	**1,145.34**	**69.98**	**(658.50)**	**(0.16)**	**556.66**
Security Deposits					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	-	-	-	-
Life Time ECL- credit impaired	1.56	0.05	(0.10)	(0.01)	1.50
Total	**1.56**	**0.05**	**(0.10)**	**(0.01)**	**1.50**
Other Financial assets					
12 Months ECL	-	-	-	-	-
Life Time ECL- not credit impaired	-	-	-	-	-
Life Time ECL- credit impaired	106.83	0.26	(16.33)	-	90.76
Total	**106.83**	**0.26**	**(16.33)**	**-**	**90.76**

*Net of translation difference amounting to ₹ (0.23) Crore

C. Liquidity risk

The Group monitors its risk of shortage of funds using a liquidity planning tool. The Group seeks to manage its liquidity requirement by maintaining access to both short term and long term debt markets. In addition, Group has committed credit facilities from banks.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, commercial papers, bank loans, debentures, and leases. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual payments.

NOTES TO FINANCIAL STATEMENTS

Note – 41 Financial Instruments and Risk Factors(Contd..)

(₹ in Crore)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2021						
Borrowings excluding Lease Obligations	**16,549.54**	**27,334.12**	**10,361.65**	**50,394.00**	**4,291.01**	**1,08,930.32**
Lease Obligations	**15.86**	**289.82**	**1,167.21**	**2,492.18**	**3,757.71**	**7,722.78**
Trade Payables	**3,584.57**	**32,249.42**	**1,413.98**	**-**	**-**	**37,247.97**
Other financial liabilities	**30,109.40**	**7,278.76**	**4,348.50**	**517.67**	**329.81**	**42,584.14**
Derivatives	**-**	**252.65**	**-**	**-**	**-**	**252.65**
	50,259.37	**67,404.77**	**17,291.34**	**53,403.85**	**8,378.53**	**1,96,737.86**
Year ended March 31, 2020						
Borrowings excluding Lease Obligations	16,349.26	31,232.74	24,742.58	45,766.51	3,962.32	1,22,053.41
Lease Obligations	48.41	296.41	1,050.32	2,895.19	3,446.59	7,736.92
Trade Payables	2,936.12	23,376.11	1,264.03	-	-	27,576.26
Other financial liabilities	31,057.91	5,233.85	1,353.08	415.98	373.60	38,434.42
Derivatives	-	467.38	-	-	-	467.38
	50,391.70	**60,606.49**	**28,410.01**	**49,077.68**	**7,782.51**	**1,96,268.39**

D. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

E. Collateral

As Group has been rated investment grade by various domestic and international rating agencies, there has been no requirement of submitting any collateral for booking of derivative contracts. Group undertakes derivatives contract only with those counterparties that have credit rating above the internally approved threshold rating. Accordingly, Group does not seek any collaterals from its counterparties.

Note–42: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity shareholders of the parent Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using debt equity ratio, which is borrowings divided by Equity. The Group's endeavour is to keep the debt equity ratio around 1:1.

(₹ in Crore)

	March 31, 2021	March 31, 2020
Borrowings	**1,16,653.10**	1,29,790.33
Equity Share Capital	**9,181.04**	9,181.04
Reserves and Surplus	**1,02,657.01**	86,216.87
Equity	**1,11,838.05**	95,397.91
Debt Equity Ratio	**1.04 : 1**	1.36 : 1

No changes were made in the objectives, policies or processes for managing capital during the financial year ended 31 March 2021 and 31 March 2020.

NOTES TO FINANCIAL STATEMENTS

Note–43: DISCLOSURE ON GOVERNMENT GRANTS

A. Revenue Grants

1 Subsidies on sales of SKO (PDS) and LPG (Domestic)

Subsidies on sales of SKO (PDS) and LPG (Domestic) in India amounting to ₹ **72.46 Crore** (2020: ₹ 148.29 Crore) and subsidies on sales of SKO and LPG to customers in Bhutan amounting to ₹ **3.13 Crore** (2020: ₹ 13.39 Crore) have been reckoned as per the schemes notified by Governments.

2 Compensation against under recoveries

The Group has accounted for Budgetary Support of **Nil** (2020: ₹ 1,296.17 Crore) towards under-recovery on sale of SKO (PDS) in the Statement of Profit and Loss as Revenue Grants.

3 Export of Notified Goods under MEIS Claims

The Group has recognised ₹ **0.02 Crore** (2020: ₹ 1.41 Crore) on export of notified goods under Merchandise Exports from India Scheme (MEIS) in the Statement of Profit and Loss as Revenue Grants.

4 Stidend to apprentices under NATS scheme

As per Ministry of HRD, 50% of the cost of stipend for apprentices which are paid under National Apprenticeship Training Scheme (NATS) will be reimbursed to employer from Government subject to prescribed threshhold limit.The Group has recognised grant in respect of stipend paid to apprentices appointed under National Apprenticeship Training Scheme (NATS) amounting to ₹ **2.52 Crore** (2020: ₹ 5.85 Crore) as Revenue Grant.

5 Grant in respect of revenue expenditure for research projects

During the year, the Group has received revenue grant of ₹ **1.68 Crore** (2020: ₹ 2.40 Crore) in respect of meeting out revenue expenditure such as Manpower, Consumables, Travel & Contingency etc for research projects undertaken with various agencies.

6 Incentive on sale of power

Group is getting incentive from Department of Renewable Energy, GOI for wind power generation of Electricity at the rate of ₹ 0.50 paise for per unit of power generated. The Group has received grant of ₹ **2.08 Crore** during the current year (2020: ₹ 2.76 Crore).

7 EPCG Grant

Grant recognised in respect of duty waiver on procurement of capital goods under EPCG scheme of Central Govt. which allows procurement of capital goods including spares for pre production and post production at zero duty subject to an export obligation of 6 times of the duty saved on capital goods procured. The unamortised grant amount as at March 31, 2021 is ₹ **2.29 Crore** (2020: ₹ 41.56 Crore). During the year, the Group has recognised ₹ **41.57 Crore** (2020: ₹ 20.78 Crore) in the Statement of Profit and Loss as amortisation of revenue grant. The Group expects to meet the export obligations and therefore equivalent deferred grant has not been treated as liability.

8 Excise duty benefit in North East

Excise duty exemption of 50% of goods manufactured and cleared from north east refineries has been reckoned at full value in revenue and on net basis in expenses under 'Excise Duty' (to the extent of duty paid). Financial impact for the current year is ₹ **5,655.21 Crore** (2020: ₹ 2,627.98 Crore).

9 Grant in respect of Hydrogen blended Natural Gas project at Rajghat DTC

The Group has received grant from Transport Ministry, Govt of NCT, DELHI as per the direction of Hon'ble Supreme Court to carry out its study & pilot project of hydrogen blended CNG (H-CNG). The Group has recognised **Nil** (2020: ₹ 15.00 Crore) in Statement of Profit and Loss during the year.

10 Export of Notified Goods under Advance Authorisation Scheme

The Group has recognised **Nil** (2020: ₹ 0.38 Crore) on export of notified goods under Advance Authorisation Scheme in the Statement of Profit and Loss as Revenue Grants.

B. Capital Grants

1 OIDB Government Grant for strengthening distribution of SKO (PDS)

The Group has received government grant from OIDB (Oil Industry Development Board) for strengthening distribution of PDS Kerosene as per the directions of MoP&NG to be used in construction of 20KL underground Tank, Mechanical Dispensing Units and Barrel Shed. The unamortised capital grant amount as at March 31, 2021 is ₹ **0.76 Crore** (2020: ₹ 1.01 Crore). During the year, the Group has recognised ₹ **0.25 Crore** (2020: ₹ 0.27 Crore) in Statement of Profit and Loss as amortisation of capital grants.

NOTES TO FINANCIAL STATEMENTS

Note–43: DISCLOSURE ON GOVERNMENT GRANTS (Contd..)

2 Capital Grant in respect of Excise duty,Custom duty and GST waiver

The Group has received grant in respect of Custom duty waiver on import on capital goods,Excise duty waiver and GST waiver on purchase of goods from local manufacturer in India under the certificate issued by Department of Scientific and Industrial Research (DSIR). The unamortised capital grant amount as at March 31, 2021 is **₹ 67.77 Crore** (2020: ₹ 61.78 Crore) The goods so imported or procured from local manufacturer shall not be transferred or sold for a period of five years from date of installation. During the year, the Group has recognised **₹ 10.85 Crore** (2020: ₹ 8.50 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

3 Capital Grant in respect of Research projects

The Group has received capital grant from various agencies in respect of procurement/ setting up of Capital assets for research projects undertaken. The unamortised capital grant amount as at March 31, 2020 is **₹ 11.19 Crore** (2020: ₹ 12.24 Crore). During the year, the Group has recognised **₹ 2.60 Crore** (2020: ₹ 2.51 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

4 Capital Grant in respect of Entry Tax Exemption from Odisha Govt.

Entry Tax exemption received from Odisha Government for Paradip Refinery Project has been recognised as Capital Grant and grossed up with the concerned Assets.The unamortised capital grant amount as at March 31, 2020 is **₹ 105.55 Crore** (2020: ₹ 111.02 Crore). During the year, the Group has recognised **₹ 5.47 Crore** (2020: ₹ 5.30 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

5 Capital Grant in respect of demonstration unit

Grant received from OIDB for setting up of demonstration unit at Guwahati refinery with the Group's R&D developed IndaDeptG technology and also for Ethanol production from Refinery off gases at Panipat Refinery. The unamortised capital grant amount as at March 31, 2021 is **₹ 173.27 Crore** (2020: ₹ 90.77 Crore). During the year, the Group has recognised **₹ 4.38 Crore** (2020: ₹ 4.38 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

6 Capital Grant in respect of interest subsidy

The Group has received capital grant in respect of interest subsidy on loans taken from OIDB. The unamortised capital grant amount as at March 31, 2021 is **₹ 32.98 Crore** (2020: ₹ 16.61 Crore). During the year, the Group has recognised **₹ 1.82 Crore** (2020: ₹ 0.81 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

7 Capital Grant in respect of Viability Gap Funding (VGF)

The Group has received capital grant in the form of interest free loans from Orissa Government for a period of 15 years.The unamortised capital grant amount as at March 31, 2021 is **₹ 2,065.16 Crore** (2020: ₹ 1,750.64 Crore). During the year, the Group has recognised **₹ 144.86 Crore** (2020: ₹ 112.11 Crore) in the Statement of Profit and Loss account as amortisation of capital grants.

8 Capital Grant in respect of Solar Power Generation

The Group has received capital financial assistance from Ministry of New and Renewable Energy in respect of procurement and installation of Solar Panels for Power Generation.The unamortised capital grant amount as at March 31, 2021 is **₹ 3.96 Crore** (2020: ₹ 4.14 Crore). During the year, the Group has recognised **₹ 0.18 Crore** (2020: ₹ 0.19 Crore) in the Statement of Profit and Loss as amortisation of capital grants.

9 Capital Grant from Nepal Government

The Group has received grant from Nepal Government by way of waiver of Local taxes on goods/services procured locally in Nepal and Import Duty for goods/services imported into Nepal. The Group has recognised **₹ 1.05 Crore** (2020: ₹ 0.71 Crore) in Statement of Profit & Loss. The unamortised balance is **₹ 12.42 Crore** (2020: ₹ 13.63 Crore)

NOTES TO FINANCIAL STATEMENTS

Note–44: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group is in the business of oil and gas and it earns revenue primarily from sale of petroleum products, petrochemicals and others comprising of Gas, E&P and Others. Revenue are recognised when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. In determining the transaction price for the sale of products, the group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Generally, Group enters into contract with customers;

a. On delivered basis in case of Retail Sales, LPG and Aviation.

b. On EX-MI as well as delivered basis in case of Lubes and Consumers.

c. On FOB or CIF basis depending on terms of contract in case of Export sales.

Majority of Group's sales are to retail category which are mostly on cash and carry basis. Group also execute supply to Institutional Businesses(IB), Lubes , Aviation on credit which are for less than a year.

For maintaining uninterrupted supply of products, customers generally deposit amount in advance with the Group against which orders for purchase of products are placed by the customers. Based on these orders, supply is maintained by the Group and revenue is recognised when the goods are delivered to the customer by adjusting the advance from customers.

Group also extend volume/slab based discounts to its customers on contract to contract basis for upliftment of products and it is adjusted in revenue as per the terms of the contract. Group also runs loyalty programmes and incentive schemes for its retail and bulk customers. Loyalty points are generated and accumulated by the customers on doing transactions at Group's outlet which can be redeemed subsequently for fuel purchases from Group outlets. Revenue is recognised net of these loyalty points and incentive schemes.

Beside this, though not significant, Group also undertakes contruction contracts on deposit basis. Revenue is recognised for these contracts on input based on cost incurred. Similarly non-refundable deposits received from Retail Outlets (ROs) are recognised as revenue over time.

Bifurcation of Total Revenue into Revenue from contract with customers and other sources of revenue as per requirement of Ind AS is given below;

(₹ in Crore)

	March 31, 2021	March 31, 2020
Total Revenue (A+D)	**5,20,236.84**	**5,75,989.70**
Revenue from contract with customers (A)	**5,17,680.08**	5,72,025.96
Recognised from contract liability balance of previous year (B)	**4,288.98**	3,225.89
Recognised from contracts initiated in current year (C)	**5,13,391.10**	5,68,800.07
Revenue from other contracts/from others (D)	**2,556.76**	3,963.74

An amount of ₹ **483.48 Crore** (2020: ₹ 2.16 Crore) on account of impairment losses on receivables is recognised under the head Impairment Loss on Financial Assets on the face of Statement of Profit and Loss.

The Group disclose information on reportable segment as per Ind AS 108 under Note 39 - Segmental Information. An amount of ₹ **300.55 Crore** (2020: ₹ 69.19 Crore) is recognised over time under Revenue from contract with customers.

NOTES TO FINANCIAL STATEMENTS

Note–44: REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTD..)

(₹ in Crore)

	Receivables	Contract Asset	Contract Liability
Opening Balance	13,293.57	-	5,948.98
Closing Balance	13,848.36	-	5,769.20

The Group has applied practical expedient as per IndAS 115 in case of delivered sales, advance from customers where the performance obligation is part of the contract and the original expected duration is one year or less and in case of construction contracts/deposit works wherein the company has a right to consideration from customer that correspond directly with the value of the entity's performance completed for the customer.

Revenue in cases of performance obligation related to delivered sales and advance from customers are recognised in time based on delivery of identified and actual goods and no significant judgement is involved. Revenue in case of contruction contracts/ deposit works are recognised over time using input based on cost incurred. Revenue in case of Non Refundable RO Deposit is recognised on time proportion basis.

NOTES TO FINANCIAL STATEMENTS

Note – 45: STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JV'S AND ASSOCIATES (FORM AOC - I)

Part "A": Subsidiaries

(₹ in Crore)

Sl. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary	Chennai Petroleum Corporation Limited	IndianOil (Mauritius) Limited	Lanka IOC PLC	IOC Middle East FZE	IOC Sweden AB	IOCL (USA) Inc.	IndOil Global BV.	IOCL Singapore PTE Limited
Date since when subsidiary was acquired	29.03.2001	24.10.2001	29.08.2002	19.04.2006	26.02.2010	01.10.2012	25.02.2014	13.05.2016
Reporting Currency	INR	MUR	SLR	AED	EURO	USD	CAD	USD
Exchange Rate (INR):								
Closing as on March 31, 2021	-	1.7998	0.3674	19.9010	85.7800	73.1150	58.0198	73.1150
Average Rate 2020-21	-	1.8711	0.3948	20.2134	86.6410	74.2199	56.2174	74.2199
Share Capital	148.91	75.67	250.54	2.30	387.26	336.32	6,185.26	7,128.82
Other Equity	1,462.29	254.21	556.57	39.22	77.34	(240.98)	(2,180.94)	981.86
Liabilities	12,613.83	148.59	972.99	4.85	12.51	7.03	3,556.42	3,195.26
Total Liabilities	14,225.03	478.47	1,780.10	46.37	477.11	102.37	7,560.74	11,305.94
Total Assets	14,225.03	478.47	1,780.10	46.37	477.11	102.37	7,560.74	11,305.94
Investments	198.62	5.67	676.63	0.04	464.47	-	45.42	8,096.22
Turnover	41,813.95	648.45	2,632.76	17.30	-	27.12	1,005.24	1,305.47
Profit Before Taxation	1,296.24	36.09	5.30	(0.31)	(7.84)	(115.46)	(210.48)	587.18
Provision for Taxation	1,038.98	3.60	4.34	-	-	-	(1.46)	68.47
Profit After Taxation	257.26	32.49	0.96	(0.31)	(7.84)	(115.46)	(209.02)	518.71
Proposed Dividend	-	26.36	12.49	-	-	-	-	-
Percentage of shareholding	51.89%	100.00%	75.12%	100.00%	100.00%	100.00%	100.00%	100.00%

An application has been submitted for one of the subsidiary called Indian Catalyst Private Limited to RoC Ahmedabad on 30.12.20 for striking-off the company's name from the ROC's Register

INR	Indian Rupees
MUR	Mauritian rupees
SLR	Srilankan Rupees
AED	United Arab Emirates Dirham
USD	United States Dollars
CAD	Canadian Dollars

NOTES TO FINANCIAL STATEMENTS

Note - 45 PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I)

(₹ in Crore)

1	Name of the Associates / Joint Ventures	Indian Oiltanking Limited	Lubrizol India Private Limited	Indian Oil Petronas Private Limited	Green Gas Limited	Indian Oil Skytanking Private Limited
2	Latest Audited Balance Sheet Date	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
3	Date of which Associate or Joint Venture was associated or acquired	August 28, 1996	April 01, 2000	December 03, 1998	October 07, 2005	August 21, 2006
4	Shares of Associate / Joint Ventures held by the company on the year end					
	i. No.	494828289	499200	134000000	23042250	25950000
	ii. Amount of Investment in Associates / Joint Venture	723.98	61.71	134.00	23.04	73.28
	iii. Extent of Holding %	49.38%	26.00%	50.00%	49.97%	50.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
6	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	680.21	173.01	705.29	229.64	84.65
8	Profit / (Loss) for the year (After Tax)	112.88	85.52	205.81	56.34	10.20
	i. Considered in Consolidation	55.74	22.24	102.91	28.15	5.10
	ii. Not Considered in Consolidation	57.14	63.28	102.90	28.19	5.10

NOTES TO FINANCIAL STATEMENTS

Note - 45 PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I) (Contd..)

(₹ in Crore)

	Suntera Nigeria 205 Ltd.	Delhi Aviation Fuel Facility Private Limited	Indian Synthetic Rubber Private Limited	NPCIL - IndianOil Nuclear Energy Corporation Limited	GSPL India Transco Limited	GSPL India Gasnet Limited	Indradhanush Gas Grid Limited	Indian Oil Total Private Limited
	March 31, 2020	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
	May 09, 2006	Match 28, 2010	July 06, 2010	April 06, 2011	March 29, 2013	March 29, 2013	August 10, 2018	October 07, 2020
	2500000	60680000	222861375	260000	151320000	413925030	61000000	7500000
	0.05	60.68	222.86	0.26	151.32	413.93	61.00	7.50
	25.00%	37.00%	50.00%	26.00%	26.00%	26.00%	20.00%	50.00%
	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
	(171.52)	91.97	199.02	0.37	125.20	403.26	57.92	6.39
	(62.80)	(12.43)	238.43	0.06	(65.09)	16.21	2.03	(2.21)
	(15.70)	(4.60)	119.22	0.02	(16.92)	4.21	0.41	(1.11)
	(47.10)	(7.83)	119.21	0.04	(48.17)	12.00	1.62	(1.10)

NOTES TO FINANCIAL STATEMENTS

Note - 45 PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I) (Contd..)

(₹ in Crore)

1	Name of the Associates / Joint Ventures	IndianOil Adani Gas Private Limited	Mumbai Aviation Fuel Farm Facility Private Limited	Kochi Salem Pipelines Private Limited	Indian Oil LNG Private Limited
2	Latest Audited Balance Sheet Date	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
3	Date of which Associate or Joint Venture was associated or acquired	October 04, 2013	October 09, 2014	January 22, 2015	May 29, 2015
4	Shares of Associate / Joint Ventures held by the company on the year end				
	i. No.	432245000	48288750	202500000	5000
	ii. Amount of Investment in Associates / Joint Venture	432.25	48.29	202.50	0.01
	iii. Extent of Holding %	50.00%	25.00%	50.00%	50.00%
5	Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control
6	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated
7	Networth attributable to Shareholding as per latest audited Balance Sheet	413.63	87.24	192.94	(154.11)
8	Profit / (Loss) for the year (After Tax)	(18.25)	1.56	(3.99)	(33.49)
	i. Considered in Consolidation	(9.12)	0.39	(1.99)	(16.74)
	ii. Not Considered in Consolidation	(9.13)	1.17	(2.00)	(16.75)

Following associates or joint ventures are yet to commence operations:

i) Suntera Nigeria 205 Ltd.

ii) NPCIL - IndianOil Nuclear Energy Corporation Limited

iii) Kochi Salem Pipelines Private Limited

iv) Ratnagiri Refinery & Petrochemicals Limited

v) Hindustan Urvarak and Rasayan Limited

vi) Indradhanush Gas Grid Limited

vii) IHB Private Limited

viii) IndianOil Total Private Limited

Equity Consolidation in respect of following Jointly Controlled Entities have not been consolidated as the Management has decided to exit from these companies and provided for full dimunition in the value of investment:

i) Petronet CI Limited.

ii) Indian Oil Ruchi Biofuels LLP

NOTES TO FINANCIAL STATEMENTS

Note - 45 PART - "B" : STATEMENT OF SALIENT FEATURES OF THE FINANCIAL STATEMENT OF JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (FORM AOC - I) (Contd..)

(₹ in Crore)

	Hindustan Urvarak and Rasayan Limited	Ratnagiri Refinery & Petrochemicals Limited	IHB Private Limited	Avi-Oil India Private Limited	Petronet VK Limited	Petronet LNG Limited	Petronet India Limited
	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
	June 15, 2016	September 22, 2017	July 09, 2019	November 04, 1993	May 21, 1998	April 02, 1998	May 26, 1997
	1131765000	100000000	829000000	4500000	50000000	187500000	18000000
	1131.77	100.00	829.00	4.50	26.02	98.75	0.18
	29.67%	50.00%	50.00%	25.00%	50.00%	12.50%	18.00%
	Joint Control	Joint Control	Joint Control	Associate	Associate	Associate	Associate
	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
	1129.66	63.82	829.51	17.52	-	1465.65	0.47
	(16.32)	(17.45)	6.22	3.07	(9.10)	2854.31	-
	(4.84)	(8.73)	3.11	0.77	-	356.79	-
	(11.48)	(8.72)	3.11	2.30	(9.10)	2497.52	-

NOTES TO FINANCIAL STATEMENTS

Note - 46: ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE-III TO COMPANIES ACT, 2013

Name of the Enity	Net Assets		Share in Profit/ (loss) after Tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Total	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)
Indian Oil Corporation Limited	98.80%	1,10,500.04	100.91%	21,836.04	101.38%	4,583.89	100.99%	26,419.93
Subsidiaries								
Indian								
Chennai Petroleum Corporation Limited	1.44%	1,611.20	1.19%	257.26	(0.12%)	(5.33)	0.96%	251.93
Foreign								
IndianOil (Mauritius) Limited	0.29%	329.88	0.15%	32.49	(0.35%)	(15.76)	0.06%	16.73
Lanka IOC PLC	0.72%	807.11	-	0.96	(1.58%)	(71.66)	(0.27%)	(70.70)
IOC Middle East FZE	0.04%	41.52	-	(0.31)	(0.03%)	(1.49)	(0.01%)	(1.80)
IOC Sweeden AB	0.42%	464.60	(0.04%)	(7.84)	(1.47%)	(66.30)	(0.28%)	(74.14)
IOCL (USA) Inc.	0.09%	95.34	(0.53%)	(115.46)	(0.12%)	(5.58)	(0.46%)	(121.04)
IndOil Global BV.	3.58%	4,004.32	(0.97%)	(209.02)	4.08%	184.69	(0.09%)	(24.33)
IOCL Singapore PTE Limited	7.25%	8,110.68	2.40%	518.71	(2.09%)	(94.47)	1.62%	424.24
Less: Minority Interests in all subsidiaries	0.87%	975.96	0.57%	124.01	(0.45%)	(20.39)	0.40%	103.62
Joint Venture								
Indian								
Indian Oiltanking Limited	0.61%	680.21	0.26%	55.74	(0.01%)	(0.38)	0.21%	55.36
Lubrizol India Private Limited	0.15%	173.01	0.10%	22.24	-	0.11	0.09%	22.35
Indian Oil Petronas Private Limited	0.63%	705.29	0.48%	102.91	-	(0.09)	0.39%	102.82
Green Gas Limited	0.21%	229.64	0.13%	28.15	-	0.12	0.11%	28.27
Indian Oil Skytanking Private Limited	0.08%	84.65	0.02%	5.10	-	0.06	0.02%	5.16
Delhi Aviation Fuel Facility Private Limited	0.08%	91.97	(0.02%)	(4.60)	-	-	(0.02%)	(4.60)
Indian Synthetic Rubber Private Limited	0.18%	199.02	0.55%	119.22	-	(0.02)	0.46%	119.20
Indian Oil Ruchi Biofuels LLP	-	-	-	-	-	-	-	-
NPCIL - IndianOil Nuclear Energy Corporation Limited	-	0.37	-	0.02	-	-	-	0.02
GSPL India Transco Limited	0.11%	125.20	(0.08%)	(16.92)	-	0.03	(0.06%)	(16.89)
GSPL India Gasnet Limited	0.36%	403.26	0.02%	4.21	-	0.06	0.02%	4.27
IndianOil Adani Gas Private Limited	0.37%	413.63	(0.04%)	(9.12)	-	(0.05)	(0.04%)	(9.17)
Mumbai Aviation Fuel Farm Facility Private Limited	0.08%	87.24	-	0.39	-	-	-	0.39
Kochi Salem Pipelines Private Limited	0.17%	192.94	(0.01%)	(1.99)	-	-	(0.01%)	(1.99)
IndianOil LNG Private Limited	(0.14%)	(154.11)	(0.08%)	(16.74)	-	0.04	(0.06%)	(16.70)
Hinduatan Urvarak and Rasayan Limited	1.01%	1,129.66	(0.02%)	(4.84)	-	-	(0.02%)	(4.84)
Ratnagiri Refinery & Petrochemicals Limited	0.06%	63.82	(0.04%)	(8.73)	-	-	(0.03%)	(8.73)
Indradhanush Gas Grid Limited	0.05%	57.92	-	0.41	-	-	-	0.41
IHB Private Limited	0.74%	829.51	0.01%	3.11	-	-	0.01%	3.11
IndianOil Total Private Limited	0.01%	6.39	(0.01%)	(1.11)	-	-	-	(1.11)
Foreign							-	-
Suntera Nigeria 205 Ltd.	(0.15%)	(171.52)	(0.07%)	(15.70)	0.13%	5.68	(0.04%)	(10.02)

NOTES TO FINANCIAL STATEMENTS

Note - 46: ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS AS PER SCHEDULE-III TO COMPANIES ACT, 2013 (Contd..)

Name of the Enity	Net Assets		Share in Profit/ (loss) after Tax		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Total	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)	As % of Total*	Amount (₹ in Crore)
Associates								
Indian								
Avi-Oil India Private Limited	0.02%	17.52	-	0.77	-	0.08	-	0.85
Petronet VK Limited	-	-	-	-	-	-	-	-
Petronet LNG Limited	1.31%	1,465.65	1.65%	356.79	-	-	1.36%	356.79
Petronet India Limited	-	0.47	-	-	-	-	-	-
							-	-
Intra Group Eliminations	(17.70%)	(19,782.42)	(5.39%)	(1,169.92)	(0.27%)	(12.46)	(4.51%)	(1,182.38)
TOTAL	**100.00%**	**1,11,838.05**	**100.00%**	**21,638.21**	**100.00%**	**4,521.56**	**100.00%**	**26,159.77**

Note:

1. Figures in respect of Joint Operations as mentioned in Note 34 have been included in the financial statements of Indian Oil Corporation Ltd & Subsidiary Companies and in respect of other Joint Ventures/Associates of Subsidiary Companies, the same has been included in the financial statements of respective subsidiary company.

2. Following Companies have not been consolidated in the consolidated financial statements as the Management has decided to exit from these Entities and provided for full dimunition in value of investment:

   a) Petronet CI Ltd.

   b) Indian Oil Ruchi Biofuels LLP

   c) Indian Catalyst Private Limited

3. Group's share of loss in Petronet VK Limited amounting to ₹ **4.55 Crore** (2020: loss of ₹ 3.74 Crore) has not been recognised as the company has accumulated losses as on 31.03.2021. The Groups's share of unaccounted accumulated losses as on 31st March 2021 stands at ₹ **56.07 Crore** (2020: ₹ 51.52 Crore).

Note–47: ADDITIONAL DISCLOSURES BY GROUP COMPANIES

1 Impairment loss in respect of Cauvery Basin Refinery

CPCL (Subsidiary) has refineries at two locations viz., Manali and Nagapattinam (Cauvery Basin Refinery). Consequent to implementation of BS-IV specifications on a pan India basis w.e.f April 1, 2017 and in the absence of secondary treatment facilities, the BS-III grade of diesel production from CBR would not be marketable in the local market, entailing significant coastal/export under recoveries, which has adversely impacted the profitability of CBR and the operations of the CBR unit have been stopped from April 1, 2019. Accordingly, value in use is negative and, the recoverable value of the assets was reviewed and it is estimated that there would not be any recoverable value for the same. Considering Nil recoverable value of the assets, an amount of ₹ **1.59** (2020: ₹ 54.42 Crore) has been accounted as impairment loss during the year, (including capital work in progress), in line with the requirements of Ind AS -36. The total impairment loss recognised as at March 31, 2021 is ₹ **123.06 Crore** (2020: ₹ 121.47 Crore).]

The impairment provision is sensitive to changes in key judgements, such as changes in commodity prices, future changes in alternate use of assets etc, which could result in increase or decrease of the recoverable amounts and result in additional impairment charges or recovery of impairment charged.

2 During the previous year, CPCL (Subsidiary) has opted to settle pending disputed cases under the Direct Tax Vivad se Vishwas Act, 2020. The gross amount of tax dispute foregone is ₹ 269.54 Crore and provision for ₹ 94.51 Crore has been included in current tax expense and the same is subject to receipt of final orders from Income Tax Authorities. The procedural complainces in this regard is under progress.

NOTES TO FINANCIAL STATEMENTS

Note–47: ADDITIONAL DISCLOSURES BY GROUP COMPANIES (Contd..)

3 Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961, the CPCL (Subsidiary) has an option to pay corporate income tax at the rate of 22% plus applicable surcharge and cess (lower rate) as against the earlier rate of 30% plus applicable surcharge and cess, subject to certain conditions. Considering all the provisions under said section 115BAA of the Income Tax Act, 1961 the CPCL (Subsidiary) has decided to avail the lower rate from FY 2019-20.

Accordingly, the CPCL (Subsidiary) has recognised Provision for Income tax for the year ended 31st March, 2021 and re-measured the net Deferred Tax Liabilities at the lower rate. Further, the Minimum Alternate Tax balance as on 31st March, 2020 has not been carried forward as per provision of Section 115BAA of the Income Tax Act, 1961. The MAT balance of ₹ 599.99 Crore and the net impact on deferred tax due to this change is ₹ 93.77 Crore is accounted as Tax expense during the year.

The recognition of deferred tax assets / liability is based on the "Asset and liability method", determined on the basis of difference between the financial statement and tax bases of the assets and liabilities, by using the enacted tax rates applicable to the CPCL (Subsidiary).

The deferred taxes are recognised to the extent, they are more likely than not to be realised, based on the best estimates as at the balance sheet date. In making such estimates, all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and pricing assumptions based on the past trend are considered. Such estimates are subject to significant fluctuations in earnings and timing of such earnings.

Note–48: OTHER DISCLOSURES

1 In order to provide clean cooking fuel to BPL families, Government has approved "Pradhan Mantri Ujjwala Yojana (PMUY)" scheme where free LPG connections are issued by Oil Marketing Companies (OMCs) to the women belonging to the Below Poverty Line (BPL) households as per SECC -2011 (Rural) database. The scheme was launched on May 1, 2016. As per the scheme, the initial cost towards connection charges (Refundable deposit) would be borne by the Central Government for each card holder. Few State Governments have also extended this scheme to other beneficiaries. As per the scheme, OMCs would provide an option for EMI/Loans towards cost of burner and 1st refill to the PMUY consumers. The loan amount is to be recovered from the subsidy amount payable by the government to the customers on each refill sale. During the year, discounting of the loan has been done based on assumption of 3 refills in a year and average subsidy of ₹ 44.69 per cylinder as loan recovery.

The amount of outstanding as at March 31, 2021 towards PMUY claim from Central Government is **₹ 6.38 Crore** (2020: ₹ 468.54 Crore) and loan to PMUY consumers is **₹ 3,022.58 Crore** (2020: ₹ 3,185.64 Crore) (net of recovery through subsidy). Against the above loan, a provision for doubtful loans amounting to **₹ 910.45 Crore** (2020: ₹ 553.19 Crore) has been created as at March 31, 2021 against the beneficiaries who have not taken any refill for more than 12 months based on expected credit loss(ECL) model and applying experience factor based on experience ratio of more than 12 months. (Also refer Credit Risk under Note 41).

On account of decline in subsidy amount of LPG cylinders in current year, the Parent Company has remeasured the gross carrying amount of PMUY loan as at Balance Sheet date based on revised estimated future contractual cash flows resulting in reduction in PMUY loans by ₹ 847.08 Crore which has been charged to Statement of Profit and Loss in Note 29.1 under the head ""Amortisation and Remeasurement of PMUY Assets""

2 During the year, Parent Company settled old dispute with Delhi Development Authority (DDA) pertaining to demand of license fee towards Retail Outlets with DDA based on decision of the Committee of Secretaries under Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD). Consequently provision of ₹ 205.38 Crore has been written back and included in Revenue from operations.

3 The Government of India had announced a relief package under Pradhan Mantri Garib Kalyan Yojna (PMGKY) to the Poor families affected by the pandemic. This scheme entailed PMUY consumers to avail a sequential advance towards purchase of three refill cylinders. The scheme was initially for the period beginning from 01.04.2020 and ending on 30.06.2020 which was subsequently extended up to 31.12.2020 to allow PMUY Beneficiaries to uplift refill against the transferred advance, and thereby enabling OMC to claim from MoPNG for such refill against the advance transferred.

Accordingly, the Parent Company during the year transferred advance of **₹ 4,541.05 Crore** (2020: Nil) to PMUY beneficiaries out of which **₹ 4,374.16 Crore** (2020: Nil) were utilised by the customers towards refills leaving an outstanding of ₹ 166.89

NOTES TO FINANCIAL STATEMENTS

Note–48: OTHER DISCLOSURES (Contd..)

Crore as on 31.03.2021. Doubtful provision has been made for the said unutilised amount and included under the head "Impairment Loss on Financial Assets" on the face of Statement of Profit and Loss , representing the difference between advance amount as against RSP on the date of upliftment of refill and advance against which no upliftment of refill has taken place and thereby claim could not be submitted by Parent Company.

4 A new Joint venture is proposed to be formed between IOCL(Parent Company) and CPCL (Subsidiary) with combined equity holding of 50% and balance to be retained by strategic / public investors for construction of new 9 MMTPA refinery at Cauvery Basin Nagapattinam. The land and other facilities held by parent company at its Narimanam Marketing Terminal, presently shown under the property Plant and Equipment, having WDV of ₹ 81.93 Crore (Gross Block: ₹ 151.39 Crore) will be transferred to the new Joint venture. Similarly pre-project feasibility study expenditure of **₹ 55.13 Crore** (2020: ₹ 49.66 Crore) under Capital Work in progress and **₹ 241.80 Crore** (2020: ₹ 222.29 Crore) under Intangibles under development in the books of subsidiary will also be transferred to the joint venture. Pending finalisation of modalities of transfer and approvals, these assets continue in respective books of parent / subsidiary as on March 31, 2021.

5 Pursuant to the Board approval for formation of a Joint Venture company between Indian Oil Corporation Ltd (Parent Company) and Coal India Ltd for transfer of explosives business to the said venture Company on slump sale basis at a value of ₹ 311.00 Crore (Net Assets WDV of ₹ 82.69 Crore as at March 31, 2020), consent of Niti Ayog was initially received for formation of the JV vide letter dated April 27, 2018. However, the formation of the JV is not carried forward on account of subsequent communication dated July 11, 2018 from MoPNG. The matter is under deliberation and accordingly, the explosive business continues to be in operation as at March 31, 2021. The Net Asset WDV of the business as at March 31, 2021 is ₹ 77.49 Crore.

6 In line with the conditions specified in Environment Clearance Certificates issued by Ministry of Environment, Forest and Climate Change (MoEFCC) at the time of commencement of the project, during the year, the Parent Company has recognised a cumulative liability towards environmental responsibility as project cost for the ongoing projects of ₹ 174.9 Crore and completed projects of ₹ 421.19 Crore.

7 Pursuant to the order of Honorable High Court of Odisha in the Feb' 2012 for removal of shoals from the upstream of Mahanadi Barrage and Construction of Water Treatment plant in Cuttack, Parent Company was treating the expenditure as enabling Asset for its Paradip Refinery which was commissioned in March 2016. In the financial year 2019-20, out of the total advance of ₹ 231.44 Crore, an amount of ₹ 147.10 Crore was shown as Construction-Work in Progress based on Utilisation Certificate received from the authorities and the balance amount of ₹ 84.34 Crore was shown as Advance for Capital Expenditure (Note-8). The balance unpaid amount of ₹ 146.96 Crore was shown under Capital Commitment (Note-37).

During the year, Parent Company has received an opinion from the Expert advisory Committee (EAC) of Institute of Chartered Accountant of India (ICAI) which opined that above expenses are directly attributable for bringing the refinery assets into operation and therefore should be capitalised along with Refinery. Accordingly, the Parent Company has capitalised the entire cost of ₹ 382.37 Crore by providing unpaid liability amounting to ₹ 33.19 Crore.

8 During the year, vessel MT New Diamond carrying crude cargo for Paradip Refinery met with fire incidence near Sri Lankan Coast and had to be towed to port of refuge, Kalba, UAE for Ship-to-Ship (STS) operations with the help of salvors. General Average claims arising out of such salvage, towing and STS operations in respect of vessel MT New Diamond is yet to be finalised by General Adjuster appointed for the purpose. The liability arising out of General Average claims is fully insured under Marine Insurance Policy except to the extent of excess clause, for which necessary provision amounting to ₹ 6.84 Crore is made in the books of accounts of Parent Company.

9 The Parent Company has net recoverable capital advances of ₹ 103.53 Crore and trade receivable of ₹ 8.40 Crore from parties which have been referred to National Company Law Tribunal (NCLT). In respect of capital advances provision of **₹ 9.36 Crore** (2020: Nil) is recognised after considering the available bank guarantees and no further provision is considered as the matter is subjudice. For trade receivable no provision have been created considering available bank gurantees.

10 Pursuant to the opinion of EAC of ICAI on treatment of Marine Cum Erection policy cost, Parent Company has charged an amount of ₹ 40.51 Crore as insurance cost under Note 29.1 in respect of ongoing projects and projects completed during the year.

11 During the year, Diamond Gas International (DGI) cancelled FOB LNG Cargoes scheduled to be loaded from Cameron LNG Project in USA, due to Force Majeure event - Hurricane Laura and Hurricane Delta. The Parent Company has created a provision of ₹ 288.38 Crore against advance paid to DGI, recognised ₹ 23.53 Crore payable to DGI under LNG Sale and Purchase Agreement as Miscellaneous Expenses and recognised ₹ 60.79 Crore as shipping cost settled with shippers.

NOTES TO FINANCIAL STATEMENTS

Note–48: OTHER DISCLOSURES (Contd..)

12 During the financial year 2019-20, the MAT Credit Entitlement as on April 1, 2019 amounting to ₹ 1,921.13 Crore was written off in the books of accounts upon exercising the option to pay tax at lower rates from Assessment Year 2020-21 as per provision of Section 115BAA of the Income Tax Act, 1961. However, the same is available for utilisation against any tax liabilities pertaining to past years i.e prior to Assessment Years 2020-21. During the current financial year, on account of increase in the tax liabilities pertaining to the past years, MAT Credit Entitlement previously written off, has been adjusted by ₹ 1,099.27 Crore by the Parent Company.

13 During the current financial year, the Parent Company has opted for settlement of eligible Income Tax disputes for the Assessment Years 1987-88 to 2010-11 through Vivad se Vishwas Scheme introduced by the Government of India vide The Direct Tax Vivad Se Vishwas Act, 2020. As per the provisions of the scheme liability has been assessed at ₹ 2,420.82 Crore in respect of said years. Accordingly, during the year, an additional amount of ₹ 1,582.44 Crore has been accounted for as current tax expense in the Statement of Profit and Loss towards the aforesaid scheme over and above the existing provision of ₹ 838.49 Crore which was being carried in the Books of account and contingent liability amounting to ₹ 625.09 Crore in respect of the said years has been reduced to Nil.

14 The Parent Company is consistently valuing its inventories at Cost or Net Realisable Value (NRV), whichever is lower and for this purpose NRV is derived is based on specified subsequent period as per regular practice. During previous financial year 2019-20, unprecedented situation caused by global outbreak of Covid-19 pandemic lead to demand reduction and significant fall in oil prices. Further, national lockdown from March 25, 2020 resulted in decline in demand necessitating the Parent Company to consider a longer time period than that as per regular practice for deriving NRV and the NRV so derived was compared with cost. As a result of considering a longer time period and fall in prices, value of inventories as on March 31,2020 were written down by ₹ 11,304.64 Crore, which was treated as Exceptional Item considering its nature and size.

15 A Memorandum of Understanding (MoU) dated October 9, 2020 is entered between the Parent Company and the Government of India, setting various performance parameters for the Parent Company including capital expenditure (Capex). In this regard, the amount of Capex on major capital projects and creation of additional facilities by the Parent Company and its proportionate share of similar Capex by its Subsidiaries, Joint Ventures and Associates during the financial year 2020-21 are given below:

(₹ in Crore)

Name of the Company/ Subsidiary	Capex	IOCL Share (%)	IOCL Share
Indian Oil Corporation Limited			23,752.80
Chennai Petroleum Corporation Limited	578.58	51.89	300.23
Indian Oil (Mauritius) Limited	17.19	100.00	17.19
Lanka IOC PLC	12.00	75.12	9.01
IOCL (USA) Inc	1.59	100.00	1.59
Ind Oil Global BV	629.75	100.00	629.75
IOC Singapore Pte Limited	793.11	100.00	793.11
Proportionate Capex by Joint Ventures & Associates listed in Note 33B			3,600.54
Total Capex by IOCL and its Subsidiaries, Joint Ventures & Associates			**29,104.22**

1. The above excludes capex amounting to ₹ 3,012.00 Crore on refinancing towards capex of earlier financial years and acquisition of equity / debt instruments from third parties, which is shown under Investments.
2. The Capex for this purpose has been computed considering the movements during the year in Property, Plant & Equipment; Intangible Assets; Construction Work in Progress (CWIP); Intangible Assets Under Development (IAUD) & Capital Advances.
3. The total capital expenditure in respect of subsidiaries, joint ventures & associates and parent company's share of such capital expenditure as disclosed above have not been audited by the Central Statutory Auditors (CSA) of the parent company. This information has been furnished to CSA by the parent company's management, which in-turn is based on Auditor / Management certificate received from the respective entities and has been relied upon by CSA.

16 The impact of Covid-19 pandemic on lives of people from every walk of life continued during the year and effected all business and economic activities globally. The national lock down imposed in last week of Mar 2020 lasted till May'2020 and the restrictions were gradually relaxed over a period extending unto third quarter. This skewed demand for petroleum products by reducing need for transportation fuels and increasing demand domestic fuel.

NOTES TO FINANCIAL STATEMENTS

Note–48: OTHER DISCLOSURES (Contd..)

The Group continued to meet energy demand of the nation under Essential Services, by modifying the production plans at its refineries and balancing it with import of products. The Group reorganised itself in tune with the new normal without any disruption in the supply chain or compromising with the internal controls. The demand for all petroleum products resumed to normal levels from the second half of the financial year. However, as Tourism and Airline industries had been hit worst by the pandemic, the demand for aviation fuel had not normalised.

The Group has taken into account all the possible impacts of pandemic in preparation of these consolidated financial statements, including but not limited to its assessment of liquidity, recoverable values of its financial and non-financial assets, performance of contractual liability and obligations etc. The Group has carried out this assessment based on available internal and external sources of information up to the date of approval of these consolidated financial statement. However, the Group is positive on the long term business outlook as well as its financial position.

17 Purchase of crude oil from Oil India Limited and some other oilfields has been accounted for provisionally, pending finalisation of agreements with respective parties. Adjustments, if any, will be made on finalisation of agreements.

18 Transactions with other Oil Marketing Companies are jointly reconciled on an ongoing basis.

19 There are no other significant subsequent events that would require adjustments or disclosures in the Financial Statements as at Balance Sheet date, other than those disclosed above.

20 Previous year's comparative figures have been regrouped wherever necessary. Figures in brackets indicate deductions/losses.

For and on Behalf of Board of Directors

Sd/- **(S. M. Vaidya)** Chairman DIN- 06995642	Sd/- **(S. K. Gupta)** Director (Finance) DIN- 07570165	Sd/- **(Kamal Kumar Gwalani)** Company Secretary ACS-13737

As per our attached Report of even date

For G.S.MATHUR & CO. Chartered Accountants (Firm Regn. No. 008744N)	**For K.C.MEHTA & CO.** Chartered Accountants (Firm Regn. No. 106237W)	**For SINGHI & CO.** Chartered Accountants (Firm Regn. No. 302049E)	**For V. SINGHI & ASSOCIATES** Chartered Accountants (Firm Regn. No. 311017E)
Sd/- **(Rajiv Kumar Wadhawan)** Partner M.No. 091007	Sd/- **(Vishal P. Doshi)** Partner M.No. 101533	Sd/- **(Pradeep Kumar Singhi)** Partner M.No. 050773	Sd/- **(Sunil Singhi)** Partner M.No. 060854

Place: New Delhi
Dated: May 19, 2021

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Indian Oil Corporation Limited for the year ended 3I March 2021 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 auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are 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 19 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Indian Oil Corporation Limited for the year ended 31 March 2021 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(D. K. Sekar)
Director General of Audit (Energy)
Delhi

Place: New Delhi
Dated: 27-07-2021

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 INDIAN OIL CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of Indian Oil Corporation Limited for the year ended 31 March 2021 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 auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act 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 19 May 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Indian Oil Corporation Limited for the year ended 31 March 2021 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of companies mentioned in Annexure A, but did not conduct supplementary audit of the financial statements of the companies mentioned in Annexure B for the year ended on that date. Further, Section 139(5) and 143(6)(a) of the Act are not applicable to the companies mentioned in Annexure-C being private entities/entities incorporated in foreign countries under the respective laws for appointment of their statutory auditors 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.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(D. K. Sekar)
Director General of Audit (Energy)
Delhi

Place: New Delhi
Dated: 27 July 2021

Annexure-A

Name of the Companies/Subsidiaries/JVs/Associate companies of which supplementary audit has been conducted by the Comptroller and Auditor General of India

Sl. No.	Name of the Joint Venture/Subsidiary	Type of the Company
1.	Indian Oil Corporation Limited (IOCL)	Holding Company
2.	Chennai Petroleum Corporation Limited	Subsidiary
3.	Mumbai Aviation Fuel Facility Private Limited	Joint venture
4.	GSPL India Transco Limited	Joint venture
5.	GSPL India Gasnet Limited	Joint venture
6.	IHB Private Limited	Joint Venture
7.	Indradhanush Gas Grid Limited	Joint Venture

Annexure-B

Name of the Companies/Subsidiaries/JVs/Associate companies of which supplementary audit has not been conducted by the Comptroller and Auditor General of India

Sl. No.	Name of the Joint Venture/Subsidiary	Type of the Company
1.	Indian Catalyst Pvt. Limited (Formerly Indo Cat Private Ltd.)	Subsidiary
2.	Delhi Aviation Fuel Facility Private Limited	Joint venture
3.	Petronet VK Limited	Associate
4.	NPCIL-Indian Oil Nuclear Energy Corporation Limited	Joint venture
5.	Kochi Selam Pipelines Private Limited	Joint venture
6.	Ratnagiri Refinery and Petrochemicals Limited	Joint venture
7.	Hindustan Urvarak and Rasayan Limited	Joint venture
8.	Green Gas Limited	Joint venture

Annexure-C

(i) List of all Subsidiaries/JVs/Associate companies to which Sec 139(5) and 143(6) (a) of Companies Act are not applicable.

Sl. No.	Name of the Joint Venture/Subsidiary	Type of the Company
1.	Petronet LNG Limited	Associate
2.	Indian Oil Tanking Limited (Formerly IOT Infrastructure & Energy Services Limited)	Joint venture
3.	Indian Oil Petronas Private Limited	Joint venture
4.	Lubrizol India Private Limited	Joint venture
5.	Avi-Oil India Private Limited	Associate
6.	Indian Oil Skytanking Private Limited	Joint venture
7.	Indian Synthetic Rubber Private Limited	Joint venture
8.	Indian Oil Adani Gas Private Limited	Joint venture
9.	Indian Oil LNG Private Limited	Joint venture
10.	Indian Oil Panipat Power Consortium Limited	Joint venture
11.	Indian Oil Ruchi Bio Fuels LLP	Joint venture
12.	Petronet CI Limited (Under liquidation)	Joint venture
13.	Petronet India Limited	Associate

(ii) Entities incorporated outside India

Sl. No.	Name of the Joint Venture/Subsidiary	Type of the Company
1.	Lanka IOC PLC	Subsidiary
2.	Indian Oil (Mauritius) Ltd.	Subsidiary
3.	IOC Middle East FZE	Subsidiary
4.	IOC Sweden AB	Subsidiary
5.	IOCL (USA) Inc	Subsidiary
6.	IndOil Global B.V.	Subsidiary
7.	IOCL Singapore Pte Limited	Subsidiary
8.	Suntera Nigeria 205 Limited	Joint venture

IndianOil

Indian Oil Corporation Limited
[CIN – L23201MH1959GOI011388]

Regd. Office: 'IndianOil Bhavan', G-9, Ali Yavar Jung Marg, Bandra (E), Mumbai - 400051
Tel: 022-26447327, Email Id: investors@indianoil.in, Website: www.iocl.com

NOTICE

NOTICE is hereby given that the **62nd Annual General Meeting ("AGM")** of the members of **Indian Oil Corporation Limited** will be held on August 27, 2021 at 10:30 AM (IST) through Video Conference / Other Audio Visual Means ("VC/OAVM") to transact the business mentioned below. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at IndianOil Bhavan, G-9, Ali Yavar Jung Marg, Bandra (East), Mumbai - 400 051, which shall be the deemed venue of the AGM.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Standalone as well as Consolidated Financial Statements of the Company for the year ended March 31, 2021 together with Reports of the Directors and the Auditors thereon.

2. To declare the Final Dividend of ₹ 1.50 per equity share for the year 2020-21.

3. To appoint a Director in place of Dr S. S. V. Ramakumar (DIN: 07626484), who retires by rotation and is eligible for reappointment.

4. To appoint a Director in place of Shri Ranjan Kumar Mohapatra (DIN: 08006199), who retires by rotation and is eligible for reappointment.

SPECIAL BUSINESS

5. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2022.

   To consider and if thought fit to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the aggregate remuneration of ₹ 20.20 Lakhs plus applicable taxes and out of pocket expenses payable to the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the various units of the Company for the financial year ending March 31, 2022, be and is hereby ratified."

Registered Office:
IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai - 400 051
Date: July 27, 2021

By Order of the Board of Directors

Sd/-
(Kamal Kumar Gwalani)
Company Secretary
(ACS: 13737)

NOTES

1. Pursuant to the General Circular nos. 14/2020, 17/2020, 20/2020 & 02/2021 issued by the Ministry of Corporate Affairs ("**MCA**") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 & SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the Securities and Exchange Board of India ("**SEBI**") (hereinafter collectively referred to as ("**the Circulars**"), companies are allowed to hold AGM through VC/OAVM, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.

2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. However, MCA while granting the relaxations to hold the AGM through VC/OAVM has also provided exemption from the requirement of appointing proxies. Hence for this AGM the facility for appointment of proxy by the members is not being provided. Accordingly, the proxy form, attendance slip and the route map of the venue have also not been provided along with the notice. The members are requested to participate in the AGM in person through VC /OAVM from their respective location.

3. In compliance with Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR)**"), the top 100 Listed Companies, as per market capitalization, are required to provide the facility of Live Webcast of the proceedings of the General Meeting. As this AGM is being conducted through VC/OAVM, the requirement of webcast under SEBI (LODR) is being complied with.

4. Members of the Company under the category of Institutional / Corporate Members are encouraged to attend and vote at the AGM, through VC/OAVM. Institutional / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or Governing Body Resolution / Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorisation should be sent to the Scrutiniser by email from the registered email address of the member to info@dholakia-associates.com with a copy marked to evoting@nsdl.co.in.

5. A statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013 and rules notified thereunder ("**the Act**"), relating to the Special Business to be transacted at the AGM is annexed hereto. The relevant details, pursuant to Regulations 36(3) of the SEBI (LODR) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director(s) seeking re-appointment at this AGM is also annexed.

6. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM.

7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection to the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without payment of any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. August 27, 2021. Members seeking to inspect such documents can send an email to ioclagm@indianoil.in.

8. The Board of Directors of the Company has recommended a final dividend of ₹ 1.50 per share. The Company has fixed **Friday, August 6, 2021 as the 'Record Date'** for determining entitlement of members to receive final dividend for the year ended March 31, 2021, if approved, at the AGM. The final dividend, once approved by the members in the AGM, will be paid to the eligible shareholders within the stipulated period of 30 days of declaration.

9. The dividend will be paid through electronic mode to those members whose updated bank account details are available. For members whose bank account details are not updated, dividend warrants / demand drafts will be sent to their registered address. To avoid delay in receiving dividend, members are requested to register / update their bank account details.

10. Members may send their requests for change / updation of address, bank account details, email address, nominations, etc.:

    (i) **For shares held in dematerialised form** - to their respective Depository Participant;

    (ii) **For shares held in physical form** - to the Registrar & Transfer Agents ("**RTA**") i.e. KFin Technologies Pvt. Ltd. (KFin), Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Hyderabad - 500 032; Toll Free No. 1800 309 4001; E-mail Address: einward.ris@kfintech.com.

11. Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company is taxable in the hands of members. The Company shall therefore be required to deduct tax at source("**TDS**") at the time of making the payment of dividend. In order to enable us to determine the applicable TDS rate, members are requested to submit the relevant documents on or **before Friday, August 13, 2021**. The detailed communication regarding TDS on dividend is provided on the link: https://iocl.com/pages/notices-overview

    Kindly note that no documents in respect of TDS would be accepted from members after August 13, 2021.

12. As per Regulation 40 of SEBI (LODR), as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except for request received for transmission or transposition of securities. In view thereof and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to convert their holdings to dematerialised form. Members can contact the Company or the RTA for assistance in this regard.

13. Non-Resident Indian members are requested to inform the RTA immediately about:

    (i) Change in their residential status on return to India for permanent settlement.

    (ii) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

14. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market failing which the demat account / folio no. would be suspended for trading. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA at the address mentioned above.

15. As per the provisions of section 124(5) of the Act the dividend(s) which remains unpaid / unclaimed for a period of 7 years is to be transferred to the Investor Education & Protection Fund ("**IEPF**") established by the Central Government at the end of the 7th year. Accordingly, the Company has transferred all unpaid / unclaimed dividend declared upto the financial year 2012-13 to IEPF on the respective due dates. Further, section 124(6) of the Act provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the demat account of IEPF authority.

    The Company had sent reminder letter to all such members, whose dividend had remained unpaid / unclaimed for a consecutive period of 7 years i.e. 2012-13 to 2019-20, with a request to claim the dividends, failing which the shares would be transferred to the IEPF Authority on the due date. Thereafter, such shares were transferred to the demat account of the IEPF authority on November 19, 2020. The details of such shares are hosted on the website of the Company www.iocl.com.

    It may please be noted that, upon completion of 7 years, the Company would transfer the unpaid / unclaimed dividend for the financial year 2013-14 on or before October 25, 2021. Further, the shares in respect of which dividend has remained unpaid / unclaimed for a consecutive period of 7 years i.e. from 2013-14 to 2020-21, would also be transferred to the demat account of IEPF authority on or before October 25, 2021. The details of such unpaid / unclaimed dividend(s) as well as shares liable to be transferred to the IEPF are hosted on the website of the Company www.iocl.com.

    Section 125 of the Act provides that a member whose dividend / equity shares have been transferred to the IEPF shall be entitled to claim refund therefrom. The procedure for claiming the unpaid dividend and equity shares transferred to the IEPF Authority is provided on the following link: http://www.iepf.gov.in/IEPF/refund.html.

    To avoid transfer of unpaid dividends / equity shares, the members are requested to write to the RTA at the address mentioned above or to the Company for claiming the unpaid / unclaimed dividend.

16. Pursuant to Sections 101 and 136 of the Act read with Companies (Management and Administration) Rules, 2014 and SEBI (LODR), the Annual Report of the Company is required to be sent through email to those members whose email address is registered and in physical form to those members who have not registered their email address. However, as permitted by SEBI and MCA, the Notice of the AGM along with the Integrated Annual Report 2020-21 is being sent only through electronic mode to those members whose email address is registered with the Company/ Depositories. Members may note that the Notice and Integrated Annual Report 2020-21 are also available on the Company's website www.iocl.com, website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited ("**NSDL**") www.evoting.nsdl.com.

17. **Instructions for e-voting and joining the AGM are as under:**

    (i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (LODR), the members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

    (ii) The cut-off date to be eligible to vote by electronic means is Friday, August 20, 2021.

    (iii) The voting rights of members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on the cut-off date i.e. **August 20, 2021**.

    (iv) The remote e-voting period would commence on **9:00 am (IST) on Monday, August 23, 2021 and shall end at 5 pm (IST) on Thursday, August 26, 2021**. During this period, members holding shares either in physical form or in dematerialised form, as on cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those members, who intend to participate in the AGM through VC/OAVM facility and could not cast 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 during the AGM.

(v) The Company has appointed Shri Nrupang Dholakia of Dholakia & Associates LLP, a practicing Company Secretary, as Scrutiniser and in his absence Shri B. V. Dholakia of Dholakia & Associates LLP to scrutinise the voting process in a fair and transparent manner.

(vi) The members who cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

(vii) Any person, holding shares in physical form and non-individual members, who acquires the shares of the Company after the dispatch of the notice and holds shares as on the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. If a member is already registered with NSDL for remote e-voting, then such member can use existing user ID and password for e-voting. If you forget the password, the same can be reset by using "**Forgot User Details / Password**" or "Physical User Reset Password" option available on www.evoting.nsdl.com or by calling on toll free no. 1800 1020 990 / 1800 22 44 30.

An individual member holding shares in demat mode, who acquires the shares of the Company after dispatch of the notice and holding shares as on the cut-off date may follow Step 1 "**Access to NSDL e-Voting system**" as mentioned below.

(viii) Details of the process and manner for remote e-voting and voting during the AGM are explained below:

Step 1: Access to the e-voting system

(A) **Login method for e-voting and joining virtual meeting by Individual Members holding securities in demat mode**

In terms of the SEBI circular dated December 9, 2020 on the e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting process has been enabled for all individual Members holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Members are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	**I. NSDL IDeAS facility** **If the user is registered for the NSDL IDeAS facility:** (a) Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or mobile phone. (b) Once the homepage of e-Services is launched, click on the "**Beneficial Owner**" icon under "**Login**" which is available under "**IDeAS**" section. (c) A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. (d) Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. (e) Click on options available against Company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. **If the user is not registered for IDeAS e-Services:** (a) The option to register is available at https://eservices.nsdl.com. (b) Select "**Register Online for IDeAS**" Portal or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp (c) Upon successful registration, please follow steps given in points (a) to (e) above.

Type of Members	Login Method
	II. E-voting website of NSDL (i) 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 mobile phone. (ii) Once the homepage of e-Voting system is launched, click on the "**Login**" icon available under '**Shareholder / Member**' section. (iii) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. (iv) After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Members holding securities in demat mode with CDSL	(1) Existing users who have opted for Easi / Easiest, can login through their user id and password. The option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. (2) After successful login on Easi / Easiest, the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting **service provider("ESP") i.e. NSDL**. Click on **NSDL** to cast your vote. (3) If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration (4) Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile number and email as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

Important note: Members who are unable to retrieve User ID / Password are advised to use "**Forgot User ID**" and "**Forgot Password**" option available on the above-mentioned website.

Helpdesk for individual Members holding securities in demat mode for any technical issues related to login through depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 or 1800 22 44 30
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login method for e-voting and joining the virtual meeting for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.

1. Visit the e-voting website of NSDL. Open the web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile phone.

2. Once the homepage of e-voting system is launched, click on the icon "**Login**", available under '**Shareholder / Member**'.

3. A new screen will open. You will have to enter your User ID, Password / OTP and a verification code as shown on the screen.

4. Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log in to NSDL e-services using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically on NSDL e-voting system.

5. 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 (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 (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 (For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***)

6. Password details for Members other than individual Members are given below:

   (a) If you are already registered for e-voting, then you can use your existing password to log in 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**' for the system to prompt you to change your password.

   (c) How to retrieve your '**initial password**'?

   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 your NSDL account, or the last 8 digits of your 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**'.

7. 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 hold shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   (b) Physical User Reset Password? (If you hold shares in physical mode) option available on www.evoting.nsdl.com.

   (c) If you are still unable to get the password by the above two options, you can send a request to 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 their vote on the e-voting system of NSDL.

8. After entering your password, tick on "**Agree with Terms and Conditions**" by selecting on the check box.

9. Now, you will have to click on the "**Login**" button.

10. After you click on the "**Login**" button, the homepage of e-voting will open.

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

1. After successfully logging in following Step 1, you will be able to see the EVEN of all companies in which you hold shares and whose voting cycle is in active status
2. Select the EVEN of Indian Oil Corporation Limited
3. Now you are ready for e-voting as the voting page opens
4. Cast your vote by selecting the appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on the "**Submit**" and "**Confirm**" buttons when prompted
5. Upon confirmation, the message, "**Vote cast successfully**", will be displayed
6. You can also take a printout of the votes cast by you by clicking on the "**Print**" option on the confirmation page
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

Process for procuring user ID and password for e-voting for those Members whose email ID is not registered with the depositories / Company

Members may sent a request to evoting@nsdl.co.in for procuring user ID and password for e-Voting:

1. In case shares are held in physical mode, please provide Folio Number, name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card)
2. In case shares are held in demat mode, please provide DP ID and Client ID (16-digit DP ID + Client ID or 16-digit beneficiary ID), name of member, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card)
3. If you are an Individual Member holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting and voting during the meeting for Individual Members holding securities in demat mode
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility

General guidelines for e-voting

1. It is strongly recommended that you do not 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 www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available in the download section of www.evoting.nsdl.com or call on the toll-free number: 1800 1020 990 / 1800 224 430, or contact Mr Amit Vishal, Senior Manager, or Ms Pallavi Mhatre, Manager, NSDL, at the designated email IDs: evoting@nsdl.co.in to get your grievances on e-voting addressed.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Members will be provided with a facility to attend the AGM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, members can click on "**VC/OAVM link**" placed under "**Join General Meeting**" menu against company name. The link for VC/OAVM will be available in Shareholder/Member 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 mentioned above to avoid last minute rush.
2. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for members on first come first serve basis.
3. Members who need assistance before or during the AGM, can call on the toll free number 1800 1020 990 / 1800 224 430 or contact Mr Amit Vishal, Senior Manager, NSDL or Mr Sagar Ghosalkar, Assistant Manager, NSDL at evoting@nsdl.co.in.

4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at ioclagm@indianoil.in **from August 23, 2021 to August 25, 2021**. Those members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions:

1. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the electronic votes cast during the AGM and thereafter unblock and count the votes cast through remote e-voting and make a consolidated Scrutiniser's Report and submit the same to the Chairman or any other person authorised by him. The result will be declared within the prescribed time period.

2. The result declared along with the Scrutiniser's Report shall be placed on the Company's website www.iocl.com and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

A BRIEF RESUME OF DIRECTORS PROPOSED TO BE REAPPOINTED IS GIVEN BELOW:-

Item No. 3 - To appoint a Director in place of Dr S. S. V. Ramakumar (DIN: 07626484), who retires by rotation and is eligible for reappointment.

Dr S. S. V. Ramakumar, Director (Research & Development), aged 58 years was inducted on the Board of the Company on February 1, 2017 for a period of 5 years. He is a Ph.D in Chemistry from the University of Roorkee (now known as IIT Roorkee). He joined IndianOil, R&D Centre in 1988 and has over three decades of experience in research and development and downstream hydrocarbon sector notably in the areas of Refinery process research streams, Automotive Lubricants, Nano-technology Research, Technology promotion & forecasting, Tribology etc. To his credit, Dr Ramakumar has over 150 research publications in national and international journals and more than 50 granted patents. He is also a Non-Executive Director on the Board of Lanzatech New Zealand Ltd.,

Number of Board Meetings attended during 2020-21: 11

Details of Directorships in other listed companies: NIL

Membership / Chairmanship in the Committees of other companies: NIL

No. of Shares held in the Company as on date: 9300

Disclosure of inter-se relationships between directors and key managerial personnel: None

Item no. 4 - To appoint a Director in place of Shri Ranjan Kumar Mohapatra (DIN: 08006199), who retires by rotation and is eligible for reappointment.

Shri Ranjan Kumar Mohapatra, Director (Human Resources), aged 57 years was inducted on the Board of the Company on February, 19, 2018 for a period of 5 years. He is a Mechanical Engineer from BITS, Pilani and a Post-Graduate in Management from Xavier Institute of Management, Bhubaneswar. Shri Mohapatra has over three decades of experience in the petroleum industry and has handled various assignments in the Marketing Division of the Company including Terminal Operations, Supply Chain Management & Logistics. Shri Mohapatra was also one of the chief architects of the auto-fuel quality (BS-III/BS-IV) upgradation programmes of Oil Companies in India. He is also the Non-Executive Chairman of Lanka IOC Plc and IndianOil (Mauritius) Ltd., overseas subsidiaries of the Company.

Number of Board Meetings attended during 2020-21: 11

Details of Directorships in other listed companies: NIL

Membership / Chairmanship in the Committees of other companies: NIL

No. of Shares held in the Company as on date: 9600

Disclosure of inter-se relationships between directors and key managerial personnel: None

STATEMENT SETTING OUT THE MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5 - To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2022.

The Board, on the recommendation of the Audit Committee, has approved the appointment of following Cost Auditors at an aggregate remuneration of ₹ 20.20 Lakhs plus applicable taxes and out of pocket expenses to conduct the audit of the cost records of the various units of the Company for the financial year ending March 31, 2022:

Sl. No.	Name of the Cost Auditor	Audit Fees (₹)
1.	Narasimha Murthy & Co., Hyderabad	7,05,000/-
2.	K G Goyal & Associates, New Delhi	6,55,000/-
3.	DGM & Associates, Kolkata	1,65,000/-
4.	G. R Kulkarni & Associates, Mumbai	3,30,000/-
5.	P. Raju Iyer, M. Pandurangan & Associates, Chennai	1,65,000/-
	TOTAL	**20,20,000/-**

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022, as approved by the Board.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, interested or concerned financially or otherwise in the resolution.

The Board, therefore, recommends the Ordinary Resolution for approval by members.

Registered Office:
IndianOil Bhavan,
G-9, Ali Yavar Jung Marg,
Bandra (East),
Mumbai - 400 051
Date: July 27, 2021

By Order of the Board of Directors

Sd/-
(Kamal Kumar Gwalani)
Company Secretary
(ACS: 13737)

Notes

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